

RENNER SANITARY DISTRICT ANNUAL FINANCIAL REPORT 2022-2023

2022-2023 PROFIT & LOSS STATEMENT

Our yearly profit and loss statement can be looked at in two different ways.

1. The first statement shows all our equipment repairs for the year and puts us at a negative net income of (\$71,485.88), which still puts us well within our budget guidelines we set last year. When you add back in the Depreciation Expense for the year, that would put your net income at a positive \$31,227.21.
2. The second statement shows that we moved \$52,044.26 of equipment repairs to our Asset list. This will then be factored into our depreciation expense going forward. This statement shows a negative net income of (\$19,441.62). When you add back your depreciation expense to this figure, your net income would become a positive \$83,271.47.

Remember that the Depreciation Expense does not physically come out of our checking accounts. When we do any repairs that add to the value of our system, that is considered an Asset. A set value is then assigned to each asset for depreciation over a length of time. With that being said, we did a good job staying within our budget.

SD STATE LOAN

We made some great progress paying on our state loan from the drainage project. We were able to pay down \$21,930.92 for the year. We make quarterly payments, and it was decided to stick with the quarterly payments and not make a big principal payment. The interest rate on the loan is a fixed rate of 2.125%. Our current DENR checking account with First Bank and Trust is an interest-bearing account with the rate of 3%. Currently, it does not make sense to pay down on the loan.

BANK ACCOUNTS

We have closed out our previous accounts with First Interstate Bank and opened new accounts with First Bank and Trust. We have a main checking/operating account, 2 Money Market Accounts, and a 12-month Liquid CD. One money market account is a sweep account which is connected to our main operating account. The balance from our main account will sweep over to the money market account every night leaving a balance of \$100.00. We do this so that we can earn more interest on our funds. Those two accounts act as one. Here are our balances and interest earnings as of 10/31/2023 for each account:

- FBT Checking (\$5,408.11) – Remember this works with the sweep account so we are not really negative.
- MMA Sweep Account \$177,812.19 – This is the account that sweeps money back and forth to our main checking account. – YTD Interest Paid \$2,753.26 – Since 3/27/23
- DENR MMA \$83,953.16 – This is the money market account that covers all of our loan payments and where the debt service fees are deposited to help pay down that loan. YTD Interest Paid \$1,418.81 – Since 3/27/2023
- 12-Month Liquid CD Investment – we started our Liquid CD with \$272,482.04 and an interest rate of 3.59% in March 2023. Recently the rate has increased to 4.5%. It was then decided to close this CD with no penalty and open a new one with the higher rate. We cashed out the old CD and was paid \$5,681.66 in interest, so the start of the new CD balance came to \$278,163.70. With this new amount and rate, Interest income at the end of the term should come to around \$12,517.37. This is also a Liquid CD which means we can make up to 4 withdrawals from it with no penalty when needed for emergencies.

PERMITS

There were 2 new permits issued this fiscal year, both residential.

Respectfully submitted.

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