

Canebrake Water Board Financial Reporting

Board Meeting
March 11, 2023

Version March 11



Income & Expenses, Budgeted vs Actual - income and expenses for actual & estimated Year to Date - July 2022 to February 2023

	Actual	Budgeted	% Budget	Description
Total Incomes	\$37,124	\$36,674	101	Total Income YTD
Access Fees	\$18,480	\$18,480	100	Water connection income
Water Sales	\$5,906	\$6,412	92	Water usage income
Property Taxes	\$11,785	\$10,714	110	Performing City Function
Misc Income	\$349	\$666	52	Donations, Meters?
Total Expenses	\$31,248	\$36,265	86	Total Expenses YTD
Salaries	\$10,200	\$12,026	85	Water Manager & Tractor Employees
Payroll (taxes)	\$822	\$1,173	70	Social, medicare, unemployment taxes (payroll expenses)
Water Testing	\$2,683	\$2,100	128	Testing Quality of Water
Vehicles	\$268	\$2,166	12	Car and Tractor Maintenance (transport & delivery maintenance)
Contracts (accountant)	\$3,200	\$3,500	91	Accountant Fees
Insurance	\$7,050	\$5,636	125	Liability and Workman's Comp for Water Manager and Tractor Employees

% Budget ~ 100 = good prediction, > 100 over budget, < 100 under budget

- Incomes accurately budgeted
- Expenses accurately budgeted
- Incomes cover Expenses but do not contribute to Reserves

Income & Expenses, This Year vs Last - income & expenses, last 2 months & 2 months last year January to February 2023 and 2022

Income Type	Amount 2023	Amount 2022	Description
Access Fees	\$4,620	\$4,620	Water connection income
Water Sales	\$1,160	\$1,948	Water usage income (metered)
Property Taxes	\$3,434	\$3,950	Performing City Function
Misc Income	-	-	Donations, Meters
Interest Income	\$139	\$74	Interest Savings
Total Incomes	\$9,355	\$10,593	

Expense Type	Amount 2023	Amount 2022	Description
Salaries	\$1,600	\$3,200	Water Manager & Tractor Employees
Payroll (taxes)	\$122	\$244	Social, medicare, unemployment taxes
Water Testing	\$947	\$1246	Testing Quality of Water
Vehicles	\$187	\$13,164	Car and Tractor Maintenance
Contracts (accountant)	\$800	800	Accounting Fees
Insurance	-	-\$28	Liability and Workman's Comp for Water Manager and Tractor Employees
Depreciation	\$1037	\$1037	
Other	\$102	\$775	Misc, Office Supplies
Total Expenses	\$6,446	\$25,396	Last year; audit \$4k, \$13k vehicle cost

2022 Car and Tractor Maintenance high due to repairs and tires

2022 Expenses high due to \$4k audit and \$13k vehicle maintenance

Consistent Incomes between years

Expect more Heavy Equipment repairs - suggest look for used alternatives &/or good source for repair parts

Balance Sheet page 1/2 - assets and liabilities at a specific point in time

As of February 28, 2023

Current Assets (Money)	Amount
Checking	\$89k (was 98)
Savings - Pooled	\$55k
Savings - Price (Paula/Jay)	\$27k
Savings - Chase	\$77k
Total Checking & Savings	257k
Account Receivables	5k
Other Misc Assets	2k
Total Current Assets	\$254k

*Note: Feb 28, 2022 Current Assets = \$254k
Price Line upgrade occurred in 2022.*

Current Assets Not Depleting from Year Ago
Current Assets Not Keeping Up with Inflation

Fixed Assets (Property/Equip)	~Amount
Automotive Equip	\$46k
Building Improvements	\$14k
Furniture & fixtures	\$10k
Improvement on land	\$19k
Land	\$9k
Solar Power	\$52k
Source of supply (wells & tanks)	\$127k
Transmission & distribution (pipeline & meters)	\$51k
Accumulated depreciation	-\$176k
Total Fixed Assets (Property, Plant & Equipment)	\$165k

*Note: Feb 28, 2022 Fixed Assets = \$158k
Fixed Assets have remained the same for last 3 years!*

Fixed Assets rarely change, see Discussion page slide 6

Balance Sheet page 2/2 - assets and liabilities at a specific point in time

As of February 28, 2023

Equity (Money we Have)	Amount
Opening Balance	\$124k
Equipment Replacement Reserves	\$4.5k
Retained Earnings	\$211k
Audit Reserves	\$5k
Long Range Reserves	\$55k
Truck Replacement Reserves	\$9k
Well Pump Reserves	\$4k
Net Income	\$5.4k
Total Equity	\$419k

Liabilities (Money we Owe)	Amount
Payroll, Home Depot, meter	\$534
Total Liabilities	\$534

Equipment Replace Reserves - intended for heavy equipment not including the Ford work truck.

Heavy Equipment reserve is Low
Purple - same value since the last meeting.

Total Equity History	
Feb 28, 2023	Feb 28, 2022
413k	429k

Discussion about Financial Reserves and Fixed Assets

Financial Reserve

Money set aside to help settle specific expenditures as they arise. They are considered expenses since monies are withdrawn from the general business accounts.

Financial Reserve Pros

- Contingency plan for expenses
- Make timely decisions
- Maintain positive cash flow
- Cover uneven flow of income/donations

Financial Reserves Cons

- Cash becomes stagnant
- Missed upgrade opportunities
- Improper prioritization
- Guess the cost of future solutions (technologies change)
- Reserve rate of return below inflation (poor long term investment)

Fixed Assets

Fixed Assets are educated guesses of the worth of an item when assessed. Its value is the same and does not go down OR its value is removed if it's of no value (broken) or we get rid of it.

What goes up is the Accumulated Depreciation of Fixed Assets every year.

Missing Asset Information

1. How long will the asset last
2. Expected repair costs and when (e.g. tank resurfacing every 20 years costing \$25k)
3. Replacement options and their cost
4. Backup solutions while repairs are underway

The above helps determine the amount to set aside for a specific purchase in the future.

Financial Reserve Example for Fixed Asset

A reserve to replace the 40k gallon Steel Tank 20 years from now may be obsolete since new technologies allow for smaller polyethylene tanks that last 40+ years. The liner alone on a Steel tank is \$25k every 20 years.

Accounts Receivable Aging Report - monies we expect to receive and delinquent accounts

78 Water Accounts

76 accounts current (not past due)

2 accounts with small balances > 90 days

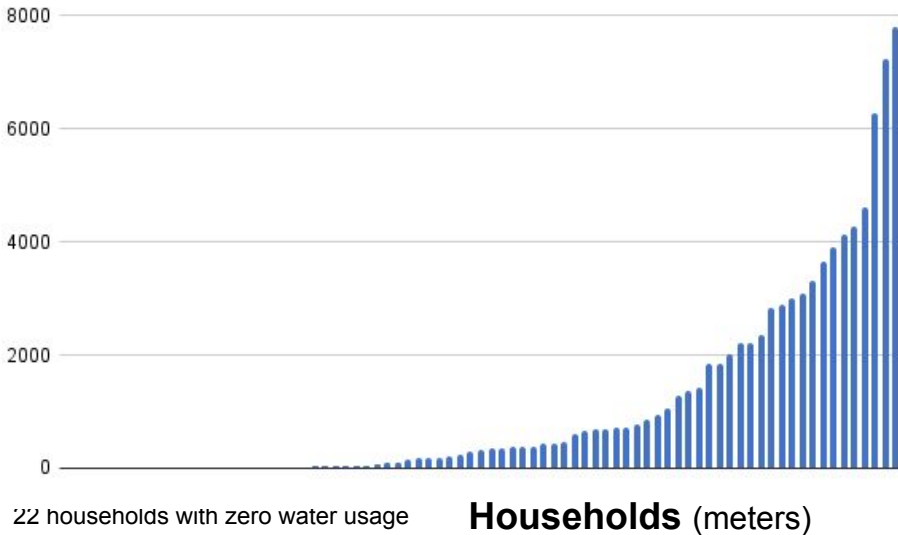
- Moved Away (\$301)
- Property No longer Used (\$191)

Total Account Receivables Balance **\$4947**

No Big Issues with Account Receivables

Meter Readings - water consumption

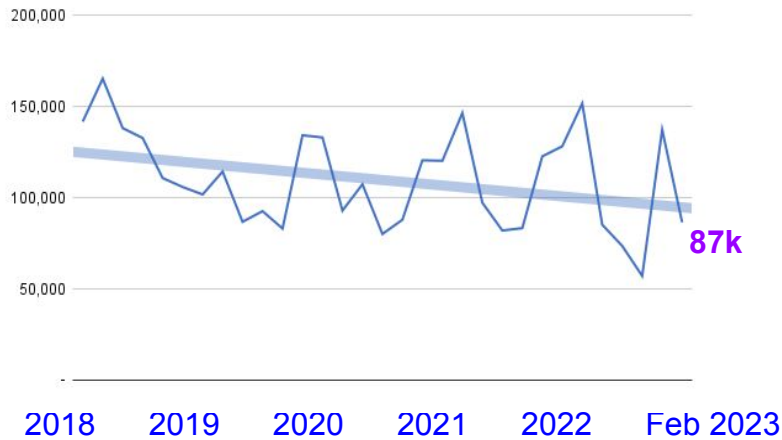
Gallon Usage last Two Months (Jan & Feb 2023)



Usage January & February 2023

# Households (meters)	81
Household Zero Gallons Usage	22 (27%)
Households < 5k Gallons Usage	56 (69%)
Household > 5k Gallons Usage	3 (4%)
Avg Daily Usage	1469 gallons/day
Avg Daily Usage per Active Household	25 gallons/day
Total Water Metered	87 k-gallons
Total Water Pumped	186 k-gallons
Water Loss %	53%

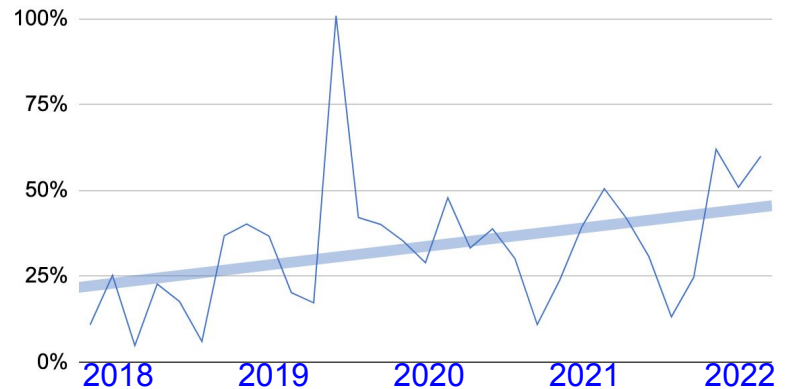
Total Gallons Billed (Metered) Last 5 Years



Decreasing Water Usage Trend Last 5 years

Water Loss Last 5 Years

Water Loss = $100 - (100 * \frac{\text{Water_Metered}}{\text{Water_Pumped}})$
 Water Loss means we pump water but don't get income from it!



Increased Water Loss Over Time

Future Financial Research Topics

1. Heavy equipment reserves
2. Prioritize financial reserves
3. Automation to save time and money
4. Where can money be saved
5. How can money be generated (fees, usage, donations, gifts, trusts, grants)
6. What is the water system's Most Valuable Asset - the Community!

