

DATE: February 21, 2025
TO: Board of Trustees, BCRSD
FROM: John Fraser
SUBJECT: Human Resource & Finance Updates

DISCUSSION ITEMS:

1. Configuration of the new payroll software continues. The recent work has been on establishing cost accounting categories in order to capture useful labor data.
2. Muni-link software. Project appears to still be on pace. Recent focus has been uploading rate structure and customer balances. Also in progress is uploading available tracking demographics such as Parcel numbers, Water District #'s and Sewer plant #'s.
3. Internal audit work is complete. We will have a report at the March board meeting.
4. Remaining tasks for the year include pension program analysis and compensation study.

GENERAL & FINANCE:

1. December 2025 financial statements are presented. Observations are called out on Appendix A of this HR & Finance update.

John Fraser, Finance Manager



SIGNATURE:

DATE: 12-21-2026

APPENDIX A – Narrative accompanying financial reports.

The preliminary statements for December 31, 2025, are presented. These records have been sent to our auditors. They are preliminary because the yearend reconciliation work is about 95% complete. However, the few accounts where the reconciliation process is partially complete are small and we do not anticipate any material changes from the statements presented today.

The financial report is made up of four documents, consisting of, two management reports and two GAAP basis financial statements. They are:

Management reports	Classic Financial Statements
Dashboard	Profit and Loss Statement
Cost by function analysis	Balance sheet

Dashboard.

The Dashboard is new. The dashboard illustrates important financial topics on one page. The left side of the dashboard illustrates what happened during the period. The right side of the dashboard illustrates where we are at the end of the period. The dashboard is presented in thousands of dollars format (\$000's).

Box 1 is a condensed Profit and Loss Statement

- Line 1, Revenue is up 4% compared to the prior period and lower than budget by 1%.
 - The 4% increase is composed of a user fee revenue increased by 2.5, implemented mid-year, and contracted services increase of 17%.
- Line 2, Expenses are \$11k below the prior year and 6% below budget.
 - There was \$204k of rare expenses in 2024 for AWMP and CIP. Some spending in other categories were higher so that overall spending was flat. Some of those spending variances are listed as follows:

2025 vs 2024	Category	Description	Vs 2025 Budget
\$10k	Utilities	Higher electric utility costs	1% below
\$26k	Equipment	Gasoline. \$26k billing from City of Columbia for 2024.	
\$13k	Equipment	Gasoline. All other gasoline usage increase [gasoline would have been 24% lower if expenses posted to correct year] [18% lower than budget]	18% lower if transactions in correct year
\$16k	Equipment	Vehicle repairs. Sewer jet, two accident vehicle repairs & others	\$21k above
\$5k	Treatment	Sludge disposal. City of Columbia sludge removal	\$26k below
\$5k	Treatment	Sludge disposal. Blue River, drum polymer.	
\$6k	Treatment	Equip. replacement. UV sensor repair.	3% above
\$5k	Treatment	Equip. replacement. Sludge dewatering supplies	
\$28k	Collection	Backup rehab. Collection system payments	17% below
\$27k	Expenses	IT services. GFI digital services	32% below
\$23k	Expenses	Legal. Due to time without key staff in 2025.	14% above
\$22k	Expenses	Contract services. Muni-link services	
\$24k	Expenses	Insurance. \$14k correcting of errors, \$4k converting back to prior years method of categorizing prepaids. \$6k policy increase. [3% below budget if transactions in correct year]	3% below budget after corrections
\$8k	Expenses	Dues and subscriptions. \$8k converting back to prior years methodology of recording prepaids.	1% below budget after corrections
(\$25)	All other	All other, combined variances	
\$193k		Total	

- Line 2, Other comparisons to 2025 budget.
 - Labor was 14% below budget.
 - Overall A&G expenses were 10% below budget.
- Line 4, Depreciation expense varies as assets become fully depreciated and assets are added.
- Line 5, Line 4 includes non-operating items such as income recognized for contributed systems, interest income, interest expense, bond fees, and other one-time non-operating expenses. The \$2.5m increase in 2025 was primarily due to \$2.4m of revenue being recognized for contributed systems.
 - There is a \$91k increase in equity entry on line 44 of the detailed statements to correct a negative entry to fixed assets in 2024.

Box 2 illustrates the debt service payments that occurred during the year.

- The 2004 series of bonds with an original balance of \$1,095k was paid off in 2024. \$141k of new debt was added for the 2023 series debt, \$76k in 2024 and \$65k in 2025.
- Line 14, Debt service coverage ratio (DSCR) illustrates BCRSD has meet debt covenant requirements of 1.1.

Box 3 illustrates the capital assets acquired and also illustrates how those acquisitions were funded.

- Line 22, The \$2.4m of donated assets is composed of \$1.6m for the Brookfield treatment system and \$800k of donated collection systems.
- Assets acquired by cash total \$178k, listed as follows: Camera \$59k, pickup truck \$40k, Ravenwood land \$110k, and \$9k for home office rehab. Boone county reimbursed \$41k for Bolli Road.
- Assets acquired using financing totaled \$241k, composed of \$176k for the crane truck and \$65k for Rollingwood.
- Assets acquired using grant funds were \$31k for Rocheport Lift station.

Box 4 illustrates the change in cash balance during the period, starting with operating income and deducting debt service, capital spending and increases or decreases in payables, receivables, prepaids, and inventory (working capital).

- Cash increased 39% for the period. The increase in cash is primarily due to the savings in annual debt service from the 2022 refinancing where the 2007, 2013, and 2015 debt series were refinanced at a lower rate and longer term. The savings reverses in years 20 to 30 as the debt term was increased from 20 to 30 years.
- Line 39, Current liabilities – Use of cash decisions should account for existing liabilities.
- The use of cash is the focus of long-range planning. It is estimated that the capital requirements to meet the clean water standards will be financed by both cash and debt. The future clean water capital requirements estimates are listed in Box 6.

Box 5 illustrates the current restrictions and designations of cash.

- Line 51, Cash - available, is the cash that has not been restricted or designated that could be allocated to future capital requirements.
- Line 52, Cash – designated, illustrates the amounts designated by board policy.
- Line 53, Cash – future capital requirements, is the amount of cash restricted by debt covenants, it is also known as “Budget Stabilization”.
- Line 55, – Investment – restricted is the amount held by United Missouri Bank (UMB) for debt service requirements.
- Line 58, days of cash is illustrated. Organizations that have 120 to 180 days of cash on hand receive the best rating and thus the lower interest rate.

Box 6 is an estimate of the amounts of spending required to meet clean water requirements.

- This topic is a focus of the board and management. A plan to determine when the clean water requirements projects must be completed and how they will be financed.

Box 7 is a condensed balance sheet.

	12/31/2024	(Y/Y)%	12/31/2025	%	YTD Budget
① Profit and Loss Statement (GAAP)					
1 Revenue	\$ 5,648	4%	\$ 5,875	-1%	\$ 5,933
2 Expenses	3,822	0%	3,811	-6%	4,053
3 Oper. Inc.	1,826	13%	2,064	10%	1,880
4 Deprec.	(1,324)	11%	(1,465)	7%	(1,371)
5 Other	(15)		2,514		1
6 Equity inc(dec)	\$ 487		\$ 3,113		\$ 510
7 Beginning equity	20,083		20,570		20,083
8 Ending equity	<u>\$ 20,570</u>		<u>\$ 23,683</u>		<u>\$ 20,593</u>

	12/31/2024	(Y/Y)%	12/31/2025
⑤ Cash / Reserves / Investments			
51 Cash - available	\$ 2,081	9%	\$ 2,273
52 Cash - designated	797	1%	805
53 Cash - future capital requirements	1,227	36%	1,669
54 sub-total	\$ 4,105	16%	\$ 4,747
55 Investments - Restricted	510	0%	508
56 Total cash	<u>\$ 4,615</u>	14%	<u>\$ 5,255</u>
57 Daily cash requirements	\$ 14	5%	\$ 14
58 Days of cash [Lines 51+52]	210	2%	215

	② Debt service payments					
11 Principal	\$ 833	-7%	\$ 774	0%	\$ 776	
12 Interest	188	-3%	183	3%	177	
13 Debt Service	\$ 1,021	-6%	\$ 957		\$ 953	
14 DSCR	1.8	21%	2.2		2.0	

	⑥ Future Capital requirements estimate					
61 0-5 Years						\$ 35,724
62 6-10 Years						14,657
63 11-20 Years						22,140
64 Total capital requirements						<u>\$ 72,521</u>

	③ Capital assets acquired					
21 Spend	\$ 80	681%	\$ 625	-59%	\$ 1,527	
22 Donated	-		2,446		-	
23 Disposed	-					
24	\$ 80		\$ 3,071		\$ 1,527	
25 Debt proceeds	\$ -		\$ 241		\$ 278	
Grant proceeds			\$ 31			

	⑦ Balance Sheet					
71 Cash/Reserves/Invest. (see box 5)	\$ 4,615	14%	\$ 5,255			
72 Receivables	286	68%	481			
73 Inventory & Prepays	155	46%	226			
74 NBV of fixed assets	28,750	6%	30,450			
75 Total assets	<u>\$ 33,806</u>	8%	<u>\$ 36,412</u>			
76 Current liabilities	\$ 491	22%	\$ 598			
77 Current portion of debt	774	1%	779			
78 Deferred revenue	157		157			
79 Long term debt	11,815	-5%	11,195			
80 Total liabilities	\$ 13,237	-4%	\$ 12,729			
81 Net investment in capital assets	16,004	21%	19,306			
82 Restricted net position	502	1%	508			
83 Unrestricted net position	4,063	-5%	3,869			
84 Total liabilities and net position	<u>\$ 33,806</u>	8%	<u>\$ 36,412</u>			

	④ Cash flow					
31 Oper. Inc.	\$ 1,826	13%	\$ 2,064	10%	\$ 1,880	
32 Debt service	(1,021)	-6%	(957)	0%	(953)	
33 Capital spend	(80)	681%	(625)	-36%	(975)	
34 Debt proceeds	-		241			
35 Work Cap inc.(dec.)	229		(83)			
36 Cash inc. (dec.)	\$ 954	-33%	\$ 640	-1433%	\$ (48)	
37 Beginning cash	3,661	26%	4,615		3,825	
38 Ending cash	<u>\$ 4,615</u>	14%	<u>\$ 5,255</u>	39%	<u>\$ 3,777</u>	
39 Current liabilities	\$ (1,265)	9%	\$ (1,377)			

Boone County Regional Sewer District
Cost by function analysis
For the 12 months ending December 31, 2025

	Collection	Contract Service	Project Management	Treatment	Not specified	Total
Cost of Goods Sold						
2 Labor	433,917	135,143	42,829	356,343	(20,009)	948,222
3 Labor-DirectOverhead	5,495	2,560	113,194	11,219	(327)	132,141
4 Utilities	59,685			155,856		215,541
5 Equipment Expenses	83,089	5,363	1,480	49,885	4,810	144,626
6 Treatment Costs	773	247		121,655	(1,103)	121,573
7 Collection Systems	167,580			14,787	16,000	198,367
8 Contract Operations	12,184	483		3,101		15,768
10 Professional Services	55,414		698	11,152	8,793	76,057
11 Service fees	42,570		3	1,136	101	43,809
12 Cost of Goods Sold - BCRSD	860,708	143,796	158,203	725,133	8,265	1,896,104
13 Debt service	468,857	0	0	487,994	0	956,850
14 Expenses	419,709	41,435	83,672	302,601	44,487	891,904
15 CGS - BCRSD with debt service	1,749,274	185,230	241,874	1,515,728	52,752	3,744,858
16 Wholesale Treatment - City of Columbia				1,023,545		1,023,545
17 GALLONS BCRSD				118,752,139		
18 GALLONS - City of Columbia				192,252,549		
19 \$ per gallon BCRSD				\$ 0.0128		
20 \$ per gallon City of Columbia				\$ 0.0053		
21 BCRSD % higher				140%		

Profit and Loss
Boone County Regional Sewer District
For the 12 Months ending December 31, 2025

		2024	%	2025	%	2025 Budget
1	Income	\$ 5,647,679	4%	\$ 5,875,267	-1%	\$ 5,933,200
	Cost of Goods Sold					
2	Labor	917,966	3%	948,222	-8%	1,028,490
3	Labor-DirectOverhead	178,321	-26%	132,141	-62%	213,952
4	Utilities	207,068	4%	215,541	-3%	221,189
5	Equipment Expenses	68,150	89%	128,600	51%	62,946
6	Shop Supplies	10,697	10%	11,816	15%	10,000
7	Safety Equip - PPE			4,209	52%	2,000
8	Treatment Costs	86,732	40%	121,573	-18%	143,550
9	Collection Systems	169,780	17%	198,367	0%	199,000
10	Contract Operations	9,146	72%	15,768	100%	0
11	Wholesale Treatment	1,044,231	-2%	1,023,545	-3%	1,054,870
12	Professional Services	252,074	-77%	57,330	-59%	91,337
13	Contract Service-GIS					
	Development	22,590	-17%	18,727	20%	15,000
14	Service fees	39,789	10%	43,809	-126%	98,807
15	Cost of Goods Sold	3,006,543	-3%	2,919,649	-8%	3,141,141
16	Gross margin	\$ 2,641,136	12%	\$ 2,955,618	6%	\$ 2,792,060
17	Gross margin %			50%	6%	47%
	Expenses					
21	Labor-A&G	368,423	-11%	328,248	-22%	401,512
22	Utilities Building	5,698	69%	9,601	-58%	15,126
23	Repair & Maint - HQ	600	559%	3,952	-27%	5,000
24	IT Services			27,190	-47%	40,000
25	Legal Fees	140,840	16%	163,730	12%	144,000
26	Audit	20,000	10%	22,000	0%	22,000
27	Contract Services - Finance			3,630	-175%	10,000
29	Contract Service - Misc			21,971	98%	500
30	Insurance	67,594	36%	91,805	22%	71,588
31	BEC Fees & Services	142,994	-1%	142,247	33%	94,901
32	Service Fees - A&G	12,623	-5%	12,012	-28%	15,400
33	All other A&G expenses	55,002	8%	59,576	-49%	88,977
34	Software Subscriptions	707	741%	5,942	46%	3,200
35	Expenses	814,480	10%	891,904	-2%	912,204
36	Net Operating Income	\$ 1,826,656	13%	\$ 2,063,714	9%	\$ 1,879,856
	Other income (expense)					
37	ARRA Grant Funds			30,375	100%	0
38	Contributed Systems			2,446,427	100%	0
39	Interest Income	202,775	-1%	199,983	-7%	213,944
40	Depreciation	(1,294,483)	10%	(1,422,089)	7%	(1,317,547)
41	Amortization Exp - Leased Assets	(29,754)	47%	(43,596)	-22%	(53,236)
42	Interest Expense	(143,795)	27%	(182,550)	3%	(176,179)
43	SRF Bond Issuance Exp S&D	(74,410)	-6%	(70,057)	47%	(37,105)
44	Other non oper. income (expenses)	(431)		91,635	100%	0
45	Total other Income (expense)	(1,340,098)	-178%	1,050,128	230%	(1,370,122)
46	Equity increase (decrease)	\$ 486,558	540%	\$ 3,113,842	84%	\$ 509,733

Balance Sheet
Boone County Regional Sewer District
As of December 31, 2025

			2024		2025
Assets					
Current Assets					
1	Cash Checking	\$	1,608,114	33%	\$ 2,142,310
	Cash Money Market				
2	General Fund Investments		471,105	-72%	130,924
3	Encumbrances		347,797	3%	359,568
4	SRF Budget Stabilization		1,227,154	36%	1,668,529
5	SRF O & M Acct		319,362	4%	331,543
6	SRF Replacement Acct		130,996	-13%	113,950
7	sub-total		2,496,413	4%	2,604,515
8	UMB Money market		510,843	-1%	507,677
9	Accounts Receivable		286,431	68%	482,382
10	Inventory Asset		66,011	115%	141,740
11	Prepaid Expenses		88,310	-5%	84,309
12	Undeposited Funds		0		0
13	Current Assets		5,056,123	18%	5,962,932
14	Fixed Assets		47,667,601	6%	50,563,942
15	Accumulated Depreciation		(19,135,528)	7%	(20,465,102)
16	Other Assets		217,589	61%	350,927
17	Total Assets	\$	33,805,785	8%	\$ 36,412,700
Liabilities and Equity					
Liabilities					
20	Current Liabilities	\$	419,161	43%	\$ 598,158
21	Short term portion of LT debt		834,000	-7%	779,214
22	Deferred revenue		157,143		157,143
23	Long-term Liabilities		11,825,960	-5%	11,194,821
24	Total Liabilities		13,236,264	-4%	12,729,337
25	Equity		20,569,521	15%	23,683,363
26	Liabilities and Equity	\$	33,805,785	8%	\$ 36,412,700