

**Consolidated Public Water Supply District
No. 1
Of Platte County**

Waldron, Missouri

Annual Financial Report

Years Ended September 30, 2021 and 2020

Consolidated Public Water Supply District No. 1 of Platte County

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September 30, 2021 and 2020

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Financial Section



100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-0796 • Phone (573) 221-5998 • Fax (573) 221-2044

Independent Auditor's Report

The Board of Directors
Consolidated Public Water Supply District No. 1 of Platte County
Waldron, Missouri

We have audited the accompanying financial statements of the business-type activities of Consolidated Public Water Supply District No. 1 of Platte County, Missouri as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Consolidated Public Water Supply District No. 1 of Platte County, Missouri, as of September 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Concluded)

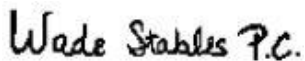
Other Matters

Prior Period Financial Statements

The financial statements of Consolidated Public Water Supply District No. 1 of Platte County as of September 30, 2020, were audited by other auditors whose report dated December 21, 2020, expressed an unmodified opinion on those statements. Certain reclassifications have been made to the prior year financial statement presentation to correspond with the current year's format. Net position and changes in net position are unchanged due to these reclassifications.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Wade Stables P.C.

Certified Public Accountants

February 15, 2021
Hannibal, Missouri

Management's Discussion and Analysis

Consolidated Public Water Supply District No. 1 of Platte County

Management's Discussion and Analysis
For the Years Ended September 30, 2021 and 2020
(Unaudited)

As management of Consolidated Public Water Supply District No. 1 of Platte County, Missouri (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented in this report consist of the *statements of net position*, *statements of revenues, expenses, and changes in net position*, and *statements of cash flows*. The statements of net position provide information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). They also provide the basis for assessing the liquidity and financial flexibility of the District. The current year's revenues and expenses are accounted for in the statements of revenues, expenses, and change in net position. These statements report the revenues and expenses during the time periods indicated and can be used to determine whether the District has successfully recovered all its costs through user fees and other charges. The primary purpose of the statements of cash flows is to provide information about the District's cash receipts and cash payments. These statements report cash receipts, cash payments, and net changes in cash resulting from activities related to operations, capital and related financing, and investing.

STATEMENTS OF NET POSITION

The District's net position has increased by \$1,669,697 or 14.8% in 2021.

In 2021, total assets increased by \$626,631 or 4.6% due to increases in capital assets offset by decreases in current assets and restricted assets. Capital assets increased \$1,141,000; further detail can be found in the capital assets section. Current assets decreased \$428,800 due to the payoff of the USDA loan offset by increased payments from developers. Non-current and restricted assets decreased \$85,500 due to the payoff of the USDA loan which reduced the debt service reserve that had been required by debt covenants.

Total liabilities decreased by \$1,043,000 or 45.1% primarily due to a decrease in long-term debt offset by an increase in accounts payable due to increased meter sets invoices. In 2021, there was also an increase in customer deposits \$14,200 due to an increase in customers. Long-term liabilities decreased \$1,051,700 due to principal payments on long-term debt in 2021 including the payoff of the USDA loan.

As of September 30, 2021, and 2020, the District's net position was \$12,921,274 and \$11,251,577, respectively.

Consolidated Public Water Supply District No. 1 of Platte County

Management's Discussion and Analysis
For the Years Ended September 30, 2021 and 2020
(Unaudited)

A summary of financial position follows:

	September 30			2021	
	2021	2020	2019	Change	Percentage Change
ASSETS					
Current assets	\$ 4,008,030	\$ 4,436,870	\$ 3,419,838	(428,840)	(9.7)
Non-current and restricted assets	413,334	498,861	472,262	(85,527)	(17.1)
Capital assets, net	9,768,598	8,627,600	7,925,303	1,140,998	13.2
Total assets	14,189,962	13,563,331	11,817,403	626,631	4.6
LIABILITIES					
Accounts payable/accr exp	195,298	147,582	71,353	47,716	32.3
Liabilities payable from restricted assets	184,227	223,358	204,138	(39,131)	(17.5)
Long-term debt, less current portion	889,163	1,940,814	2,043,296	(1,051,651)	(54.2)
Total liabilities	1,268,688	2,311,754	2,318,787	(1,043,066)	(45.1)
NET POSITION					
Invested in capital assets, net of related debt	8,906,598	6,664,619	5,863,867	2,241,979	33.6
Restricted for debt service	217,292	313,232	308,524	(95,940)	(30.6)
Unrestricted	3,797,384	4,273,726	3,326,225	(476,342)	(11.1)
Total net position	\$ 12,921,274	\$ 11,251,577	\$ 9,498,616	1,669,697	14.8

*Reclassification made to 2020 restricted for debt service and unrestricted net position to conform to current year format.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The District's operating income in 2021 was \$59,365 as compared to \$12,684 in 2020. Operating revenues increased \$273,900 or 18.0% in 2021 mainly due to an increase in customers which also increased water sales. Total operating expenses increased \$227,200 or 15.0% in 2021. Water purchases increased \$84,600 or 16.6% due to the sale of more water while other operating expenses increased \$66,900 or 12.1%. This increase in other operating expenses includes \$2,100 increase in professional fees, as well as an inflationary increase in management and operations contract of \$70,500 offset by a decrease in repairs and maintenance \$6,100. Depreciation expense increased \$75,700 or 16.8% mainly due to a full year of depreciation on the installation of new services from 2020 as well as the half year depreciation of the 2021 installation of new services as well as depreciation on other completed projects.

Non-operating revenues (expenses) decreased in 2021 by \$129,900 or 7.5% from the prior year. The primary reason for this decrease is a decrease in meter installations \$364,500 offset by an increase in contributions \$261,300. Interest income decreased \$30,400 due to lower balances in the District's checking account and lower interest rates. Interest expense decreased \$3,700 due to principal payments on long-term debt during the year.

Consolidated Public Water Supply District No. 1 of Platte County

Management's Discussion and Analysis
For the Years Ended September 30, 2021 and 2020
(Unaudited)

A summary of changes in net position follows:

	For The Years Ended September 30			2021	
	2021	2020	2019	Change	Percentage Change
OPERATING REVENUES					
Water sales	\$ 1,764,043	\$ 1,505,709	\$ 1,295,299	258,334	17.2
Other	34,787	19,232	25,398	15,555	80.9
Total operating revenues	1,798,830	1,524,941	1,320,697	273,889	18.0
OPERATING EXPENSES					
Water purchases	593,550	508,941	419,297	84,609	16.6
Other operating expenses	619,489	552,555	509,453	66,934	12.1
Depreciation and amortization	526,426	450,761	431,597	75,665	16.8
Total operating expenses	1,739,465	1,512,257	1,360,347	227,208	15.0
OPERATING INCOME (LOSS)	59,365	12,684	(39,650)	46,681	(368.0)
NONOPERATING REVENUES (EXPENSES)					
Meter installations	781,641	1,146,190	182,908	(364,549)	(31.8)
Contributions/Grants	868,170	606,919	175,431	261,251	43.0
Gain (loss) on sale of assets	-	-	(729)	-	100.0
Interest income	16,955	47,342	28,319	(30,387)	(64.2)
Interest expense	(56,434)	(60,174)	(64,732)	3,740	6.2
Total nonoperating revenue (expenses)	1,610,332	1,740,277	321,197	(129,945)	(7.5)
CHANGE IN NET POSITION	1,669,697	1,752,961	281,547	(83,264)	(4.7)
NET POSITION, OCTOBER 1	11,251,577	9,498,616	9,217,069	1,752,961	18.5
NET POSITION, SEPTEMBER 30	<u>\$ 12,921,274</u>	<u>\$ 11,251,577</u>	<u>\$ 9,498,616</u>	<u>1,669,697</u>	14.8

Consolidated Public Water Supply District No. 1 of Platte County

Management's Discussion and Analysis
For the Years Ended September 30, 2021 and 2020
(Unaudited)

STATEMENT OF CASH FLOWS

The District's rate structure is intended to be designed to collect sufficient revenues to recover operating and maintenance expenses and to pay debt service. The District successfully accomplished that objective during 2021. The net cash provided by operating activities was used for the purchases of capital assets and debt service payments.

CAPITAL ASSETS

Capital assets before accumulated depreciation were \$15,463,108 on September 30, 2021, compared to \$13,795,684 on September 30, 2020, which is an increase of \$1,667,424 or 12.1%. This increase was primarily due to the installation of new water meters, the project completions at Creekside Village, Woods at Creekside, Chapel Ridge, Old Town, SCADA tower, and various main extensions.

RESTRICTED ASSETS

Restricted assets were \$349,281 on September 30, 2021, compared to \$434,808 on September 30, 2020. The District's debt covenants specify the manner in which funds deposited in restricted accounts must be used. Restricted assets consist of various accounts for principal and interest, depreciation and replacement, and contractor & customer deposits. Depreciation and replacement reserve funds were funded in the current year.

LONG-TERM DEBT

The District paid principal payments of \$1,100,981 during the fiscal year. As of September 30, 2021, the District had total long-term debt outstanding of \$862,000 of which \$52,200 is due in the next year.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's overall financial position in 2021 improved as shown by the net position increase of \$1,669,697.

SUMMARY

This report is intended to provide our customers, debt holders, and other interested parties with a general overview of the financial position of the District and to indicate accountability for the revenues received. Questions about this report or requests for additional information should be directed to the District Clerk (816-891-3457) or to our offices located at 18205 N.W. 45 Hwy, PO Box 5, Waldron, MO 64092.

Basic Financial Statements

Consolidated Public Water Supply District No. 1 of Platte CountyStatements of Net Position
September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 3,727,331	\$ 4,218,783
Accounts receivable (net)	249,058	198,210
Accrued interest receivable	53	74
Unbilled receivables	21,438	10,054
Prepaid expenses	10,150	9,749
Total Current Assets	<u>4,008,030</u>	<u>4,436,870</u>
Noncurrent Assets		
Cash & cash equivalents - debt retirement	219,905	319,644
Cash & cash equivalents - customer deposits	129,376	100,164
Certificates of deposit - customer deposits	-	15,000
Contract receivable	64,053	64,053
Capital assets		
Water Distribution System	14,668,429	13,170,593
Buildings	76,544	1,500
Equipment & furniture & leasehold improvements	150,549	146,699
Vehicles & trailers	72,677	46,846
Land	274,441	271,509
Construction in progress	220,468	158,537
Less: Accumulated depreciation	(5,694,510)	(5,168,084)
Total Noncurrent Assets	<u>10,181,932</u>	<u>9,126,461</u>
TOTAL ASSETS	<u>14,189,962</u>	<u>13,563,331</u>
LIABILITIES		
Current Liabilities		
Accounts payable	195,298	147,582
Accrued interest payable	2,651	6,664
Customer deposits	129,376	115,164
Current portion of long-term liabilities	52,200	101,530
Total Current Liabilities	<u>379,525</u>	<u>370,940</u>
Long-Term Liabilities		
Long-term accounts payable	79,363	79,363
Long-term portion of debt (net)	809,800	1,861,451
Total Long-Term Liabilities	<u>889,163</u>	<u>1,940,814</u>
TOTAL LIABILITIES	<u>1,268,688</u>	<u>2,311,754</u>
NET POSITION		
Net investment in capital assets	8,906,598	6,664,619
Restricted for debt retirement	217,292	313,232
Unrestricted	3,797,384	4,273,726
TOTAL NET POSITION	<u>\$ 12,921,274</u>	<u>\$ 11,251,577</u>

The accompanying notes to financial statements are an integral part of this statement.

Consolidated Public Water Supply District No. 1 of Platte CountyStatements of Revenues and Expenses and Changes in Net Position
Years Ended September 30, 2021 and 2020

	2021	2020
Operating Revenues		
Water sales	\$ 1,764,043	\$ 1,505,709
Meter set fees	420,641	598,390
Connection fees	361,000	547,800
Late charge fees	18,630	13,805
Other fees	9,876	4,558
Miscellaneous income	6,281	869
Total Operating Revenues	<u>2,580,471</u>	<u>2,671,131</u>
Operating Expenses		
Water purchased	593,550	508,941
Management & operations contract	516,123	445,602
Utilities	11,552	12,398
Insurance	19,659	19,564
Repairs & maintenance	29,218	35,583
Director fees	2,200	2,100
Professional fees	6,977	4,914
Bad debts	2,201	3,082
Bond trustee fees	5,539	5,794
Dues and subscriptions	2,607	1,371
Office expense	579	242
Missouri One Call	3,916	3,662
Election expense	79	66
Rent expense	15,600	15,600
Depreciation and amortization	526,426	450,761
Miscellaneous expenses	3,239	2,577
Total Operating Expenses	<u>1,739,465</u>	<u>1,512,257</u>
Operating Income	<u>841,006</u>	<u>1,158,874</u>
Non-operating Income (Expenses)		
Interest income	16,955	47,342
Interest expense	(56,434)	(60,174)
Total Non-operating Income (Expenses)	<u>(39,479)</u>	<u>(12,832)</u>
Change in Net Position Before Contributions	801,527	1,146,042
Contributions in Aid to Construction	<u>868,170</u>	<u>606,919</u>
Change in Net Position	1,669,697	1,752,961
Net Position - Beginning	<u>11,251,577</u>	<u>9,498,616</u>
Net Position - Ending	<u>\$ 12,921,274</u>	<u>\$ 11,251,577</u>

The accompanying notes to financial statements are an integral part of this statement.

Consolidated Public Water Supply District No. 1 of Platte CountyStatements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Cash received from customers	\$ 2,518,239	\$ 2,599,338
Cash payments for goods and services	(1,151,512)	(970,748)
Net Cash Provided by Operating Activities	<u>1,366,727</u>	<u>1,628,590</u>
Cash Flows From Capital and Related Financing Activities		
Payments for capital assets	(799,254)	(546,139)
Principal repayments	(1,100,981)	(98,457)
Interest and other charges paid	(60,447)	(60,458)
Net Cash Provided By Capital and Related Financing Activities	<u>(1,960,682)</u>	<u>(705,054)</u>
Cash Flows From Investing Activities		
Proceeds from redemption of certificates of deposit	15,000	-
Interest received	16,976	47,917
Net Cash Provided By Investing Activities	<u>31,976</u>	<u>47,917</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(561,979)	971,453
Cash and Cash Equivalents - Beginning of Year	<u>4,638,591</u>	<u>3,667,138</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,076,612</u>	<u>\$ 4,638,591</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 60,447</u>	<u>\$ 60,458</u>
Noncash Capital and Related Financing Activities		
Easements granted	<u>\$ 2,626</u>	<u>\$ 2,225</u>
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities		
Operating income	\$ 841,006	\$ 1,158,874
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	526,426	450,761
Change in assets and liabilities:		
Accounts receivable	(50,848)	(81,104)
Unbilled receivables	(11,384)	9,311
Prepaid expenses	(401)	(960)
Accounts payable	47,716	76,229
Customer deposits	14,212	15,479
Net Cash Provided By Operating Activities	<u>\$ 1,366,727</u>	<u>\$ 1,628,590</u>

The accompanying notes to financial statements are an integral part of this statement.

**Notes to the
Financial Statements**

Consolidated Public Water Supply District No. 1 of Platte County

Notes to Financial Statements
September 30, 2021 and 2020

1) Summary of Significant Accounting Policies

Consolidated Public Water Supply District No. 1 of Platte County (the "District") was organized under RSMo 247 to provide water service to customers within its boundaries.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District's annual financial report includes all accounts of the Consolidated Public Water Supply District No. 1 of Platte County. The accounting policies of the District conform to generally accepted accounting principles. The following is a summary of such significant policies:

A) Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the District constitute the equivalent of enterprise funds, and therefore, only these funds are presented. These funds consist of a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. The District consists of one enterprise fund.

B) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements are presented on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred.

C) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D) Cash and Cash Equivalents

For purposes of the Statements 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.

Consolidated Public Water Supply District No. 1 of Platte County

Notes to Financial Statements
September 30, 2021 and 2020

1) Significant Accounting Policies (Concluded)

E) Receivables

The receivables from customers are reported on the accompanying Statements of Net Position, net of an allowance for doubtful accounts, which amounted to \$6,000 and \$4,800 as of September 30, 2021 and 2020, respectively. Estimated unbilled revenues are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

F) Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at management's estimate of fair value on the date donated.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statements of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Cost of water system	10 - 50 years
Buildings	10 - 50 years
Equipment and furniture	5 - 10 years
Vehicles and trailers	5 - 10 years

G) Contributions in Aid to Construction

Contributions in aid to construction are amounts received from developers or future customers to expand the water systems of the District. In accordance with GASB Statement 33, "Accounting and Financial Reporting for Nonexchange Transactions," contributed capital is included as income to the District. The amounts received during the years ended September 30, 2021 and 2020 amounted to \$868,170 and \$606,919, respectively.

H) Operating and Non-Operating Income

Operating revenues and expenses result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. All income and expenses not meeting this definition are reported as non-operating income and expenses.

2) Deposits and Investments

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's bank deposits are required by state law to be secured by the deposit of certain securities with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation.

As of September 30, 2021 and 2020, the District's bank deposit balances were entirely secured or collateralized with securities held by the District or by its agent in the District's name; or covered by amounts provided by the Federal Deposit Insurance Corporation.

Consolidated Public Water Supply District No. 1 of Platte CountyNotes to Financial Statements
September 30, 2021 and 2020**3) Restricted Assets and Net Position****Net Investment in Capital Assets**

	2021	2020
Total Capital Assets	\$ 9,768,598	\$ 8,627,600
Loss on refunding debt	-	-
Less:		
Long-term debt	(809,800)	(1,861,451)
Current portion of long-term debt	(52,200)	(101,530)
Total Net Investment in Capital Assets	<u>\$ 8,906,598</u>	<u>\$ 6,664,619</u>

Debt Retirement

	2021	2020
Principal and interest	\$ 15,701	\$ 15,862
Bond reserve	-	110,880
Replacement and extension	204,204	193,116
Restricted cash and investments -		
Debt retirement	219,905	319,858
Add: Accrued interest receivable	38	38
Less: Payable from restricted assets		
Accrued interest	(2,651)	(6,664)
Restricted for debt retirement	<u>\$ 217,292</u>	<u>\$ 313,232</u>

4) Commitments

The District has a full service operating agreement with Alliance Water Resources, Inc. through December 31, 2025, which provides for the operation of the water system. The amounts to be paid under the basic agreement for operating the water system is \$560,916 for the year ending September 30, 2022 with the compensation for the balance of the contract to be negotiated on an annual basis.

The District entered into a five year lease agreement on September 1, 2019 for its office space. The lease calls for monthly rental payments of \$1,300 until August 31, 2024.

The following is a schedule of future lease payments required under the terms of the lease:

Year	Amount
2022	\$ 15,600
2023	\$ 15,600
2024	\$ 14,300

Consolidated Public Water Supply District No. 1 of Platte County

Notes to Financial Statements
September 30, 2021 and 2020

5) Capital Assets

Capital assets at September 30, 2021 consisted of the following:

	Balance at October 1	Additions	Deductions	Balance at September 31
Cost of systems	\$ 13,170,593	\$ 1,497,836	\$ -	\$ 14,668,429
Buildings	1,500	75,044	-	76,544
Equip & furniture & leasehold improvements	146,699	3,850	-	150,549
Vehicles & trailers	46,846	25,831	-	72,677
	<u>\$ 13,365,638</u>	<u>\$ 1,602,561</u>	<u>\$ -</u>	<u>\$ 14,968,199</u>
Accumulated depreciation	(5,168,084)	(526,426)	-	(5,694,510)
Construction in progress	158,537	147,013	(85,082)	220,468
Land	271,509	2,932	-	274,441
Total Capital Assets	<u>\$ 8,627,600</u>	<u>\$ 1,226,080</u>	<u>\$ (85,082)</u>	<u>\$ 9,768,598</u>

Capital assets at September 30, 2020 consisted of the following:

	Balance at October 1	Additions	Deductions	Balance at September 31
Cost of systems	\$ 12,161,695	\$ 1,013,308	\$ (4,410)	\$ 13,170,593
Buildings	1,500	-	-	1,500
Equip & furniture & leasehold improvements	147,519	18,115	(18,935)	146,699
Vehicles & trailers	46,846	-	-	46,846
	<u>\$ 12,357,560</u>	<u>\$ 1,031,423</u>	<u>\$ (23,345)</u>	<u>\$ 13,365,638</u>
Accumulated depreciation	(4,740,668)	(450,761)	23,345	(5,168,084)
Construction in progress	48,817	699,951	(590,231)	158,537
Land	259,594	11,915	-	271,509
Total Capital Assets	<u>\$ 7,925,303</u>	<u>\$ 1,292,528</u>	<u>\$ (590,231)</u>	<u>\$ 8,627,600</u>

Depreciation expense for the years ended September 30, 2021 and 2020 amounted to \$526,426 and \$450,761, respectively.

Consolidated Public Water Supply District No. 1 of Platte County

Notes to Financial Statements
September 30, 2021 and 2020

6) Long-Term Debt

The District's long-term debt consisted of the following as of September 30:

	<u>2021</u>	<u>2020</u>
2002 USDA Loan		
USDA Loan 91-07 due in monthly installments of \$8,067, bears interest at 4.625%.	\$ -	\$ 1,048,781
State of MO 2015 Waterworks Revenue Bonds		
State of Missouri 2015 Waterworks Revenue Bonds, Principal due in semi-annual installments of \$25,000 to \$32,900 from January 2017 through January 2036, interest rate is 1.23%	862,000	914,200
Total	<u>862,000</u>	<u>1,962,981</u>
Less: Current Portion	<u>(52,200)</u>	<u>(101,530)</u>
Long-Term Portion	<u><u>\$ 809,800</u></u>	<u><u>\$ 1,861,451</u></u>

The changes in long-term debt for the years ended September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Balance, Beginning	\$ 1,962,981	\$ 2,061,438
Additions	-	-
Retirements	<u>(1,100,981)</u>	<u>(98,457)</u>
Balance, Ending	<u><u>\$ 862,000</u></u>	<u><u>\$ 1,962,981</u></u>

The following is a summary of principal and interest requirements as of September 30:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	52,200	10,442
2023	54,200	9,794
2024	54,200	9,127
2025	56,200	8,454
2026	56,200	7,763
2027 - 2031	298,400	28,082
2032 - 2036	290,600	9,016
Totals	<u><u>\$ 862,000</u></u>	<u><u>\$ 82,678</u></u>

Consolidated Public Water Supply District No. 1 of Platte County

Notes to Financial Statements
September 30, 2021 and 2020

7) Long-Term Contract Receivable and Accounts Payable

The District and the Missouri Department of Transportation (MODOT) entered into agreements to allow for highway improvements. Due to these improvements by MODOT, the District relocated water mains to accommodate construction and increase capacity of water mains for future growth. The additional cost of increasing capacity is not reimbursable by MODOT and the District will need to repay these amounts. The receivable is due to change orders requested and approved by MODOT engineers on these same projects. The District anticipates an audit by MODOT to determine the correct amounts owed to the District and the correct amounts owed to MODOT. Management estimates a receivable from MODOT of \$64,053 and a payable of \$79,363. It is management's belief the amounts due will not be determined, collected or paid in the next twelve months.

8) Contingencies

The District may participate in grant programs that are funded by federal and state governmental agencies. Expenditures financed by grants are subject to audit by the grantor. The District believes the disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

9) Economic Dependency and Concentration of Credit Risk

The District provides virtually all of its services to the residents of Consolidated Public Water Supply District No. 1 of Platte County and derives the majority of its revenues from water service to those residents. Further, the District is subject to regulation by state statute, the Missouri Department of Natural Resources and the Environmental Protection Agency.

The District purchases all of the water it sells from the City of Kansas City, Missouri. The long-term contract of thirty-five (35) years was signed on November 17, 1997. Under this contract, the District agrees that the City will be the sole source of water for the District. Water rates to be paid to the City are established by Chapter 78 of the Code of Ordinances of the City of Kansas City, Missouri and may be amended from time to time by the Council of the City.

10) Litigation

At September 30, 2021, there were no claims or lawsuits pending against the District.

11) Related Party Transactions

There were no related party transactions during the year ended September 30, 2021.

12) Subsequent Events

Subsequent events have been evaluated through February 15, 2021 which is the date the reports were available to be issued.