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1-1-2007

## Annual Financial Statements, 2006

Public Water Supply District C-1

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**SUSAN MONTEE, CPA**  
**Missouri State Auditor**

January 19, 2007

Lynne Edwards, Office Manager  
Consolidated Public Water Supply District No. C-1  
Jefferson County  
P.O. Box 430  
Barnhart, MO 63012

Fiscal Period: One Year Ended May 31, 2006 ✓

Dear Ms. Edwards:

In accordance with Section 105.145, RSMo, we acknowledge receipt of the financial report of your political subdivision for the above-described fiscal period.

Thank you for your cooperation in sending this information.

Sincerely,

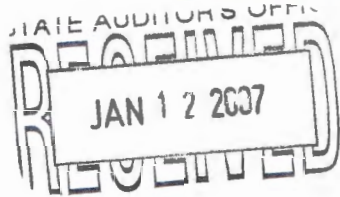
SUSAN MONTEE, CPA  
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky  
Local Government Analyst



**CONSOLIDATED PUBLIC WATER SUPPLY DISTRICT NO. C-1  
OF JEFFERSON COUNTY, MISSOURI**



January 10, 2007

Claire C. McCaskill  
Missouri State Auditor  
P.O. Box 869  
Jefferson City, MO 65101

Dear Ms. McCaskill:

Please find the enclosed copy of the District's audit for the fiscal period ended May 31, 2006. This was prepared by Daniel Jones & Associates, 3510 Jeffco Blvd., Suite 200, Arnold, MO 63010.

If you have any questions, please call this office or Ms. Jamie Bahr at 636-464-1330.

Very truly yours,

A handwritten signature in cursive script that reads 'Lynne Edwards'.

Lynne Edwards  
Office Manager

Enclosure

cc: Audit File





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**PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
ANNUAL FINANCIAL STATEMENTS  
MAY 31, 2006**

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**Daniel Jones  
& Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY  
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# Daniel Jones & Associates

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Public Water Supply District C-1  
of Jefferson County, Missouri

Dear Members of the Board:

We have audited the accompanying financial statements of the business-type activities of Public Water Supply District C-1 of Jefferson County, Missouri as of and for the year ended May 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Public Water Supply District C-1 of Jefferson County, Missouri as of May 31, 2006, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information included on pages 14 through 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Daniel Jones & Associates*

DANIEL JONES & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS  
September 25, 2006

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
BALANCE SHEET  
May 31, 2006

ASSETS

CURRENT ASSETS

Cash funds - Unrestricted (Page 17)		\$	1,649,819
Customer accounts receivable (net of allowance for doubtful accounts: \$13,700)			243,352
Miscellaneous accounts receivable			5,463
Accounts receivable - Brookshire taps			48,720
Accrued interest receivable			127,844
Inventory - Materials			143,367
Prepaid - Transmission Pipeline			474,042
Prepaid insurance			74,875
Unamortized bond costs - Current portion			
2000 issue	\$ 10,011		
2002 issue	17,425		
2005 issue	<u>5,768</u>		33,204
Original issue discount - Current portion			
2002 issue			<u>1,412</u>
Total current assets		\$	<u>2,802,098</u>

CAPITAL ASSETS

Organization costs		\$	61,584
Land and land rights			301,245
Waterworks plant			20,828,927
Structures and improvements			819,639
Transportation and maintenance equipment			568,841
Office furniture and fixtures			245,302
MXU meters			1,577,080
Bond issue project - Phase I			7,225,001
Bond issue project - Phase II			10,524,019
Transmission pipeline			<u>12,650,333</u>
			54,801,971
Less: Accumulated depreciation			<u>(9,843,188)</u>
Total capital assets - Net book value		\$	<u>44,958,783</u>

OTHER ASSETS

Cash funds - Restricted (Page 17)		\$	4,060,746
Unamortized bond costs - Long-term			
2000 issue	\$ 185,202		
2002 issue	341,243		
2005 issue	<u>102,031</u>		628,476
Original issue discount - Long-term - 2002 issue			27,656
Seckman Road relocation			308,377
Out of service wells			<u>2,025,767</u>
Total other assets		\$	<u>7,051,022</u>

TOTAL ASSETS

\$ 54,811,903

The accompanying notes are an integral part of the financial statements.

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
BALANCE SHEET  
May 31, 2006

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	126,774
Bond issues outstanding - Current portion		660,000
Lease payable - Transmission pipeline		67,122
Customer meter deposits		610,541
Accrued wages		67,669
Accrued and withheld payroll taxes		15,664
Sales tax and primacy fees payable		7,076
Deferred taps		68,592
Total current liabilities	\$	<u>1,623,438</u>

LONG-TERM LIABILITIES

Bond issues payable	\$	24,385,000
Less: Current maturities - Above		(660,000)
Deferred funding - 2000 series		(100,093)
Deferred funding - 2005 series		<u>(218,546)</u>
Total Bond Issues		23,406,361
Lease payable - Transmission pipeline		11,272,306
Less - Current maturities - Above		<u>(67,122)</u>
Total lease payable		11,205,184
Total long-term liabilities	\$	<u>34,611,545</u>

TOTAL LIABILITIES

\$ 36,234,983

DISTRICT EQUITY

Restricted (Page 5)	\$	14,370,660
Unrestricted (Page 5)		4,206,260
TOTAL DISTRICT EQUITY		<u>18,576,920</u>
TOTAL LIABILITIES AND DISTRICT EQUITY	\$	<u><u>54,811,903</u></u>

The accompanying notes are an integral part of the financial statements.



PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN DISTRICT EQUITY  
FOR THE YEAR ENDED MAY 31, 2006

OPERATING REVENUE	
Water sales	\$ 4,685,798
Late charges	92,500
Reconnect fees	61,019
Tap on fees	240,474
Material sales	71,342
Other customer charges	13,402
Construction and permit fees	14,830
Disposition of equipment	4,110
Miscellaneous income	2,771
TOTAL OPERATING REVENUE	<u>\$ 5,186,246</u>
OPERATING EXPENSES	
Field expenses (Page 14)	1,954,048.00
Administrative expenses (Page 14)	811,397
TOTAL OPERATING EXPENSES	<u>2,765,445</u>
NET OPERATING REVENUE	<u>2,420,801</u>
NON-OPERATING REVENUE AND EXPENSES	
Revenue	
Interest income	183,317
Total revenue	<u>183,317</u>
Expenses	
Depreciation	1,265,569
Refinancing charges	26,518
Interest expense - Bond issues	1,189,176
Interest expense - Lease	1,359,029
Amortization of bond fees	23,193
Amortization of original issue discount	1,412
Bond fees	3,750
Abandoned wells	-
Total expense	<u>3,868,647</u>
EXCESS OF NON-OPERATING EXPENSES OVER REVENUE	<u>(3,685,330)</u>
NET INCOME (LOSS)	<u><u>\$ (1,264,529)</u></u>

The accompanying notes are an integral part of the financial statements.

PUBLIC WATER SUPPLY DISTRICT C-1  
 OF JEFFERSON COUNTY, MISSOURI  
 STATEMENT OF DISTRICT EQUITY  
 May 31, 2006

RESTRICTED:	
CONTRIBUTED CAPITAL	
Balance - Beginning of year	\$ 12,889,301
Additions - Current year 5/31/06	1,481,359
Balance - End of year	<u>14,370,660</u>
UNRESTRICTED:	
SURPLUS	
Balance - Beginning of year	5,506,817
Less: Prior period adjustments (Page 13)	(36,028)
Net income (loss)	<u>(1,264,529)</u>
Balance - End of year	<u>4,206,260</u>
TOTAL DISTRICT EQUITY, END OF YEAR	<u><u>\$ 18,576,920</u></u>

The accompanying notes are an integral part of the financial statements.

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MAY 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 5,223,552
Payments to suppliers and employees	(3,247,180)
Other operating revenue	1,512,272
Interest received	70,771
Interest paid	<u>(2,490,524)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,068,891
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of property and equipment	<u>(2,548,327)</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,548,327)
CASH FLOWS FROM INVESTING ACTIVITIES	
Debt reduction	(560,000)
Unamortized bond costs - 2000 issue	10,011
Unamortized bond costs - 2002 issue	17,426
Unamortized bond costs - 2005 issue	7,559
Deferred refunding - 2000 issue	5,005
Deferred refunding - 2005 issue	11,502
Capital lease - Transmission pipeline	(63,096)
Original issue discount - 2002 issue	1,412
Contributions in aid of construction	<u>1,481,359</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	911,178
NET INCREASE (DECREASE) IN UNRESTRICTED CASH	(568,258)
UNRESTRICTED CASH, BEGINNING OF YEAR	<u>2,218,077</u>
UNRESTRICTED CASH, END OF YEAR	<u>\$ 1,649,819</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(1,264,529)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	1,265,569
Decrease in restricted funds	1,512,272
Decrease in accounts receivable	37,306
Increase in accrued interest receivable	(112,546)
Decrease in inventory	22,691
Decrease in payables	(567,892)
Decrease in prepaids	75,205
Increase in accrued compensation and taxes	43,134
Increase in accrued interest payable	57,681
Total adjustments	<u>2,333,420</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,068,891</u>

The accompanying notes are an integral part of the financial statements.



PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Principles Used to Determine Scope of Entity**

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the customers of the District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight which would result in the District being considered a component unit of the entity.

**B. Basis of Presentation**

The financial transactions of the District are recorded in a single enterprise fund. An enterprise fund is a type of proprietary government fund which is normally used by water and other utility districts. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**C. Basis of Accounting**

Enterprise funds such as this are accounted for using the accrual basis of accounting which is accepted under Generally Accepted Accounting Principles. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.



PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Budgetary Information**

The District annually adopts the Budget Resolution in order to comply with the budget guidelines for political subdivisions in the State of Missouri as provided in the Revised Missouri Statutes. Budgetary control is legally maintained by District management and the Board of Directors. Budget amounts are presented as part of the supplementary information strictly as a management tool for use by the Board of Directors and District management.

**E. Inventory**

An actual count of materials was taken on or about May 31, 2006, which was the last working day of the fiscal year. The inventory on the balance sheet represents the actual total cost value of the materials counted on this date.

**F. Fixed Assets**

Fixed assets are carried at historical cost, less accumulated depreciation. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Waterworks	10-50 years
Structures and Improvements	25-35 years
Transportation Equipment	5-10 years
Miscellaneous Equipment	10-15 years
Office Furniture and Fixtures	10 years

During the year, the District received donated lines with a cost of \$ 1,388,176. The donated lines will begin depreciation in the 2006/2007 fiscal year.

- G.** Vacation time and sick leave are considered as expenditures in the year paid. Vacation time not used by the end of a given year is not accrued and carried over into future years, nor is it paid out to the employee at the end of the year. However, vacation time accrued during the year of termination is paid to the employee at the time of termination. Sick leave not used by the end of the year may be carried over into future years. Accrued sick leave is not paid at the time of termination.

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**II. CASH AND INVESTMENTS**

- A. The District complies with various restrictions on deposits and investments which are imposed by state statutes as follows:

Cash & Cash Equivalents - All cash and investments with maturities of twelve months or less are included in cash and cash equivalents.

Deposits - All deposits with financial institutions are collateralized in an amount at least equal to uninsured deposits.

Investments - The District may invest in bonds of the State of Missouri or any wholly owned corporation of the United States; or in other short-term obligations of the United States. Investments made by the District are in accordance with such requirements.

The District's deposits were secured during the year as required by Section 100.010 and 100.020 RSMO.

- B. Restricted and Other Cash Funds

Several of the District's cash funds are restricted as to their use by the regulations of the 2000, 2002 and 2005 bond issues. These are the sinking funds, bond reserve funds, customer meter deposit funds, depreciation and replacement funds, operation and maintenance funds and bond funds. This cash is classified with other assets as restricted cash.

**III. ACCOUNTS RECEIVABLE AND ALLOWANCE FOR BAD DEBTS**

Accounts receivable represents the balance due from current water users of the District as well as those from former residents who still owe the District for past service. A separate account was set up to reflect amounts due for miscellaneous charges to developers and commercial customers. The Reserve for Bad Debts account represents an estimate of what the District feels will ultimately be uncollectable from customers.



PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**IV. LONG-TERM DEBT**

**A. Unamortized Bond Costs**

These costs represent the fees paid in the issuance of the Series 2000, 2002 and 2005 Bonds. These costs were capitalized and are being amortized on a straight-line basis over the full 25 year lives of Series 2000 and 2002 and 20 years for Series 2005.

**B. Original Issue Discount**

This amount represents the net original discount on the Series 2002 issue and is being amortized on a straight line basis over the 25 year life of the Series.

**C. Bonds Payable**

December 15, 2000, the outstanding 1991 Waterworks Refunding Bonds were called in accordance with provisions provided in the 1991 bond agreement. These bonds were called and paid by funds from the issuance of \$8,800,000 Waterworks Refunding and Improvements Revenue Bonds dated December 1, 2000. The funds remaining after payment of the 1991 Issue and associated costs with issuing the 2000 Series are to provide funds for the expansion and upgrading of the current water supply system. The Waterworks Refunding & Improvement Revenue Bonds Series 2000 carry maturity dates through December 2025 with interest rates varying from 4.500 percent to 5.300 percent.

March 2002 the District issued \$17,590,000 Series 2002 Bonds. The 2002 Series carry maturity dates through December 2027 with interest rates varying from 3.000 percent to 5.250 percent.

May 2005 the District issue \$3,815,000 Waterworks System Refunding Revenue Bonds Series 2005 with the intent to call \$3,560,000 of the Improvement portion of the Series 2000 Issue. The proceeds of the 2005 Issue were deposited into an Escrow Fund held by UMB Bank, N.A., until such time as the bonds are callable, December 2008. Interest on these callable bonds will be paid from the escrow account. The callable bonds are considered defeased by the District and have been removed from the District's balance sheet.

**D. Lease Payable**

In October 2000 the District entered into a thirty year noncancelable lease agreement with the St. Louis County Water Company, now American Water, (the Company). Per the agreement, the Company will build a transmission pipeline that upon completion will supply the District's water supply. This lease qualifies as a capital lease. The original agreement set a maximum of \$12,000,000 to be expended by the Company and if the cost were greater than \$12,000,000 the additional cost would be born by the Company; however, if the cost were less than the \$12,000,000 the District's obligation would be decreased by the savings. The original yearly

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**IV. LONG-TERM DEBT (CONTINUED)**

payment by the District was \$1,500,000. Subsequently, the cost of the project was \$11,377,000 reducing the District's principal obligation by \$623,000 and the yearly payment to \$1,422,125. The related asset and lease obligation have been reduced by the \$623,000 savings.

Long-Term Debt

Waterworks Refunding & Improvement Revenue Bonds – Series 2000 – 4.5% to 5.3%; Interest payable semi-annually	\$ 3,960,000
Waterworks Refunding & Improvement Revenue Bonds – Series 2002 – 3.0% to 5.25%; Interest payable semi-annually	16,610,000
Waterworks System Refunding Revenue Bonds Series 2005 – 3.5% to 4.375%; interest payable Semi-annually	<u>3,815,000</u> 24,385,000
Less – Current maturities	\$ (660,000)
Deferred funding - Series 2000	(100,093)
Deferred funding - Series 2005	<u>(218,546)</u>
Total current maturities	<u>(978,639)</u>
Total bonds	\$ 23,406,361
Lease payable – Transmission pipeline	11,272,306
Less – Current maturities	<u>(67,122)</u>
Total lease payable	<u>11,205,184</u>
Total Long- Term Debt	<u>\$ 34,611,545</u>



PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**IV. LONG-TERM DEBT (CONCLUDED)**

Annual requirements to amortize the bond debt outstanding including interest payments are as follows:

Fiscal year Ending May 31	Principal	Interest	Total
2007	\$ 660,000	\$ 1,163,999	\$ 1,823,999
2008	745,000	1,137,799	1,882,799
2009	770,000	1,108,424	1,878,424
2010	800,000	1,076,864	1,876,864
2011	860,000	1,040,954	1,900,954
2012-2016	4,815,000	4,593,444	9,408,444
2017-2021	5,950,000	3,426,709	9,376,709
2022-2026	8,055,000	1,715,689	9,770,689
2027	1,730,000	86,500	1,816,500
<b>TOTAL</b>	<b>\$ 24,385,000</b>	<b>\$ 15,350,382</b>	<b>\$ 39,735,382</b>

**E. Deferred Refunding Costs**

**2000 Issue**

Deferred Refunding – 2000 Issue represents the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. The deferred refunding originally totaled \$241,584 and will be written off over the life of the 2000 bond issue, a period of twenty-five years, at \$9,663 per year. In May 2005 a portion of the 2000 Issue was refunded and \$93,806 attributable to the refunded bonds was transferred to the 2005 issue. Therefore, the remaining \$105,097 balance will be written off over the remaining twenty-one years at \$5,004 per year.

**2005 Issue**

Deferred Refunding – 2005 Issue represents the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt. The deferred refunding originally totaled \$230,048 and will be written off over the life of the 2005 Issue, a period of twenty years, at \$11,502 per year.

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
MAY 31, 2006

**V. PENSION PLAN OBLIGATIONS**

Effective July 1, 1985, the District entered into a defined contribution pension plan which is available to all eligible employees of the District. Plan funds are administered according to a trust agreement created by the District. Contributions are made to the plan by the District on a monthly basis based on nine percent of the eligible employee's earnings. Contributions and expenses for fiscal 2005-2006 totaled \$70,302.

**VI. OUT OF SERVICE WELLS**

Out of Service Wells included in Other Assets represent wells that were taken out of service when Phase I and II were activated but that will continue to be monitored by the District and only used in case of some sort of emergency or need arises. These assets are carried at the lower of carrying value or fair value as determined by the service units approach as of May 31, 2006. The Board will review the serviceability of these wells on a yearly basis.

**VII. PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments represent the net effect of adjusting inventory to actual for the fiscal year 2004/2005 for MXU meters not being accounted for when exchanged under warranty.

SUPPLEMENTARY INFORMATION

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
SCHEDULES OF OPERATING EXPENSES  
FOR THE YEAR ENDED MAY 31, 2006

FIELD EXPENSES	
Wages - Gross	\$ 585,907
Less - Labor charged elsewhere	<u>(74,952)</u>
Wages - Net	510,955
Chemicals	1,385
Engineering services	33,052
Equipment maintenance	15,613
Group insurance	100,299
Group retirement	36,736
Insurance	133,562
Miscellaneous plant expense	16,817
Payroll taxes	50,077
Plant repairs and maintenance	240,267
Power - pumps	151,211
Tools and supplies	13,652
Truck expense	59,187
Uniforms	2,112
Water purchased	<u>589,123</u>
 TOTAL FIELD EXPENSES	 <u><u>\$ 1,954,048</u></u>
ADMINISTRATIVE EXPENSES	
Wages	\$ 528,703
Less: Labor charged elsewhere	<u>(12,294)</u>
Wages - Net	516,409
Accounting and audit	26,238
Bad debts	-
Data processing expense	1,873
Dues and subscriptions	6,016
Education expense	6,421
Election costs	-
General office supplies and expense	45,499
Group insurance	81,048
Group retirement	33,565
Legal	13,557
Mileage	518
Miscellaneous	11,909
Office repairs and maintenance	784
Payroll taxes	32,099
Public information	7,752
Travel and convention expense	12,481
Utilities and telephone	<u>15,228</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u><u>\$ 811,397</u></u>

The accompanying notes are an integral part of the financial statements.



PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED MAY 31, 2006

	BUDGET	ACTUAL	VARIANCE UNDER/(OVER)
<b>OPERATING REVENUE</b>			
Water sales	\$ 4,508,580	\$ 4,685,798	\$ (177,218)
Late charges	20,500	92,500	(72,000)
Reconnect fees	30,273	61,019	(30,746)
Tap on fees	400,000	240,474	159,526
Material sales	86,000	71,342	14,658
Other customer charges	5,071	13,402	(8,331)
Construction and permit fees	15,450	14,830	620
Disposition of equipment	12,000	4,110	7,890
Miscellaneous income	2,000	2,771	(771)
<b>TOTAL OPERATING REVENUE</b>	<u>5,079,874</u>	<u>5,186,246</u>	<u>(106,372)</u>
<b>OPERATING EXPENSES</b>			
Field expenses (Page 15)	1,774,149	1,954,048	(179,899)
Administrative expenses (Page 15)	834,722	811,397	23,325
<b>TOTAL OPERATING EXPENSES</b>	<u>2,608,871</u>	<u>2,765,445</u>	<u>(156,574)</u>
<b>NET OPERATING REVENUE</b>	<u>2,471,003</u>	<u>2,420,801</u>	<u>50,202</u>
<b>NON-OPERATING REVENUE AND EXPENSES</b>			
Revenue			
Interest income	71,500	183,317	(111,817)
<b>Total revenue</b>	<u>71,500</u>	<u>183,317</u>	<u>(111,817)</u>
Expenses			
Depreciation	950,000	1,265,569	(315,569)
Refinancing charges	19,674	26,518	(6,844)
Interest expense - Bond issues	1,206,178	1,189,176	17,002
Interest expense - Lease	1,320,000	1,359,029	(39,029)
Amortization of bond fees	17,425	23,193	(5,768)
Amortization of original issue discount	1,412	1,412	-
Bond fees	-	3,750	(3,750)
Abandoned wells	70,000	-	70,000
<b>Total expense</b>	<u>3,584,689</u>	<u>3,868,647</u>	<u>(283,958)</u>
<b>EXCESS OF NON-OPERATING EXPENSES OVER REVENUE</b>	<u>(3,513,189)</u>	<u>(3,685,330)</u>	<u>(172,141)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ (1,042,186)</u>	<u>\$ (1,264,529)</u>	<u>\$ (222,343)</u>

The accompanying notes are an integral part of the financial statements.

PUBLIC WATER SUPPLY DISTRICT C-1  
OF JEFFERSON COUNTY, MISSOURI  
SCHEDULES OF OPERATING EXPENSES - BUDGET TO ACTUAL  
FOR THE YEAR ENDED MAY 31, 2006

FIELD EXPENSES	BUDGET	ACTUAL	VARIANCE UNDER/(OVER)
Wages - Gross	\$ 595,482	\$ 585,907	\$ 9,575
Less - Labor charged elsewhere	(58,722)	(74,952)	16,230
Wages - Net	536,760	510,955	25,805
Chemicals	3,300	1,385	1,915
Engineering services	2,000	33,052	(31,052)
Equipment maintenance	10,250	15,613	(5,363)
Group insurance	105,492	100,299	5,193
Group retirement	57,166	36,736	20,430
Insurance	136,470	133,562	2,908
Miscellaneous plant expense	21,792	16,817	4,975
Payroll taxes	45,555	50,077	(4,522)
Plant repairs and maintenance	160,000	240,267	(80,267)
Power - pumps	150,000	151,211	(1,211)
Tools and supplies	21,000	13,652	7,348
Truck expense	66,000	59,187	6,813
Uniforms	4,000	2,112	1,888
Water purchased	454,364	589,123	(134,759)
<b>TOTAL FIELD EXPENSES</b>	<b>\$ 1,774,149</b>	<b>\$ 1,954,048</b>	<b>\$ (179,899)</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Wages	\$ 524,433	\$ 528,703	\$ (4,270)
Less: Labor charged elsewhere	(20,000)	(12,294)	7,706
Wages - Net	504,433	516,409	(11,976)
Accounting and audit	30,125	26,238	3,887
Bad debts	2,000	-	2,000
P R Program	8,448	-	8,448
Data processing expense	2,000	1,873	127
Dues and subscriptions	7,104	6,016	1,088
Education expense	3,900	6,421	(2,521)
Election costs	10,000	-	10,000
General office supplies and expense	51,200	45,499	5,701
Group insurance	74,500	81,048	(6,548)
Group retirement	50,000	33,565	16,435
Legal	7,624	13,557	(5,933)
Mileage	-	518	(518)
Miscellaneous	9,200	11,909	(2,709)
Office repairs and maintenance	3,000	784	2,216
Payroll taxes	39,813	32,099	7,714
Public information	-	7,752	(7,752)
Travel and convention expense	17,000	12,481	4,519
Utilities and telephone	14,375	15,228	(853)
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 834,722</b>	<b>\$ 811,397</b>	<b>\$ 23,325</b>

The accompanying notes are an integral part of the financial statements.

PUBLIC WATER SUPPLY DISTRICT C-1  
 OF JEFFERSON COUNTY, MISSOURI  
 STATEMENT OF CASH FUNDS  
 May 31, 2006

<b>UNRESTRICTED FUNDS</b>	
General Funds	
Operating	
Cash on hand	\$ 600
Checking account	88,205
Total operating	<u>88,805</u>
Transmission pipeline reserve	
Money markets	1,354,447
Capital improvements	
Money markets	130,463
Surplus	
Money markets	46,465
Certificates of deposit	<u>29,639</u>
<b>Total Unrestricted Funds</b>	<u><u>\$ 1,649,819</u></u>
<b>RESTRICTED FUNDS</b>	
Sinking fund	
Money market	\$ 565,908
Bond reserve fund	
Certificates of deposit	2,324,647
Customer meter deposit account	
Checking	76,684
Certificates of deposit	473,634
Operating and maintenance	
Certificates of deposit	150,025
Depreciation and replacement	
Certificates of deposit	245,000
Bond fund	
Certificates of deposit	100,000
Money market	<u>124,848</u>
<b>Total restricted funds</b>	<u><u>\$ 4,060,746</u></u>
<b>TOTAL CASH FUNDS</b>	<u><u>\$ 5,710,565</u></u>

The accompanying notes are an integral part of the financial statements.