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Financial Statements, 2006/2007

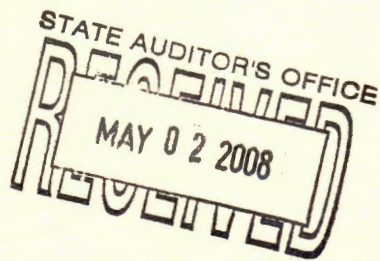
Public Water Supply District #6 of Jefferson County

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PUBLIC WATER SUPPLY DISTRICT #6

OF JEFFERSON COUNTY

HOUSE SPRINGS, MISSOURI

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

KRIEG, LOHBECK & CO.

• Certified Public Accountants

FENTON, MO 63026

PUBLIC WATER SUPPLY DISTRICT #6

OF JEFFERSON COUNTY

HOUSE SPRINGS, MISSOURI

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

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TO THE BOARD OF DIRECTORS
Public Water Supply District #6
House Springs, Missouri

We have examined the comparative balance sheets of Public Water Supply District #6 of Jefferson County, Missouri as of December 31, 2007 and December 31, 2006, and the related statements of revenue and expenses, changes in fund balance, cash flows and the supplemental schedules for the years then ended. Our examination was made in accordance with generally accepted auditing standards and included such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying comparative balance sheets and comparative statements of revenue and expense present fairly the financial position of Public Water Supply #6, Jefferson County, Missouri at December 31, 2007 and December 31, 2006 and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully Submitted,

Krieg, Lohbeck & Co. CPAs LLC

Krieg, Lohbeck and Co., C.P.A.'s, LLC
April 17, 2008

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
BALANCE SHEETS
DECEMBER 31,
ASSETS

	<u>2007</u>	<u>2006</u>
<u>CURRENT ASSETS</u>		
Cash - Operating & maintenance	\$ 204,541	\$ 136,290
Waterworks revenue fund	469,038	444,378
Restricted cash - Deposit account	205,234	187,979
Replacement & Extension fund	139,681	182,698
<i>Total cash</i>	<u>\$ 1,018,494</u>	<u>\$ 951,345</u>
Accounts receivable - Water	55,736	60,124
Accounts receivable - Bad checks	60	145
Prepaid insurance	1,297	1,054
Inventory	24,230	16,106
<i>Total current assets</i>	<u>\$ 1,099,817</u>	<u>\$ 1,028,774</u>
<u>FIXED ASSETS - COST</u>		
Accumulated depreciation	1,886,548	1,748,370
<i>Total fixed assets</i>	<u>\$ 3,592,291</u>	<u>\$ 3,454,477</u>
<u>TOTAL ASSETS</u>	<u><u>\$ 4,692,108</u></u>	<u><u>\$ 4,483,251</u></u>

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 19,307	\$ 12,555
Accrued payroll taxes	702	1,992
Accrued sales taxes	4,127	3,754
Accrued primacy fees payable	86	506
Accrued pension payable	2,861	714
Accrued interest payable	9,366	10,262
Customers deposits	132,050	122,470
Notes payable current maturities	29,312	37,949
<i>Total current liabilities</i>	<u>\$ 197,811</u>	<u>\$ 190,202</u>
<u>LONG-TERM LIABILITIES - NOTE 11</u>	735,843	754,804
<u>TOTAL LIABILITIES</u>	<u>\$ 933,654</u>	<u>\$ 945,006</u>
<u>CONTRIBUTIONS IN AID OF CONSTRUCTION</u>	580,627	566,142
<u>FUND BALANCE</u>	3,177,827	2,972,103
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u><u>\$ 4,692,108</u></u>	<u><u>\$ 4,483,251</u></u>

The accompanying notes and accountant's audit report should be read with these financial statements.

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
STATEMENTS OF CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
Unappropriated January 1	\$ 2,776,680	\$ 2,643,601
Net income for the year	205,724	133,079
Unappropriated December 31	<u>\$ 2,982,404</u>	<u>\$ 2,776,680</u>
Appropriated January 1	\$ 195,423	\$ 195,423
Appropriated (Transferred)	0	0
Appropriated December 31	<u>\$ 195,423</u>	<u>\$ 195,423</u>
<i>Total equity</i>	<u><u>\$ 3,177,827</u></u>	<u><u>\$ 2,972,103</u></u>

*The accompanying notes and accountant's audit
report should be read with these financial statements.*

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
STATEMENTS OF REVENUE AND EXPENSE
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>INCOME</u>		
Water sales	\$ 903,807	\$ 845,882
Late charge	16,784	16,520
Interest	27,525	23,207
Reconnect and service charges	18,610	4,854
Discounts earned	80	303
Lease income	35,810	36,465
Other income	1,369	466
<i>Total income</i>	<u>\$ 1,003,985</u>	<u>\$ 927,697</u>
<u>EXPENSES</u>		
Accounting	\$ 7,472	\$ 5,704
Advertising	168	157
Bad debts	5,527	6,353
Chemicals	4,541	2,798
Conventions, meetings & seminars	1,765	3,543
Depreciation	149,431	146,828
Dues and subscriptions	1,569	1,463
Election expense	0	794
Engineering fee	7,893	7,220
Equipment rental	979	0
General office	19,792	14,208
Health insurance	81,360	68,637
Insurance	27,612	30,938
Interest expense	48,046	46,279
Logers & pension expense	29,624	26,835
Legal	38	38
Miscellaneous	5,804	6,291
Office utilities	11,620	7,632
Payroll taxes	18,754	17,705
Postage	10,239	9,729
Power	52,053	61,767
Radio and pager expenses	3,506	5,556
Repairs	56,156	71,347
Safety	169	432
Salaries - Administrative	110,231	107,292
Salaries - Operating	121,099	116,691
Small tools and supplies	2,539	6,601
Truck expense	19,831	20,239
Uniforms	443	1,541
<i>Total expenses</i>	<u>\$ 798,261</u>	<u>\$ 794,618</u>
<u>NET INCOME FOR THE YEAR</u>	<u>\$ 205,724</u>	<u>\$ 133,079</u>

*The accompanying notes and accountant's audit
report should be read with these financial statements.*

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net income for the year	\$ 205,724	\$ 133,079
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	149,431	146,828
Increase in contributions in aid of construction	14,485	30,255
<Increase> in inventory	(8,124)	0
<Increase> or decrease in accounts receivable	4,473	(2,981)
<Increase> or decrease in prepaid insurance	(243)	3,338
Increase or <decrease> in accounts payable	6,752	(12,639)
Increase or <decrease> in accrued payroll taxes	(1,290)	1,332
Increase in pension payable	2,147	5
Increase in sales taxes payable	373	372
Increase or <decrease> in customer deposits	9,580	(1,575)
Increase or <decrease> in accrued interest payable	(896)	191
Increase or <decrease> in accrued primacy fees payable	(420)	506
 <i>Net cash provided by operating activities</i>	 <u>\$ 381,992</u>	 <u>\$ 298,711</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment and line extensions	\$ (287,245)	\$ (304,293)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on lease payable	\$ (24,682)	\$ (23,293)
Proceeds on notes payable	0	132,000
Payments on notes payable	(2,916)	(1,596)
 <i>Net cash provided/<required> by financing activities</i>	 <u>\$ (27,598)</u>	 <u>\$ 107,111</u>
 <u>INCREASE IN CASH AND CASH EQUIVALENTS</u>	 <u>\$ 67,149</u>	 <u>\$ 101,529</u>
 <u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	 <u>951,345</u>	 <u>849,816</u>
 <u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	 <u>\$ 1,018,494</u>	 <u>\$ 951,345</u>

*The accompanying notes and accountant's audit
report should be read with these financial statements.*

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. The District's funds are in institutions insured by the FDIC. District deposits in excess of \$100,000 are covered by pledged securities totaling \$ 996,761.
2. Summary Of Significant Accounting Policies
 - A. The accrual basis of accounting is followed by the District.
 - B. Fixed assets are carried at historical cost, less accumulated depreciation dating back to 1981. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	10-50 years
Waterline systems	50 years
Storage tanks	50 years
Equipment	6-10 years
Trucks	5-8 years
 - C. The value of lines contributed to the District for years prior to 1989 is not available to us. As a result, the Fixed Assets and Customer Contributions in Aid of Construction may be understated by an undetermined amount. Accumulated depreciation does not include depreciation on these assets.
3. The District's accounts payable as reflected in the Financial Statements are all current.
4. The District is exempt from federal and state income taxes.
5. There are currently no lawsuits pending against the District.
6. The meter deposit fund has a balance of \$ 205,234 at December 31, 2007 and \$ 187,979 at December 31, 2006 versus a liability for customer meter deposits of \$ 132,050 at December 31, 2007 and \$ 122,470 at December 31, 2006.
7. The District's accounts receivable as reflected in the Financial Statements are current, being less than 90 days old.
8. The District refinanced its 1967, 1977 & 1979 Bond Issue's on March 1, 1989. This refinancing in effect brought about a "Bond Redemption" discount to the district of \$ 196,304 and also shortened the payout life of the bonds. The District is required to setup a Waterworks System Revenue Fund, Operation and Maintenance Fund, Sinking Fund, Reserve Fund, System Replacement and Extension Fund and a Surplus Fund for the protection of creditors of the Bond Issue. All funds have been setup and funded properly.

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

9. **FIXED ASSETS**

<i>Fixed assets consist of:</i>	<u>2007</u>	<u>2006</u>
Land	\$ 25,736	\$ 25,736
Plant & building	4,855,059	4,585,284
Office furniture & fixtures	48,903	48,903
Equipment	549,141	542,924
	<hr/>	<hr/>
	\$ 5,478,839	\$ 5,202,847
 Less - Accumulated depreciation	 1,886,548	 1,748,370
	<hr/>	<hr/>
<i>Net book value of fixed assets</i>	\$ 3,592,291	\$ 3,454,477
	<hr/> <hr/>	<hr/> <hr/>

10. **PENSION PLANS**

The District maintains retirement plans for substantially all employees. The plans sponsored by the District are the Missouri Local Government Employees Retirement System (LAGERS) and VALIC.

The LAGERS plan is a contributory plan. The total pension expense of the LAGERS plan was \$ 29,624 for December 31, 2007 and \$ 26,835 for December 31, 2006. For the current year, the contribution rate for the employees and the District was 4%.

The VALIC plan is provided by The Variable Annuity Life Insurance Company. This is a public employee deferred compensation plan. The plan is funded by employee contributions on a voluntary basis. The District has no pension plan expense with respect to this plan.

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007

11. <u>LONG-TERM LIABILITIES</u>	<u>2007</u>	<u>2006</u>
<i>Rockwood Bank</i>		
Payable in monthly installments of \$1105 including interest at 8.3%, secured by real estate.	\$ 127,488	\$ 130,404
<i>Utility Service Leasing Co.</i>		
Payable in semi-annual payments of \$31,619 due on 4/1 and 10/1, including interest at 5.875%; secured by real estate.	637,667	662,349
	<hr/>	<hr/>
	765,155	792,753
<i>Less: Current maturities</i>	29,312	37,949
	<hr/>	<hr/>
<i>Total long-term liabilities</i>	\$ 735,843	\$ 754,804
	<hr/> <hr/>	<hr/> <hr/>

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY

SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

PUBLIC WATER SUPPLY DISTRICT #6
OF JEFFERSON COUNTY
SCHEDULES OF CASH
FOR THE YEARS ENDED DECEMBER 31,

	<u>2007</u>	<u>2006</u>
<u>OPERATING AND MAINTENANCE</u>		
Petty cash	\$ 199	\$ 154
Operating checking - Interest	204,342	136,136
	\$ 204,541	\$ 136,290
<u>WATERWORKS REVENUE FUND</u>		
Savings account	\$ 36,310	\$ 42,852
Certificates of deposit	432,728	401,526
	\$ 469,038	\$ 444,378
<u>DEPOSIT ACCOUNTS</u>		
Checking account	\$ 8,593	\$ 8,136
Savings account	4,653	4,607
Certificate of deposit	191,988	175,236
	\$ 205,234	\$ 187,979
<u>REPLACEMENT AND EXTENSION FUND</u>		
Savings account	\$ 80,738	\$ 126,071
Certificates of deposit	58,943	56,627
	\$ 139,681	\$ 182,698
<u>TOTAL CASH</u>	\$ 1,018,494	\$ 951,345

*The accompanying notes and accountant's audit
report should be read with these financial statements.*