WATER DISTRICT # 11  BEAR RIVER
Financial Statements
February 1, 2006

GERALD L. BROWN, CPA
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P.O. BOX 378
SODA SPRINGS, ID 83276-0378

August 7, 2006

WATER DISTRICT # 11 BEAR RIVER
P.O. BOX 378
SODA SPRINGS, ID 83276

I have compiled the accompanying balance sheet of Water District #11 Bear River, a governmental unit, as of February 1, 2006, and the related statement of revenues, expenses and change in net assets for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to this entity.

Gerald L. Brown

WATER DISTRICT # 11 BEAR RIVER
Balance Sheet
February 1, 2006

ASSETS

| | |
|---|---|
| CURRENT ASSETS | |
| Cash-Ireland Bank-checking | $298 |
| Cash-Ireland Bank-savings | 135 |
| Accounts receivable-water users | 1,394 |
| Total current assets | 1,827 |
| Total assets | $1,827 |

LIABILITIES AND NET ASSETS

| | |
|---|---|
| CURRENT LIABILITIES | |
| Accounts payable | $1,097 |
| Accrued payroll taxes | 323 |
| Total current liabilities | 1,420 |
| NET ASSETS | |
| Unrestricted funds | 407 |
| Total net assets | 407 |
| Total liabilities and net assets | $1,827 |

WATER DISTRICT # 11 BEAR RIVER
Statement of Revenues, Expenses, and Change in Net Assets
Year Ended February 1, 2006

| | Twelve Months | % |
|---|---|---|
| OPERATING REVENUES, ASSESSMENTS | | |
| Utah Power & Light | $36,501 | 68.2 |
| Bear Lake County Water Users | 6,964 | 13.0 |
| Caribou County Water Users | 5,351 | 10.0 |
| Franklin County Water Users | 4,736 | 8.8 |
| Total operating revenues | 53,552 | 100.0 |
| OPERATING EXPENSES | | |
| Accounting and legal | 1,920 | 3.6 |
| Board meetings | 85 | .2 |
| Bad debts | 149 | .3 |
| Bank charges | 15 | .0 |
| Insurance-health | 6,970 | 13.0 |
| Insurance-workers compensation | 2,539 | 4.7 |
| Mobile mapper purchase | 1,866 | 3.5 |
| Postage | 43 | .1 |
| Rent | 3,000 | 5.6 |
| Retirement | 3,065 | 5.7 |
| Salaries & wages-watermaster | 14,750 | 27.5 |
| Supplies | 821 | 1.5 |
| Taxes - payroll | 2,257 | 4.2 |
| Telephone | 1,516 | 2.8 |
| Travel | 16,142 | 30.1 |
| Total operating expenses | 55,138 | 103.0 |
| INCOME (LOSS) FROM OPERATIONS | (1,586) | (3.0) |
| Nonoperating revenues (expenses) | | |
| Stored water revenue | 14,750 | 27.5 |
| Stored water expenses | (14,750) | (27.5) |
| Interest income | 533 | 1.0 |
| Total nonoperating revenues | 533 | 1.0 |
| INCREASE (DECREASE) IN NET ASSETS | (1,053) | (2.0) |
| NET ASSETS, BEGINNING OF YEAR | 1,460 | 2.7 |
| NET ASSETS, END OF YEAR | $407 | .8 |

| Src | Date | Ref | Description | Beginning Balance | Current | Year-to-Date | Ending Balance |
|---|---|---|---|---|---|---|---|
| 01060.000 | | | Cash-Ireland Bank-checking | 442.12 | | | |
| gj | 1/03/06 | 01*01 | DISB. | | 66,106.29- | | |
| gj | 1/03/06 | 01*04 | DEPOSITS | | 66,051.13 | | |
| gj | 2/01/06 | 02*01 | DISB | | 3,088.86- | | |
| gj | 2/01/06 | 02*02 | TRANSFER FUNDS | | 3,000.00 | | |
| gj | 2/01/06 | prsum | Payroll Summary | | 23,401.25 | | |
| sp | 2/01/06 | | Net | | 23,401.25- | | |
| | | | | | 144.02- | | 298.10 |
| 01061.000 | | | Cash-Ireland Bank-savings | 441.06 | | | |
| gj | 1/03/06 | 01*04 | DEPOSITS | | 57,130.39 | | |
| gj | 1/03/06 | 01*04 | DEPOSITS | | 54,900.00- | | |
| gj | 1/03/06 | 01*09 | INTEREST ON SAVINGS | | 471.35 | | |
| gj | 1/03/06 | 01*10 | BANK SC | | 15.00- | | |
| gj | 2/01/06 | 02*02 | TRANSFER FUNDS | | 3,000.00- | | |
| gj | 2/01/06 | 02*05 | JANUARY INTEREST | | 7.17 | | |
| | | | | | 306.09- | | 134.97 |
| 01140.000 | | | Accounts receivable-water users | 1,467.22 | | | |
| gj | 2/01/05 | 01*12 | SERVICE CHARGES ADDED TO AR | | 54.70 | | |
| gj | 2/01/05 | 01*13 | WRITE OFF WAYNE KUNZ | | 149.19- | | |
| gj | 3/31/05 | 1753 | WATER DIST. -PETE'S WATER | | 25.00 | | |
| gj | 1/03/06 | 01*04 | DEPOSITS | | 68,281.52- | | |
| gj | 1/03/06 | 01*05 | 2005 BILLING | | 53,553.00 | | |
| gj | 1/03/06 | 01*06 | SUPPLEMENTAL WATER BILLING | | 14,750.00 | | |
| sp | 2/01/06 | | A/R | | 25.00- | | |
| | | | | | 73.01- | | 1,394.21 |
| 03100.000 | | | Accounts payable | 577.18- | | | |
| gj | 2/01/05 | 1740 | GERALD BROWN | | 160.00 | | |
| gj | 2/01/05 | 1742 | PERSI | | 417.18 | | |
| gj | 2/01/06 | 02*03 | ACCRUE HEALTH INSURANCE | | 667.01- | | |
| gj | 2/01/06 | 02*04 | ACCRUE RETIREMENT | | 429.82- | | |
| | | | | | 519.65- | | 1,096.83- |
| 03230.000 | | | Accrued payroll taxes | 313.03- | | | |
| gj | 2/01/05 | 1741 | IRELAND BANK | | 313.03 | | |
| gj | 2/28/05 | 1746 | IRELAND BANK | | 291.32 | | |
| gj | 3/31/05 | 1758 | IRELAND BANK | | 322.53 | | |
| gj | 4/28/05 | 1765 | IRELAND BANK | | 353.43 | | |
| gj | 6/02/05 | 1770 | IRELAND BANK | | 407.90 | | |
| gj | 6/30/05 | 1777 | IRELAND BANK | | 394.74 | | |
| gj | 8/02/05 | 1784 | IRELAND BANK | | 407.90 | | |
| gj | 8/31/05 | 1792 | IRELAND BANK | | 407.90 | | |
| gj | 9/30/05 | 1796 | IRELAND BANK | | 394.74 | | |
| gj | 10/31/05 | 1802 | IRELAND BANK | | 407.89 | | |
| gj | 11/30/05 | 1810 | IRELAND BANK | | 394.74 | | |
| gj | 12/31/05 | 1816 | IRELAND BANK | | 407.89 | | |
| gj | 1/03/06 | 01*11 | CORRECT PAYROLL TAXES | | 1,654.50- | | |

| Src | Date | Ref | Description | Beginning Balance | Current | Year-to-Date | Ending Balance |
|---|---|---|---|---|---|---|---|
| 03230.000 | | (Cont'd) | Accrued payroll taxes | | | | |
| sp | 2/01/06 | | SS W/H | | 2,256.75- | | |
| ta | 2/01/06 | | Employer SS Liability | | 602.25- | | |
| | | | | | 9.49- | | 322.52- |
| 04100.000 | | | Net Assets (RIE) | 1,460.19- | | | |
| gj | 1/03/06 | 01*02 | ADJUST BEGINNING BALANCE | | 1,460.19 | | |
| | | | | | 1,460.19 | | .00 |
| 06100.000 | | | Utah Power & Light | .00 | | | |
| gj | 1/03/06 | 01*05 | 2005 BILLING | | 36,500.97- | | |
| | | | | | 36,500.97- | | 36,500.97- |
| 06110.000 | | | Bear Lake County Water Users | .00 | | | |
| gj | 1/03/06 | 01*05 | 2005 BILLING | | 6,964.45- | | |
| | | | | | 6,964.45- | | 6,964.45- |
| 06120.000 | | | Caribou County Water Users | .00 | | | |
| gj | 1/03/06 | 01*05 | 2005 BILLING | | 5,351.47- | | |
| | | | | | 5,351.47- | | 5,351.47- |
| 06130.000 | | | Franklin County Water Users | .00 | | | |
| gj | 1/03/06 | 01*05 | 2005 BILLING | | 4,736.11- | | |
| | | | | | 4,736.11- | | 4,736.11- |
| 08104.000 | | | Accounting and legal | .00 | | | |
| gj | 2/28/05 | 1747 | GERALD BROWN | | 160.00 | | |
| gj | 3/28/05 | 1759 | GERALD BROWN | | 160.00 | | |
| gj | 3/31/05 | 1752 | GERALD BROWN | | 160.00 | | |
| gj | 6/02/05 | 1769 | GERALD BROWN | | 160.00 | | |
| gj | 6/30/05 | 1775 | GERALD BROWN | | 160.00 | | |
| gj | 7/28/05 | 1779 | GERALD BROWN | | 160.00 | | |
| gj | 8/31/05 | 1788 | GERALD BROWN | | 160.00 | | |
| gj | 9/30/05 | 1798 | GERALD BROWN | | 160.00 | | |
| gj | 10/31/05 | 1804 | GERALD BROWN | | 160.00 | | |
| gj | 11/19/05 | 1812 | GERALD BROWN | | 160.00 | | |
| gj | 11/30/05 | 1808 | GERALD BROWN | | 160.00 | | |
| gj | 2/01/06 | 1821 | GERALD BROWN | | 160.00 | | |
| | | | | | 1,920.00 | | 1,920.00 |
| 08108.000 | | | Board meetings | .00 | | | |
| gj | 2/01/05 | 1743 | CRYSTAL COTTAGE | | 85.00 | | |
| | | | | | 85.00 | | 85.00 |
| 08109.000 | | | Bad debts | .00 | | | |
| gj | 2/01/05 | 01*13 | WRITE OFF WAYNE KUNZ | | 149.19 | | |
| | | | | | 149.19 | | 149.19 |

| Src | Date | Ref | Description | Beginning Balance | Current | Year-to-Date | Ending Balance |
|---|---|---|---|---|---|---|---|
| 08110.000 | | | Bank charges | .00 | | | |
| gj | 1/03/06 | 01*10 | BANK SC | | 15.00 | | |
| | | | | | 15.00 | | 15.00 |
| 08131.000 | | | Insurance-health | .00 | | | |
| gj | 2/28/05 | 1749 | MGRS. GROUP INS. - APRIL | | 611.35 | | |
| gj | 3/31/05 | 1755 | DEPT. OF ADMIN - MAY | | 611.35 | | |
| gj | 4/28/05 | 1763 | MGRS. GROUP INS. - JUNE | | 611.35 | | |
| gj | 6/02/05 | 1771 | MGRS. GROUP INS. - JULY | | 667.01 | | |
| gj | 6/30/05 | 1776 | MGRS. GROUP INS. - AUG. | | 667.01 | | |
| gj | 8/02/05 | 1783 | MGRS. GROUP INS. - SEPT. | | 667.01 | | |
| gj | 8/31/05 | 1790 | MGRS. GROUP INS. - OCT. | | 667.01 | | |
| gj | 9/30/05 | 1797 | MGRS. GROUP INS. - NOV. | | 667.01 | | |
| gj | 10/31/05 | 1803 | MGRS. GROUP INS. - DEC. | | 667.01 | | |
| gj | 11/30/05 | 1809 | MGRS. GROUP INS. - JAN. | | 667.01 | | |
| gj | 12/31/05 | 1815 | MGRS. GROUP INS. - FEB. | | 667.01 | | |
| gj | 2/01/06 | 02*03 | ACCRUE HEALTH INSURANCE | | 667.01 | | |
| sp | 2/01/06 | | Ins. | | 867.00- | | |
| | | | | | 6,970.14 | | 6,970.14 |
| 08132.000 | | | Insurance-workers compensation | .00 | | | |
| gj | 3/31/05 | 1754 | STATE INS. FUND | | 471.00 | | |
| gj | 6/02/05 | 1768 | STATE INS. FUND | | 553.00 | | |
| gj | 8/02/05 | 1782 | STATE INS. FUND | | 232.00 | | |
| gj | 8/31/05 | 1789 | STATE INS. FUND | | 641.00 | | |
| gj | 1/03/06 | 1818 | STATE INS. FUND | | 642.00 | | |
| | | | | | 2,539.00 | | 2,539.00 |
| 08141.000 | | | Mobile mapper purchase | .00 | | | |
| gj | 3/28/05 | 1760 | PETER PETERSON *MOBILE MAPPER | | 1,866.00 | | |
| | | | | | 1,866.00 | | 1,866.00 |
| 08150.000 | | | Postage | .00 | | | |
| gj | 3/31/05 | 1757 | GERALD BROWN*POSTAGE | | 43.29 | | |
| | | | | | 43.29 | | 43.29 |
| 08156.000 | | | Rent | .00 | | | |
| gj | 2/28/05 | 1744 | PETER PETERSON | | 250.00 | | |
| gj | 3/28/05 | 1761 | PETER PETERSON | | 250.00 | | |
| gj | 3/31/05 | 1750 | PETER PETERSON | | 250.00 | | |
| gj | 6/02/05 | 1766 | PETER PETERSON | | 250.00 | | |
| gj | 6/30/05 | 1773 | PETER PETERSON | | 250.00 | | |
| gj | 8/01/05 | 1780 | PETER PETERSON | | 250.00 | | |
| gj | 8/31/05 | 1786 | PETER PETERSON | | 250.00 | | |
| gj | 9/30/05 | 1794 | PETER PETERSON | | 250.00 | | |
| gj | 10/31/05 | 1800 | PETER PETERSON | | 250.00 | | |
| gj | 11/30/05 | 1806 | PETER PETERSON | | 250.00 | | |
| gj | 12/31/05 | 1813 | PETER PETERSON | | 250.00 | | |
| gj | 2/01/06 | 1820 | PETE PETERSON | | 250.00 | | |

| Src | Date | Ref | Description | Beginning Balance | Current | Year-to-Date | Ending Balance |
|---|---|---|---|---|---|---|---|
| 08156.000 | | (Cont'd) | Rent | | | | |
| | | | | | 3,000.00 | | 3,000.00 |
| 08162.000 | | | Retirement | .00 | | | |
| gj | 2/28/05 | 1748 | PERSI | | 388.23 | | |
| gj | 3/31/05 | 1756 | PERSI | | 429.83 | | |
| gj | 4/28/05 | 1764 | PERSI | | 471.01 | | |
| gj | 6/02/05 | 1772 | PERSI | | 543.60 | | |
| gj | 6/30/05 | 1778 | PERSI | | 526.06 | | |
| gj | 8/02/05 | 1785 | PERSI | | 543.60 | | |
| gj | 8/31/05 | 1791 | PERSI | | 526.06 | | |
| gj | 9/07/05 | 1793 | PERSI | | 17.54 | | |
| gj | 9/30/05 | 1799 | PERSI | | 526.06 | | |
| gj | 10/31/05 | 1805 | PERSI | | 543.59 | | |
| gj | 11/30/05 | 1811 | PERSI | | 526.05 | | |
| gj | 12/31/05 | 1817 | PERSI | | 543.59 | | |
| gj | 2/01/06 | 02*04 | ACCRUE RETIREMENT | | 429.82 | | |
| sp | 2/01/06 | | Ret. | | 2,950.00- | | |
| | | | | | 3,065.04 | | 3,065.04 |
| 08165.000 | | | Salaries & wages-watermaster | .00 | | | |
| gj | 1/03/06 | 01*07 | SUPPLEMENTAL WATER EXPENSES | | 14,750.00- | | |
| sp | 2/01/06 | | Gross | | 29,500.00 | | |
| | | | | | 14,750.00 | | 14,750.00 |
| 08181.000 | | | Supplies | .00 | | | |
| gj | 2/28/05 | 1744 | PETER PETERSON | | 17.10 | | |
| gj | 2/28/05 | 1744 | PETER PETERSON | | 12.10 | | |
| gj | 3/28/05 | 1761 | PETER PETERSON | | 48.52 | | |
| gj | 3/28/05 | 1761 | PETER PETERSON | | 12.37 | | |
| gj | 3/31/05 | 1750 | PETER PETERSON | | 12.32 | | |
| gj | 3/31/05 | 1750 | PETER PETERSON | | 31.75 | | |
| gj | 6/02/05 | 1766 | PETER PETERSON | | 54.31 | | |
| gj | 6/02/05 | 1766 | PETER PETERSON | | 26.35 | | |
| gj | 6/30/05 | 1773 | PETER PETERSON | | 59.70 | | |
| gj | 6/30/05 | 1773 | PETER PETERSON | | 6.65 | | |
| gj | 8/01/05 | 1780 | PETER PETERSON | | 66.71 | | |
| gj | 8/01/05 | 1780 | PETER PETERSON | | 6.75 | | |
| gj | 8/31/05 | 1786 | PETER PETERSON | | 70.87 | | |
| gj | 8/31/05 | 1786 | PETER PETERSON | | 14.12 | | |
| gj | 9/30/05 | 1794 | PETER PETERSON | | 48.20 | | |
| gj | 10/31/05 | 1800 | PETER PETERSON | | 41.75 | | |
| gj | 10/31/05 | 1800 | PETER PETERSON | | 7.50 | | |
| gj | 11/30/05 | 1806 | PETER PETERSON | | 219.70 | | |
| gj | 11/30/05 | 1806 | PETER PETERSON | | 10.85 | | |
| gj | 12/31/05 | 1813 | PETER PETERSON | | 14.60 | | |
| gj | 12/31/05 | 1813 | PETER PETERSON | | 38.65 | | |
| | | | | | 820.87 | | 820.87 |
| 08185.000 | | | Taxes - payroll | .00 | | | |
| gj | 1/03/06 | 01*11 | CORRECT PAYROLL TAXES | | 1,654.50 | | |

| Src Date | Ref | Description | Beginning Balance | Current | Year-to-Date | Ending Balance |
|---|---|---|---|---|---|---|
| 08185.000 | (Cont'd) | Taxes - payroll | | | | |
| ta 2/01/06 | | Employer SS Expense | | 602.25 | | |
| | | | | 2,256.75 | | 2,256.75 |
| 08189.000 | | Telephone | .00 | | | |
| gj 2/28/05 | 1744 | PETER PETERSON | | 112.50 | | |
| gj 3/28/05 | 1761 | PETER PETERSON | | 119.86 | | |
| gj 3/31/05 | 1750 | PETER PETERSON | | 127.21 | | |
| gj 6/02/05 | 1766 | PETER PETERSON | | 121.60 | | |
| gj 6/30/05 | 1773 | PETER PETERSON | | 139.15 | | |
| gj 8/01/05 | 1780 | PETER PETERSON | | 134.15 | | |
| gj 8/31/05 | 1786 | PETER PETERSON | | 137.00 | | |
| gj 9/30/05 | 1794 | PETER PETERSON | | 121.12 | | |
| gj 10/31/05 | 1800 | PETER PETERSON | | 118.10 | | |
| gj 11/30/05 | 1806 | PETER PETERSON | | 139.15 | | |
| gj 12/31/05 | 1813 | PETER PETERSON | | 129.94 | | |
| gj 2/01/06 | 1820 | PETE PETERSON | | 116.30 | | |
| | | | | 1,516.08 | | 1,516.08 |
| 08192.000 | | Travel | .00 | | | |
| gj 2/28/05 | 1744 | PETER PETERSON | | 284.40 | | |
| gj 3/28/05 | 1761 | PETER PETERSON | | 1,952.40 | | |
| gj 3/31/05 | 1750 | PETER PETERSON | | 244.00 | | |
| gj 6/02/05 | 1766 | PETER PETERSON | | 1,895.60 | | |
| gj 6/30/05 | 1773 | PETER PETERSON | | 1,954.40 | | |
| gj 8/01/05 | 1780 | PETER PETERSON | | 1,826.40 | | |
| gj 8/31/05 | 1786 | PETER PETERSON | | 1,854.80 | | |
| gj 9/30/05 | 1794 | PETER PETERSON | | 1,798.40 | | |
| gj 10/31/05 | 1800 | PETER PETERSON | | 1,547.63 | | |
| gj 11/30/05 | 1806 | PETER PETERSON | | 1,202.80 | | |
| gj 12/31/05 | 1813 | PETER PETERSON | | 681.42 | | |
| gj 2/01/06 | 1820 | PETE PETERSON | | 18.77 | | |
| gj 2/01/06 | 1820 | PETE PETERSON | | 881.10 | | |
| | | | | 16,142.12 | | 16,142.12 |
| 09000.000 | | Stored water revenue | .00 | | | |
| gj 1/03/06 | 01*06 | SUPPLEMENTAL WATER BILLING | | 14,750.00- | | |
| | | | | 14,750.00- | | 14,750.00- |
| 09010.000 | | Stored water expenses | .00 | | | |
| gj 1/03/06 | 01*07 | SUPPLEMENTAL WATER EXPENSES | | 14,750.00 | | |
| | | | | 14,750.00 | | 14,750.00 |
| 09020.000 | | Interest income | .00 | | | |
| gj 2/01/05 | 01*12 | SERVICE CHARGES ADDED TO AR | | 54.70- | | |
| gj 1/03/06 | 01*09 | INTEREST ON SAVINGS | | 471.35- | | |
| gj 2/01/06 | 02*05 | JANUARY INTEREST | | 7.17- | | |

| Src Date | Ref | Description | Beginning Balance | Current | Year-to-Date | Ending Balance |
|---|---|---|---|---|---|---|
| 09020.000 | (Cont'd) | Interest income | | | | |
| | | | | 533.22- | | 533.22- |
| 09600.000 | | NET ASSETS,BEGINNING OF YEAR | .00 | | | |
| gj 1/03/06 | 01*02 | ADJUST BEGINNING BALANCE | | 1,460.19- | | |
| | | | | 1,460.19- | | 1,460.19- |
| | | | | | | .00 |