BCRSD
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Clean water for your future
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DATE: August 18, 2026
TO: Board of Trustees, BCRSD
FROM: John Fraser
SUBJECT: Finance Report

DISCUSSION ITEMS:

1. Establishment of refund bank account
    - BCRSD will take over the issuance of refund checks to customers from Boone Electric.
    - It is anticipated that there will be uncashed refund checks to track on bank reconciliations.
    - In addition, we are required to report uncashed checks and submit funds to the Secretary of State.
    - Staff is recommending the creation of a separate bank account to issue refund checks to facilitate organization of accounting records and simplify tracking and reporting to the State of State.

John Fraser, Finance Manager

John G Fraser

SIGNATURE:

DATE: 8-18-2026

APPENDIX A – Narrative accompanying financial reports.

The financial statements for June 30, 2026 are presented.

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

Management reports	Classic Financial Statements
Dashboard	Profit and Loss Statement
	Balance sheet

Dashboard.
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 3% lower than last year actual and 1% lower than budget. The Ashland contract ended in Q2 and the Sturgeon contracted ended in 2025 accounting for most of the prior year vs current year revenue variance.
- Line 2, Expenses are 5% higher than last year at this time and 3% below budget.
    - Some professional service fee payments are ahead of pace versus last year. Muni-link data conversion rolled into 2026. $15k of contingency was utilized for the data conversion.
    - Direct labor is higher than last year due to vacancies filled. Direct labor is expected to be below budget in 2026. Selected variances are scheduled as follows:

2026 vs 2025	Category	Description	Vs 2026 Budget
$91k	Labor	Vacant position in the prior year account for most of the difference.	7% below budget
$17k	Treatment	Every other year purchase of UV supplies.	10% higher than budget
($20k)	Treatment	Wholesale treatment	4% below budget
($9k)	Collection	Pump replacement and pump supplies ahead of 2026 budget pace.	16% higher than budget
$30k	Professional Services	Data conversion and rate study	8% lower than budget
($3k)		All other	
$112k		Total	($42K)

- Line 4, Higher due to $3 million more assets being depreciated. Mostly donated systems.

- Line 5, includes non-operating items such as income recognized for contributed systems, interest income, interest expense, bond fees, and other one-time non-operating expense scheduled as follows:

2025 Q2	2026 Q2	Non-operating activity
$15k	$190k	Grant & other revenue for capital
$0	$405k	Contributed systems
$97k	$97k	Interest income
($62k)	($91k)	Interest expense
($37k)	($35k)	Bond issuance expense
($92k)	$39k	Non-operating income (expense)
($79k)	$605k	Total

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

- Line 14, Debt service coverage ratio (DSCR) requirements are 1.1.

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

- Line 21, Assets acquired by cash, debt, and grants total $555k, listed as follows:

2026 Q2	Capital assets acquired by cash, debt, or grant
$191k	Vacuum truck
$35k	Mini excavator
$325k	Work in progress – Headquarters, Highfield, Rocheport
$4k	Furniture HQ renovation
$555k	Total

- Line 22, The $405k of donated assets is composed of: $82k Car Condo technology, $41K Newtown, $146k Ravenwood. $136k The Cedars.

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 10% from a year ago. 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.