

# **SOUTHWEST HARBOR WATER & SEWER DISTRICT**

Approved Minutes, Board of Trustees Meeting

Town Hall

Wednesday, August 17, 9:00 am

## **Item 1 Convene meeting**

Meeting was called to order at 9:00 am. Attending were Board members Don Lagrange and Jim Vekasi and District Manager Steven Kenney. Visitors included Town Deputy Treasurer Renee Atwater.

## **Item 2 Discuss TRIO financial system**

The single item on the agenda was to discuss the TRIO financial system used by the Town and District to track revenues and expenses. The goal was to increase the Board's understanding of the system by having a training and Q&A session with Renee Atwater. We discussed the three primary reports used to monitor our financial status – Income Statement (Expenses Year to Date), Balance Sheet (Current Trial Balance), and a summary of the balances of our bank accounts. We discussed specific issues and went over the balance sheet item by item. Significant discussion items included:

A. The current revenue reports for CY2016 include revenue from January and February, 2016 that was received in response to billing in December, 2015. Since December, 2015 was in the previous fiscal year (and while under Town management), the revenue more properly belongs in the previous fiscal year and will eventually be moved by our CPA. The same thing will presumably happen this year with CY2017 revenues based on December, 2016 billing. Since December, 2016 bills should be similar to December, 2015 amounts, we can view are current year status as containing three quarters of revenue with the third quarter July – September revenue yet to come. As current revenue is 69% (water) and 65% (sewer) of the year's budget and the third quarter contains the most revenue, we can conclude that FY2016 revenue is close to budget.

B. Operating bank balances are roughly equal to balance sheet items "100-00 Cash". They apparently differ due to varying dates of recording and un-cleared checks and deposits.

Water Reserve bank balance equals balance sheet item "106-00 Reserve Cash" and Sewer CIP bank balance equals balance sheet item "106-00 Sewer CIP". (Minor differences appear to relate to treatment of interest payments.)

C. Our cash flow situation can be seen by estimating available revenue for the remainder of the year by adding billing accounts receivable and estimated September revenue to current bank balances; and estimating upcoming costs from remaining budget expense items.

A major factor cash flow factor is the scheduled November 1, 2016 bond principal payments. These include:

<b>Bonds</b>	<b>Water</b>	<b>Sewer</b>
Water 7020-85 2009 ARRA	\$6,512	
Water 7020-90 2009 FR	\$11,625	
Water 7020-95 2010 Refi	<u>\$88,410</u>	
Sewer 7020-70 Sewer Refinance		\$67,800
Sewer 7020-75 Sewer Repay to Town (\$50,818 deferred until FY2017 per agreement with Town)		<u>\$0</u>
<b>Totals</b>	<b>\$106,547</b>	<b>\$67,800</b>

As of the August 17, 2016 Financial reports, estimated cash flow through the end of FY2016 is:

<b>Item</b>	<b>Water</b>	<b>Sewer</b>
<b>Revenue</b>		
Balance sheet item 100-00 Cash	\$162,458	\$60,093
Balance sheet item 141-00 User A/R	\$67,446	\$30,267
Estimated September revenue (estimate as 30% of annual budgeted revenue)	<u>\$192,173</u>	<u>\$169,868</u>
Total estimated funds available	\$422,077	\$260,228
<b>Expenses</b>		
Unexpended Budget not including debt service	\$215,329	\$172,965
Anticipated debt service (from above)	<u>\$106,547</u>	<u>\$67,800</u>
Total estimated expenses	\$321,876	\$240,765
<b>Estimated Revenue - Expenses</b>	<b>\$100,201</b>	<b>\$19,463</b>

It can be seen that we should be in the black for the year, although we must be careful to have sufficient funds on hand for the November 1, 2016 debt payments.

D. We want to make a few changes on the TRIO reports.

1. Correct entries in the categories 4060, Sewer, in the Water books and 4020, Water Department, in the Sewer books.
2. Edit Item 5000, Misc. to make water and sewer accounts parallel with both containing CIP (Reserve), Contingency, and Surplus. Consider re-naming this category "Reserve" to better describe its purpose as containing discretionary funds available for equipment replacement and capital purchases.

**Item 3      Adjourn meeting**  
Meeting was adjourned at 9:45.

Submitted,



Approved 9/15/2016



Jim Vekasi  
Clerk