

**CONSOLIDATED  
RURAL WATER DISTRICT #2, INC.  
BOURBON COUNTY, KANSAS**

Regulatory Basis Financial Statement,  
Independent Auditors' Report, and  
Regulatory-Required Supplementary Information  
For the Year Ended  
December 31, 2017

**CONSOLIDATED RURAL WATER DISTRICT #2, INC.  
BOURBON COUNTY, KANSAS**

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# Diehl Banwart Bolton

*Certified Public Accountants PA*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors and management  
Consolidated Rural Water District #2, Inc.  
Bourbon County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Consolidated Rural Water District #2, Inc., Bourbon County, Kansas, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 of the financial statement, the financial statement is prepared by the Consolidated Rural Water District #2, Inc., Bourbon County, Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Consolidated Rural Water District #2, Inc., Bourbon County, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

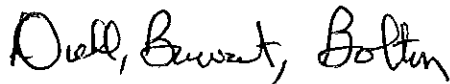
**Unqualified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Consolidated Rural Water District #2, Inc., Bourbon County, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

**Other Matters****Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedule of regulatory basis receipts and expenditures-actual (Schedule 1 as listed in the table of contents) is presented for analysis and is not a required part of the basic financial statement, however is required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 Actual column presented in the schedule of regulatory basis receipts and expenditures – actual (Schedule 1 as listed in the table of contents) is also presented for comparative analysis and was not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated January 31, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.



DIEHL, BANWART, BOLTON, CPAs PA

January 23, 2018  
Fort Scott, Kansas

**CONSOLIDATED RURAL WATER DISTRICT #2, INC.**  
**BOURBON COUNTY, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis

For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
					Encumbrances and Accounts Payable	Ending Cash Balance
Business Fund:						
Water Utility	\$ 405,903.51	\$ 2,304,295.12	\$ 1,868,903.08	\$ 841,295.55	\$ 94,207.46	\$ 935,503.01
Compensation of Cash:						
				Cash in bank - operating checking account.....		\$ 934,498.52
				Cash in bank - savings accounts.....		1,004.49
				Totals.....		\$ 935,503.01

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

**CONSOLIDATED RURAL WATER DISTRICT #2, INC.  
BOURBON COUNTY, KANSAS**

Notes to Financial Statement  
For the Year Ended December 31, 2017

**1. SIGNIFICANT ACCOUNTING POLICIES**

The financial statement of Consolidated Rural Water District #2, Inc., Bourbon County, Kansas has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Kansas Municipal Audit and Accounting Guide (KMMAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. The more significant of the District's accounting policies follow.

Nature of Organization: Consolidated Rural Water District #2, Inc., Bourbon County, Kansas, is a municipal corporation governed by an elected nine-member council. Consolidated Rural Water District #2, Inc., Bourbon County, Kansas, is a municipal corporation providing water to members of the District in rural Bourbon County, Kansas. On February 2, 1982, members of Rural Water District #1, Inc., and Consolidated Rural Water District #1, Inc., of Bourbon County, Kansas, voted to consolidate the two water districts into one district. On July 1, 1982, all assets, liabilities, debt, and obligations of the two districts were transferred to a new Consolidated Rural Water District #2, Inc. of Bourbon County. Currently, the District purchases its water from the City of Fort Scott, Kansas, Public Wholesale Water Supply District #5, Iola, Kansas, Public Wholesale Water Supply District #13, Mound City, Kansas, and Bourbon County Rural Water District #4, Bronson, Kansas. To continue serving its patrons, the District is dependent upon the various sources of water to provide adequate reasonably priced water. All water sales are made to residents in the area of the District. Accordingly, the District's operations are dependent upon the economic conditions of the area.

Reporting Entity

This financial statement presents Consolidated Rural Water District #2, Inc., Bourbon County, Kansas (primary government). There are no related municipal entities which should be accounted for in the District's financial statement.

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.

The following types of funds comprise the financial activities of Consolidated Rural Water District #2, Inc., Bourbon County, Kansas:

Business fund – funds financed in whole or part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

1. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)  
**Basis of Presentation - Fund Accounting** (Continued)

**Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America**

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

**Budgetary Information**

Kansas statutes do not require budgets for rural water districts.

**Deposits and Investments**

Deposits and investments include a business account and money market checking account. Kansas statutes permit investment in checking accounts, savings accounts, certificates of deposit, and, in certain cases, obligations of the U.S. Treasury.

**Compensated Absences**

The District does not provide sick or vacation benefits beyond the year earned.

**Income Taxes:** Consolidated Rural Water District #2, Inc., of Bourbon County, Kansas, is recognized by the Internal Revenue Service as a not-for-profit municipality corporation, and is exempt from Federal and State income taxes. Accordingly, this financial statement does not include a provision for income taxes.

**Termination and Post Employment Benefits**

The District does not offer termination or post employment benefits.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Compliance with Kansas Statutes**

This financial statement has been prepared in order to show compliance with the cash basis laws of Kansas. The District was in apparent compliance with the cash basis laws of Kansas.



### 3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local bank.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not have any "peak periods" designated. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the District's carrying amount of deposits was \$935,503.01 and the bank balance was \$946,908.89. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$251,004.49 was covered by federal depository insurance, and the remaining \$695,904.40 was collateralized with securities totaling \$975,869.05 held by the pledging financial institutions' agents in the District's name.

### 4. BENEFIT UNIT DEPOSITS

Customers of the District are required to pay a deposit for a benefit unit prior to connecting to a rural water line. New benefit units and deposits were added during the year totaling \$18,000.

### 5. RISK MANAGEMENT

The water district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The water district manages these risks of loss through various commercial insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## 6. FIXED ASSETS

As discussed in Note 1, regulatory basis financial statements do not record property, plant and equipment as assets of the District. In addition, depreciation expenses on the assets is not recorded. However, the District does keep track of fixed assets and the depreciation thereon for internal monitoring.

In connection with fixed asset accounting, plant and equipment are capitalized at cost and are depreciated on the straight-line method over the estimated useful life of the assets as follows:

Office Equipment	5 Years
Machinery	7 Years
Plant and Equipment	40 & 50 Years

Maintenance and repairs are charged to expense as incurred. Major renewals and improvements are capitalized.

Fixed assets and accumulated depreciation changed for the year as follows:

Fixed Asset	Beginning Balance	Additions	Deletions	Ending Balance
Materials & Construction	\$ 8,375,453.73	\$ 35,697.17	\$ -	\$ 8,411,150.90
Engineering Fees	480,121.03	-	-	480,121.03
Legal & Title Work	102,772.62	-	-	102,772.62
Inspection Fees	49,440.09	-	-	49,440.09
Easement & Right of Way	26,489.90	-	-	26,489.90
Office Equipment	24,967.86	-	(455.27)	24,512.59
Office Building	123,299.91	-	-	123,299.91
Trucks	139,812.94	-	(19,834.57)	119,978.37
Land	20,000.00	-	-	20,000.00
Watershed District	1,095,686.42	-	-	1,095,686.42
	<u>\$ 10,438,044.50</u>	<u>\$ 35,697.17</u>	<u>\$ (20,289.84)</u>	<u>\$ 10,453,451.83</u>
Accumulated Depreciation	<u>\$ 4,590,121.72</u>	<u>\$ 229,917.42</u>	<u>\$ (20,289.84)</u>	<u>\$ 4,799,749.30</u>

## 7. LONG-TERM DEBT

Long term debt at December 31, 2017, consisted of the following:

BALANCES  
DECEMBER 31, 2017

Loan payable to City State Bank dated June 23, 2014 in the amount of \$300,000 for the purpose of District improvements. The loan requires monthly principal and interest payments of \$2,935 for 10 years at an interest rate of 3.24%. The loan is scheduled to mature on July 1, 2024, and is secured by all assets of the District, including but not limited to all materials and construction assets, easement and right of way assets, office equipment, office building, trucks, land, cash deposits together with any and all operating assets of the District now owned or hereafter acquired.

\$ 169,925.75

7. **LONG-TERM DEBT** (Continued)

Unsecured, non-interest bearing loans payable to members of the District. The loans are payable upon the availability of funds, at the direction of the Board of Directors. During the year, there were no new loans from members, and 3 loans repaid to members totaling \$4,500.00. The balance was adjusted to reflect a \$4,500.00 member loan that was omitted in error in prior years.

43,198.30

\$ 213,124.05

Changes in long-term liabilities for the District for the year ended December 31, 2017, were as follows:

Issue	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
Long-Term Debt Payable					
Loan Payable to Bank	\$ 215,680.40	\$ -	\$ 45,754.65	\$ 169,925.75	\$ 7,465.35
Notes Payable to Members	<u>43,198.30</u>	<u>4,500.00</u>	<u>4,500.00</u>	<u>43,198.30</u>	<u>-</u>
	<u>\$ 258,878.70</u>	<u>\$ 4,500.00</u>	<u>\$ 50,254.65</u>	<u>\$ 213,124.05</u>	<u>\$ 7,465.35</u>

The unsecured, non-interest bearing loans payable to members of the District are payable upon the availability of funds, at the direction of the Board of Directors, typically paid after 5 or 6 years. Since there is no set maturity date, the loans payable to members are not included below.

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity
Loan Payable to Bank	3.24%	6/23/2014	\$ 300,000	7/1/2024

Current maturities of the loan payable and interest for the next five years and in five year increments through maturity are as follows:

December 31,	PRINCIPAL	INTEREST	TOTAL
2018	\$ 30,159.66	\$ 5,060.34	\$ 35,220.00
2019	31,151.48	4,068.52	35,220.00
2020	32,175.92	3,044.08	35,220.00
2021	33,234.03	1,985.97	35,220.00
2022	34,326.95	893.05	35,220.00
2023	<u>8,877.71</u>	<u>48.64</u>	<u>8,926.35</u>
TOTAL	<u>\$ 169,925.75</u>	<u>\$ 15,100.60</u>	<u>\$ 185,026.35</u>

## 8. PENSION PLAN

### General Information About the Plan

*Plan Description:* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603), or by calling 1-888-275-5737.

*Contributions:* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases on the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution was 8.46% for the fiscal year ended December 31, 2017. However, the District contributed at a rate of 13.07% in 2016 as a result of catch-up payments for past service costs. Contributions to the pension plan from the District were \$34,510.65 for the year ended December 31, 2017.

*Net Pension Liability:* KPERS' December 31, 2017 net pension liability report is not yet available. At December 31, 2016, the District's proportionate share of the collective net pension liability reported by KPERS was \$250,619, and the total Net Pension Liability for KPERS was \$9,218,105,439. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

9. **ECONOMIC DEPENDENCY**

The District purchases water for resale from the City of Fort Scott, Kansas, Public Wholesale Water Supply District #13, Public Wholesale Water Supply District #5, Bourbon County Rural Water District #4, and Linn County Rural Water District #2. Water purchased for the year was as follows:

	<u>2017</u>
City of Fort Scott	\$ 946,638.01
PWWSD #13	94,909.25
PWWSD #5	55,685.50
Bourbon Co. RWD #4	50,389.27
Linn Co. RWD #2	<u>6,148.38</u>
	<u>\$ 1,153,770.41</u>

10. **LONG-TERM OBLIGATIONS**

Water Purchase Contracts

On February 9, 1995, the District entered into a 40 year water purchase contract with Public Wholesale Water Supply District #5. The District is contractually obligated to purchase 600,000 gallons of water, but not more than 1.2 million gallons of water, each month from PWWSD #5 for an amount not to exceed \$2.85 per thousand gallons of water.

On May 19, 1998, the District entered into a 40 year water purchase contract with the City of Fort Scott, Kansas. The District is contractually obligated to purchase no more than 25 million gallons of water each month or 300 million gallons annually from the City of Fort Scott.

On December 20, 2000, the District entered into a 10 year water purchase contract with Bourbon Co RWD #4. The District is contractually obligated to purchase 50,000 gallons of water each month or 600,000 gallons annually from Bourbon Co RWD #4. Although this contract has expired, the District and Bourbon Co RWD #4 continue to operate under this contract and are currently working on a new contract.

On February 19, 2002, the District entered into a 40 year water purchase contract with Public Wholesale Water Supply District #13. The District is contractually obligated to purchase 1.2 million gallons of water, but not more than 2.4 million gallons of water, each month from PWWSD #13 for the amount of \$5.90 per thousand gallons of water.

Water Sales Contracts

On October 12, 2005, the District entered into a 10 year water sales contract with the City of Prescott, Kansas. The City of Prescott, Kansas is contractually obligated to purchase at least 400,000 gallons of water each month from the District.

On April 10, 2007, the District entered into a 35 year water sales contract with the Vernon County Rural Water District #2 in Deerfield, Missouri. The Vernon County Rural Water District #2 is contractually obligated to purchase no more than 30 million gallons of water a year from the District.

**10. LONG-TERM OBLIGATIONS (Continued)**

On January 3, 2014, the District entered into a 40 year water sales contract with the City of Uniontown, Kansas. The City of Uniontown, Kansas is contractually obligated to purchase at least 100,000 gallons of water and no more than 1,006,000 gallons of water each month from the District.

**11. SUBSEQUENT EVENTS**

Management has evaluated events and transactions occurring subsequent to December 31, 2017 through January 23, 2018, the date of the financial statement. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statement.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**CONSOLIDATED RURAL WATER DISTRICT #2, INC.**  
**BOURBON COUNTY, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Receipts		
Operating Receipts		
Metered water sales	\$ 1,344,078.25	\$ 1,384,006.19
Debt service fees	554,167.26	551,597.58
Penalties	32,349.43	29,347.54
Nonoperating Receipts		
Interest income	0.24	0.24
Miscellaneous income	15,225.18	21,880.82
Deerfield Reimbursement	29,104.61	29,162.74
Notes from members	8,816.80	-
Reimbursement from the State	-	270,300.01
Benefit Unit deposits	20,000.00	18,000.00
Total Receipts	<u>2,003,741.77</u>	<u>2,304,295.12</u>
Expenditures		
Operating Expenditures		
Water purchased	1,125,997.30	1,153,770.41
Repairs and maintenance	84,419.16	159,619.72
Operating supplies	2,917.14	2,967.09
Utilities and telephone	39,133.99	43,733.25
Office supplies	21,550.31	20,400.65
Insurance	47,251.26	42,559.71
Salaries	258,873.36	197,247.21
Payroll taxes	20,179.46	14,004.03
KPERs	34,510.65	23,613.39
Contracted meter readers	52,231.55	49,768.15
Legal and accounting	4,315.00	6,560.00
Travel	16,879.83	18,944.75
Sales taxes and water fees	15,723.38	15,297.44
Cleaning expense	3,418.70	3,358.70
Mowing expense	10,265.00	10,376.00
Miscellaneous expense	13,665.96	17,765.41
Nonoperating Expenditures		
Debt Service		
Principal paid	53,440.60	45,754.65
Interest paid	7,779.40	7,465.35
Capital Outlays	91,248.16	35,697.17
State road project	270,300.01	-
Total Expenditures	<u>2,174,100.22</u>	<u>1,868,903.08</u>
Receipts Over (Under) Expenditures	(170,358.45)	435,392.04
Unencumbered Cash, Beginning	<u>576,261.96</u>	<u>405,903.51</u>
Unencumbered Cash, Ending	<u>\$ 405,903.51</u>	<u>\$ 841,295.55</u>