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Audit Report, 2006/2007

Public Water Supply #8 of Jefferson County

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PUBLIC WATER SUPPLY DISTRICT #8

OF JEFFERSON COUNTY

CEDAR HILL, MISSOURI

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND ~~2006~~

KRIEG, LOHBECK & CO.

• *Certified Public Accountants*

FENTON, MO 63026

PUBLIC WATER SUPPLY DISTRICT #8

OF JEFFERSON COUNTY

CEDAR HILL, MISSOURI

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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Krieg, Lohbeck & Co CPAs LLC

Certified Public Accountants

Robert G Krieg
Bruce R Krieg
Arnold J Lohbeck

P.O. Box 980

Fenton, MO 63026
Telephone (636) 343-2000

Fax (636) 343-2005

Member
Missouri Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
Public Water Supply District #8
of Jefferson County, Missouri
Cedar Hill, MO 63016

Dear Members of the Board:

We have audited the accompanying financial statements of Public Water Supply District #8 of Jefferson County, Missouri, as listed in the accompanying Table of Contents, for the years ended December 31, 2007 and December 31, 2006. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Public Water Supply District #8 of Jefferson County, Missouri as of December 31, 2007 and December 31, 2006 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was made for the purposes of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 8 through 14 is presented for purposes of additional analysis and is not a required part of the 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.

Respectfully submitted,

Ky Lohbeck & Co CPAs LLC

Krieg, Lohbeck & Co., C.P.A.'s, LLC
May 5, 2008

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI

BALANCE SHEETS

DECEMBER 31,

ASSETS

	<u>2007</u>	<u>2006</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 528,210	\$ 492,925
Accounts receivable		
Water	67,373	77,903
Other	392	68
Inventory	41,508	43,062
Prepaid expenses	20,091	19,941
	<hr/>	<hr/>
<i>Total current assets</i>	\$ 657,574	\$ 633,899
<u>RESTRICTED ASSETS</u>		
Aid of construction (Note 7)	\$ 224,264	\$ 210,329
Customer meter deposits	115,885	112,508
Debt service reserve fund (Note 3)	39,000	39,000
Sinking fund (Note 3)	7,048	6,118
Replacement and extension fund (Note 3)	20,183	20,048
	<hr/>	<hr/>
<i>Total restricted assets</i>	\$ 406,380	\$ 388,003
<u>FIXED ASSETS</u>		
Land	\$ 56,603	\$ 56,603
Land improvements	62,108	61,583
Plant and buildings	4,208,241	4,200,320
Office furniture and equipment	43,823	43,484
Equipment	219,542	217,348
Easements, administrative, engineering and legal	127,182	105,327
Computer software	12,577	10,311
	<hr/>	<hr/>
	\$ 4,730,076	\$ 4,694,976
Less-Accumulated depreciation	1,578,616	1,460,603
	<hr/>	<hr/>
	\$ 3,151,460	\$ 3,234,373
Construction in progress	34,645	28,239
	<hr/>	<hr/>
<i>Total fixed assets</i>	\$ 3,186,105	\$ 3,262,612
<u>OTHER ASSETS</u>		
Unamortized bond issue costs	\$ 5,633	\$ 7,622
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	\$ 4,255,692	\$ 4,292,136

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI

BALANCE SHEETS

DECEMBER 31,

LIABILITIES AND DISTRICT EQUITY

	<u>2007</u>	<u>2006</u>
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 9,317	\$ 7,712
Accrued expenses	5,664	7,314
Customer meter deposits	101,485	99,520
Revenue bonds payable (Note 4)	49,000	51,000
	<hr/>	<hr/>
<i>Total current liabilities</i>	\$ 165,466	\$ 165,546
 <u>LONG-TERM LIABILITIES</u>		
Revenue bonds payable (Note 4)	103,000	152,000
	<hr/>	<hr/>
<u>TOTAL LIABILITIES</u>	\$ 268,466	\$ 317,546
 <u>DISTRICT EQUITY (Page 6)</u>		
	3,987,226	3,974,590
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND DISTRICT EQUITY</u>	\$ 4,255,692	\$ 4,292,136
	<hr/> <hr/>	<hr/> <hr/>

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>OPERATING REVENUES</u>		
Water sales	\$ 691,144	\$ 670,637
Labor and overhead	0	5,499
Trenching and backhoe	0	758
Sale of supplies	308	79
Miscellaneous fees and charges	16,171	14,395
<i>Total operating revenues</i>	\$ 707,623	\$ 691,368
<u>OPERATING AND ADMINISTRATIVE EXPENSES</u>		
	743,536	642,180
<u>OPERATING INCOME OR <LOSS></u>	\$ (35,913)	\$ 49,188
<u>NON-OPERATING REVENUE <EXPENSES></u>		
Interest income	\$ 24,961	\$ 21,271
Miscellaneous income	808	4,114
Interest expense	(7,691)	(9,479)
<i>Total non-operating revenue <expenses></i>	\$ 18,078	\$ 15,906
<u>NET INCOME OR <LOSS></u>	\$ (17,835)	\$ 65,094

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
STATEMENTS OF OPERATING AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>OPERATING EXPENSES</u>		
Chemicals	\$ 4,886	\$ 4,101
Cost of supplies sold	0	71
Engineering	3,418	4,374
Power	32,135	30,499
Repairs - Equipment	8,605	6,125
Repairs - Maintenance	91,789	29,974
Repairs - Plant	18,134	28,955
Salaries and wages	161,066	134,006
Small tools and supplies	5,142	4,105
Truck expense	16,113	12,041
Uniforms	1,232	2,760
Water analysis	624	636
<i>Total operating expenses</i>	<u>\$ 343,144</u>	<u>\$ 257,647</u>
<u>ADMINISTRATIVE EXPENSES</u>		
Amortization of bond issue costs	\$ 1,988	\$ 1,988
Bad debt provision	1,669	6,359
Conventions and meetings	1,808	1,004
Dues and subscriptions	1,748	2,056
Election expense	75	29
Equipment rental	1,276	1,454
Insurance	26,724	31,248
Insurance - Health	40,022	30,991
Legal and professional	8,725	3,999
Miscellaneous expense	1,643	1,519
Office repair and maintenance	3,987	4,656
Office supplies and postage	15,206	14,782
Office utilities	5,913	9,326
Payroll taxes	22,376	19,882
Salaries	129,147	124,647
Simplified employer pension plan	19,081	18,558
Travel	792	577
<i>Total administrative expenses</i>	<u>\$ 282,180</u>	<u>\$ 273,075</u>
<u>DEPRECIATION</u>	<u>\$ 118,212</u>	<u>\$ 111,458</u>
<i>Total operating and administrative expenses (to Page 4)</i>	<u><u>\$ 743,536</u></u>	<u><u>\$ 642,180</u></u>

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
STATEMENTS OF DISTRICT EQUITY
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>CONTRIBUTED CAPITAL</u>		
Balance, Beginning of year	\$ 1,701,946	\$ 1,542,422
Additions during the year	30,471	159,524
	<hr/>	<hr/>
<i>Balance, End of year</i>	\$ 1,732,417	\$ 1,701,946
	<hr/>	<hr/>
<u>RETAINED EARNINGS</u>		
Balance, Beginning of year	\$ 2,272,644	\$ 2,207,550
Add - Net income or <loss> for year	(17,835)	65,094
	<hr/>	<hr/>
<i>Balance, End of year</i>	\$ 2,254,809	\$ 2,272,644
	<hr/>	<hr/>
<u>TOTAL DISTRICT EQUITY</u>		
<u>END OF YEAR</u>	\$ 3,987,226	\$ 3,974,590
	<hr/> <hr/>	<hr/> <hr/>
Reserved - Restricted	\$ 221,683	\$ 249,334
Unreserved - Unrestricted	3,765,543	3,725,256
	<hr/>	<hr/>
<i>Totals</i>	\$ 3,987,226	\$ 3,974,590
	<hr/> <hr/>	<hr/> <hr/>

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net income or <loss> for the year	\$ (17,835)	\$ 65,094
Adjustments to reconcile net income or <loss> to net cash provided by operating activities		
Depreciation and amortization	120,200	113,446
<Increase> or decrease in accounts receivable	10,206	(21,666)
<Increase> or decrease in inventory	1,554	(10,514)
<Increase> or decrease in prepaid expenses	(150)	2,512
Increase or <decrease> in accounts payable	1,605	(25,566)
Increase or <decrease> in accrued expenses	(1,650)	1,184
Increase in meter deposits	1,965	1,590
<i>Net cash provided from operating activities</i>	\$ 115,895	\$ 126,080
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments - Revenue bonds	\$ (51,000)	\$ (47,000)
Capital expenditures	(41,707)	(228,433)
Customer contributions in aid of construction	30,474	159,520
<i>Net cash <required> from financing activities</i>	\$ (62,233)	\$ (115,913)
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>		
	\$ 53,662	\$ 10,167
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>		
	880,928	870,761
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>		
	\$ 934,590	\$ 880,928
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for interest	\$ 7,691	\$ 9,218
<u>SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES</u>		
Non-cash contributions in aid of construction	\$ 30,474	\$ 159,520

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The Public Water Supply District No. 8 of Jefferson County, Missouri is a political corporation of the State of Missouri formed pursuant to Sections 247.010 to 247.220 RSMo. The district is an entity separate from Jefferson County, Missouri as empowered by Section 247.050 RSMo. The district's reporting entity includes the district's governing board. The district has determined that it does not exercise oversight responsibility over any separately administered organization which should be included as a component unit in the district's financial statements. This determination was based upon assessment of the following criteria: budget adoption, taxing authority, appointment of governing boards, selection of management, ability to significantly influence operations, and financial interdependency.

The financial statements present the financial position and results of the operation of the Water District in a manner similar to private business enterprises – where the intent of the governing body is that (a) the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be 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.

Basis of Accounting

The Water District maintains its accounts and records on the accrual basis of accounting. Revenues are recognized when earned rather than in the period received. Expenses are recognized as incurred rather than when the payment is made. Expenses covering more than one operating period are reflected as an asset and are recorded as prepaid expenses.

Encumbrance Accounting

Encumbrance accounting is not used by the District.

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

In accordance with Missouri statutes, the District adopts a formal budget at the beginning of the fiscal year. The level of budgetary responsibility is by total appropriations for the District.

Property and Equipment

Property and Equipment are stated at cost. Major renewals and improvements are charged to the property accounts, while repairs and maintenance, which do not improve or extend the life of the respective assets, are charged to expense as incurred. Depreciation is computed by the straight line method over the estimated useful lives of all property and equipment.

Inventory

Inventories consist of various kinds of fittings, supplies, and pipe which are valued at the lower cost (average cost method) or market.

Bad Debts

The District uses the direct write-off method in accounting for uncollectible accounts receivable.

Amortization of Bond Issuance Costs

Legal fees and underwriting and printing costs associated with the issuance of the Series 2002 Refunding Revenue Bonds are being amortized by the straight line method over the life of the bonds. Amortization expenses for the years ending December 31 are:

	<u>2007</u>	<u>2006</u>
2002 Issue	\$ 1,988	\$ 1,988

Contributed Capital

Contributed capital consists of external contributions from customers and sub dividers for acquisition and construction of capital assets. It is the District's policy not to amortize this contributed capital.

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserved Retained Earnings

The District records reserves to indicate that a portion of fund equity is legally segregated for revenue bond debt service and system repairs and replacement.

Income Taxes

The Water District is exempt from Federal and State income taxes, so no allowance has been provided.

Accumulated Compensated Absences

Vacation pay vests to employees as it is earned, however, District policy does not allow carryover of vacation leave to the following year. Sick leave accumulates up to a maximum of seventy-five days but does not vest until twenty years of service. Accrued sick pay included in accrued expenses on the balance sheet for the years ended December 31, 2007 and December 31, 2006 was \$ 487 and \$ 867, respectively.

Statements of Cash Flows

The Governmental Accounting Standards Board issued Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds" in 1989. The Water District adopted the Statement's provisions in 1989.

For the purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.

NOTE 2 CASH DEPOSITS

As required by law, funds of the Water District on deposit in financial institutions must be collateralized by the depository institution with appropriate securities to the extent not provided by FDIC insurance. At December 31, 2007 and December 31, 2006, as confirmed by Eagle Bank and Trust of Jefferson County, all depository accounts were adequately insured and collateralized by securities held by the bank in the District's name.

NOTE 3 BOND RESOLUTION PROVISIONS

The bond resolutions for the Waterworks Refunding Revenue Bonds, Series 2002 Refunding Waterworks Revenue Bonds established the following accounts:

Sinking Fund

Monthly deposits in these accounts are required to equal the pro-rata portion of the succeeding interest and principal payments in an amount not less than one-sixth of the succeeding interest payment and not less than one-twelfth of the succeeding principal payment. Deposits to meet paying required to be made on the first day of the month proceeding the month in which the fees are due. The District utilizes one bank account to meet the debt service requirements for all bond series. At December 31, 2007 and December 31, 2006, the account was adequately funded at \$ 7,048 and \$6,118, respectively.

Debt Service Account (Series 2002)

The Debt Service Reserve Account was initially funded in the amount of \$ 33,000. All amounts paid and credited to the Debt Service Reserve Account shall be used by the District solely to prevent any default in the payment of interest on or principal of the Bonds. So long as the Debt Service Reserve Account aggregates the Debt Service Requirement, no further payments into said account shall be required. If the District is ever required to expend and use a part of the moneys in said account for the purpose authorized and such expenditure reduces the amount of said account below the Debt Service Reserve Requirement, then the District shall make monthly payments of \$325 into the Debt Reserve Account until the amount on deposit in the Debt Service Reserve Account shall again aggregate the Debt Service Reserve Requirement. As of December 31, 2007 and December 31, 2006, the account balance was \$ 39,000.

Replacement and Extension Fund

The District is required to accumulate \$ 15,000 in the account to pay for extensions or improvements to the waterworks system or to meet unusual or extraordinary maintenance or repairs. If such expenditures occur, the District is required to deposit \$ 250 monthly in the account until the sum of \$ 15,000 is again accumulated. The balance of the account at December 31, 2007 and December 31, 2006 was \$ 20,183 and \$ 20,048, respectively.

Operation and Maintenance Fund

Sufficient funds are to be maintained to meet the reasonable and necessary current expenses of the District.

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 3 BOND RESOLUTION PROVISIONS (continued)

Revenue Fund

The District is required to establish a Revenue Fund with a separate bank account for the purpose of handling all income, revenues and expenses of the waterworks system. Disbursements are to be made from the Revenue Fund first to the Operation and Maintenance Fund in a sufficient amount to meet the current expenses of the District in so much as they are reasonable and necessary. Disbursements are also to be made to the Sinking Fund and Bond Reserve Fund until such time as those funds are fully funded as defined in the Bond Resolution. After the Sinking and Bond Reserve Funds meet the Bond Resolution requirements, any remaining monies in the Revenue Fund are to be disbursed to Replacement and Extension Fund until such time as that fund is fully funded as defined in the Bond Resolution.

Surplus Fund

The District is required to establish a Surplus Fund from revenues remaining after the compliance with the foregoing fund requirements. These monies may be used to extend and improve the system or to redeem bonds prior to maturity. The balance in this account at December 31, 2007 and December 31, 2006 was \$ 488,020 and \$ 477,273, respectively.

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 **REVENUE BONDS PAYABLE**

	<u>Current</u>	<u>Long-Term</u>
Waterworks Revenue Bonds, Series 2002, principal due in annual installments on January 1, interest ranging from 2.90% to 4.00% due in semiannual installments on July 1 and January 1.	\$ 49,000	\$ 103,000

Principal retired during the years ended December 31, 2007 and December 31, 2006 was \$ 51,000 and \$ 47,000, respectively.

The annual requirements to retire the above revenue bonds as of December 31, 2007 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 49,000	\$ 5,906	\$ 54,906
2009	52,000	4,068	56,068
2010	51,000	2,040	53,040
	\$ 152,000	\$ 12,014	\$ 164,014
	\$ 152,000	\$ 12,014	\$ 164,014

NOTE 5 **PENSION PLAN**

The Water District adopted a Simplified Employee Pension Plan with the Equitable Life Assurance Company effective January 1, 1986. The plan is qualified under Section 408 (K) of the Internal Revenue Code. All employees, 21 years or older, with two years of service are eligible to participate.

Employer contributions represent a uniform percentage, not to exceed 15%, of each participant's compensation determined annually by the District's board of directors. For the year ended December 31, 2007, the District contributed \$ 19,081 based upon a contribution rate of 7.5% for covered wages totaling \$ 254,413. For the year ended December 31, 2006, the District contributed \$18,558 based upon a contribution rate of 7.5% for covered wages totaling \$ 247,474.

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 COMMITMENTS

Operating Leases

The District leases various pieces of office equipment under operating leases. Rent expense under these leases for the years ended December 31, 2007 and December 31, 2006 was \$ 1,236 and \$ 990, respectively.

NOTE 7 AID OF CONSTRUCTION FUND

The District voted in 1991 to impose a charge to new customers that would aid in the construction of permanent improvements for the district. An aid of construction fee is collected on all new taps within the district, and these fees are set aside for such capital improvements in the future which the district deems necessary. The balance in this account as of December 31, 2007 and December 31, 2006 was \$ 224,264 and \$ 210,329, respectively.

NOTE 8 MANAGEMENT'S DISCUSSION AND ANALYSIS

As required by Government Accounting Standards Board (GASB), a discussion was had with management reviewing financial highlights and operations of the District. Budget analysis and variations were noted. Currently known facts and conditions that may effect future financial positions and results were discussed. In all discussions, there were no negative positions taken.

Krieg, Lohbeck & Co CPAs LLC

P.O. Box 980

Fenton, MO 63026

Telephone (636) 343-2000

Fax (636) 343-2005

Certified Public Accountants

Robert G Krieg
Bruce R Krieg
Arnold J Lohbeck

Member
Missouri Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
Public Water Supply District #8
of Jefferson County, Missouri
Cedar Hill, MO 63016

Dear Members of the Board:

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on pages 16 through 17 is presented for the purpose of additional analysis and is not a required part of the financial statements. This additional information has been subjected to the auditing procedures applied in the audits of the financial statements, and in our opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,

Ky Lohbeck & Co CPAs LLC

Krieg, Lohbeck & Co., C.P.A.'s, LLC
May 5, 2008

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
SCHEDULES OF CASH IN BANK AND RESTRICTED ASSETS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>CASH IN BANK:</u>		
<i><u>Operation and Maintenance Fund</u></i>		
Petty cash	\$ 100	\$ 100
Cash on hand	50	50
Eagle Bank of Jefferson County Account #4500678	79,040	54,501
	\$ 79,190	\$ 54,651
<i><u>Surplus Fund</u></i>		
Eagle Bank of Jefferson County Account #5002603 Certificate #52222	\$ 416,520 32,500	\$ 405,774 32,500
	\$ 449,020	\$ 438,274
<i>Total cash in bank</i>	\$ 528,210	\$ 492,925
<u>RESTRICTED ASSETS</u>		
<i><u>Aid of Construction Fund</u></i>		
Eagle Bank of Jefferson County Account #5002603	\$ 224,264	\$ 210,329
<i><u>Meter Deposit Fund</u></i>		
Eagle Bank of Jefferson County Account #4500643	\$ 4,351	\$ 4,883
Eagle Bank of Jefferson County Account #5006225	41,534	37,625
Eagle Bank of Jefferson County Certificate #52221	30,000	30,000
Eagle Bank of Jefferson County Certificate #56298	40,000	40,000
	\$ 115,885	\$ 112,508
<i><u>Debt Service Reserve Fund - Series 2002</u></i>		
Eagle Bank of Jefferson County Certificate #52220	\$ 39,000	\$ 39,000
<i><u>Sinking Fund</u></i>		
Eagle Bank of Jefferson County Account #50025603	\$ 7,048	\$ 6,118
<i><u>Replacement and Extension Fund</u></i>		
Eagle Bank of Jefferson County Account #5002603 Certificate #52219	\$ 5,183 15,000	\$ 5,048 15,000
	\$ 20,183	\$ 20,048
<i>Total restricted assets</i>	\$ 406,380	\$ 388,003

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

PUBLIC WATER SUPPLY DISTRICT #8 OF JEFFERSON COUNTY, MISSOURI
COMPARATIVE STATEMENT OF OPERATIONS – BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over/(Under)</u> <u>Budget</u>
<u>OPERATING REVENUES</u>			
Water Sales	\$ 680,000	\$ 691,144	\$ (11,144)
Interest income	20,000	24,961	(4,961)
Other income	8,000	17,287	(9,287)
<i>Total operating revenues</i>	<u>\$ 708,000</u>	<u>\$ 733,392</u>	<u>\$ (25,392)</u>
<u>OPERATING EXPENSES</u>			
Amortization of bond issue costs	\$ 0	\$ 1,988	\$ 1,988
Bad debt provisions	0	1,669	1,669
Chemicals	5,000	4,886	(114)
Convention and meetings	0	1,808	1,808
Cost of supplies sold	80	0	(80)
Depreciation	0	118,212	118,212
Dues and subscriptions	0	1,748	1,748
Election expense	0	75	75
Engineering	5,000	3,418	(1,582)
Equipment rental	0	1,276	1,276
Insurance	70,892	66,746	(4,146)
Interest expense	7,691	7,691	0
Legal and professional	8,400	8,725	325
Miscellaneous expense	14,000	3,499	(10,501)
Office and computer supplies	18,000	15,206	(2,794)
Office repair and maintenance	5,000	3,987	(1,013)
Office utilities	5,800	5,913	113
Power	32,000	32,135	135
Repairs and maintenance	101,400	118,528	17,128
Salaries	263,379	290,213	26,834
Simplified employer pension plan	17,054	19,081	2,027
Small tools and supplies	4,100	5,142	1,042
Taxes	30,558	22,376	(8,182)
Travel	0	792	792
Truck expense	12,500	16,113	3,613
<i>Total operating expenses</i>	<u>\$ 600,854</u>	<u>\$ 751,227</u>	<u>\$ 150,373</u>
<u>NET INCOME OR <LOSS></u>	<u>\$ 107,146</u>	<u>\$ (17,835)</u>	<u>\$ (124,981)</u>

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