

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2022 and 2021

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas

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Year ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rural Water District Number 8
Leavenworth County, Kansas

Opinions

We have audited the accompanying financial statements of the business-type activities of Rural Water District Number 8, Leavenworth County, Kansas as of and for the year ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

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 Rural Water District Number 8, Leavenworth County, Kansas as of December 31, 2022 and 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent Leavenworth Public Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rural Water District Number 8's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Rural Water District Number 8's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rural Water District Number 8's ability to continue as a going concern for a reasonable period of time.

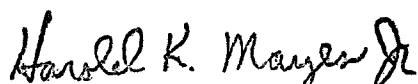
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Rural Water District Number 8 has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rural Water District Number 8's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Harold K. Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Ks.
April 25, 2023

RURAL WATER DISTRICT NUMBER 8**Leavenworth County, Kansas****STATEMENTS OF NET POSITION**

December 31,

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 374,573	\$ 163,824
Certificates of Deposit - due in one year	548,554	985,687
Accounts Receivable	261,697	49,785
Inventory	0	6,792
Prepaid Insurance	<u>5,311</u>	<u>5,025</u>
Total Current Assets	<u>1,190,135</u>	<u>1,211,113</u>
CERTIFICATES OF DEPOSIT	<u>1,357,894</u>	<u>1,579,595</u>
PROPERTY, PLANT AND EQUIPMENT		
Rural Water System	2,631,684	2,337,476
Land	42,343	46,768
Buildings	67,424	67,424
Water Tower	433,863	433,863
Administrative Equipment	17,957	24,436
Vehicle	42,600	42,600
Other Equipment	<u>18,208</u>	<u>8,929</u>
	3,254,079	2,961,496
Less: Accumulated Depreciation	<u>(1,778,853)</u>	<u>(1,726,603)</u>
Total Property Plant and Equipment	<u>1,475,226</u>	<u>1,234,893</u>
Total Assets	\$ <u><u>4,023,255</u></u>	\$ <u><u>4,025,601</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts Payable	\$ 16,021	\$ 15,770
	3,096	0
Advances Received for Emerald Estates	0	81,200
Advances Received for Line Installation	<u>20,000</u>	<u>2,500</u>
Total Current Liabilities	<u>39,117</u>	<u>99,470</u>
NET POSTION		
Invested in Capital Assets, Net of Related Debt	1,475,226	1,234,893
Unrestricted	<u>2,508,912</u>	<u>2,691,238</u>
Total Net Position	<u>3,984,138</u>	<u>3,926,131</u>
Total Liabilities and Net Position	\$ <u><u>4,023,255</u></u>	\$ <u><u>4,025,601</u></u>

The accompanying notes are an integral part of these statements.

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31,

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Water Sales	\$ 480,824	\$ 467,027
Refunds - (Expense)	(695)	(163)
Late Charges	<u>10,000</u>	<u>10,110</u>
Total Operating Income	490,129	476,974
Cost of Water Purchases	<u>200,884</u>	<u>177,617</u>
Gross Profit	<u>289,245</u>	<u>299,357</u>
OPERATING EXPENSES		
Salaries	145,262	169,889
Payroll Taxes	11,812	13,782
Bad Debts	0	0
Professional Fees	6,059	19,092
Insurance & Bonding	14,120	14,297
Utilities	9,664	9,997
Easement	0	24
Mailing & Postage	3,874	4,932
Internet	797	2,412
Office Expense	4,230	3,848
Office Expenses - Copier, Toner and Parts	95	367
Telephone	1,755	1,219
Bank Charges & Fees	156	0
Board Meetings	0	669
Electronic Payment Expense - Credit	7,847	7,704
Electronic Payment Expense - ACH	1,542	952
Water Analysis	694	1,310
Kansas One Call Expense	447	664
Mileage	1,623	1,706
Water Protection/Cleaning Drinking Water Tax	2,345	4,321
Real Estate Taxes	733	655
Repairs & Maintenance	64,579	60,114
Pickup Gas	4,021	3,091
Pickup Repair	1,571	2,717
Pickup License	0	0
Contributions	6	150
Dues & Memberships	1,322	864
Miscellaneous Expense	2,195	1,045
Depreciation	<u>52,250</u>	<u>47,269</u>
Total Operating Expenses	<u>338,999</u>	<u>373,090</u>
Total Operating Income (Loss)	<u>(49,754)</u>	<u>(73,733)</u>

The accompanying notes are an integral part of these statements.

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31,

	<u>2022</u>	<u>2021</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	\$ 40,633	\$ 48,613
Antenna Rental	<u>11,475</u>	<u>5,400</u>
Total Non-Operating Income (Loss)	<u>52,108</u>	<u>54,013</u>
Net Increase (Decrease) in Net Position	2,354	(19,720)
Other Revenues and (Expenses)		
Meter line installations	15,653	32,010
Sales of benefit units	<u>40,000</u>	<u>69,000</u>
Total Other Revenues and (Expenses)	<u>55,653</u>	<u>101,010</u>
Change in Net Position	<u>58,007</u>	<u>81,290</u>
Total Net Position, Beginning of Year	<u>3,926,131</u>	<u>3,844,841</u>
Total Net Position, End of Year	\$ <u><u>3,984,138</u></u>	\$ <u><u>3,926,131</u></u>

The accompanying notes are an integral part of these statements.

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas

STATEMENTS OF CASH FLOWS
For the Year Ended December 31,

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 516,117	\$ 476,669
Cash Paid to Suppliers	(323,802)	(320,356)
Cash Paid to Employees & Payroll Taxes and Benefits	<u>(153,978)</u>	<u>(183,671)</u>
Net Cash Provided by (used in) Operating Activities	<u>38,337</u>	<u>(27,358)</u>
Cash Flows Provided by (used in) Capital & Related Financing Activities		
Water Benefit Units Sold	40,000	69,000
Line Extension Reimbursements	15,653	30,059
Line Extension Advances	20,000	83,700
Meter Issues	(316,625)	0
Purchases of Property and Equipment	<u>(297,558)</u>	<u>(181,528)</u>
Net Cash Provided by (used in) Financing Activities	<u>(538,530)</u>	<u>1,231</u>
Cash Flows from Noncapital Financing Activities		
Cash from Sale of Assets	0	0
Antenna Rental	<u>11,475</u>	<u>7,351</u>
Net Cash Provided by (used in) Noncapital Financing Activities	<u>11,475</u>	<u>7,351</u>
Cash Flows Provided by (used in) Investing Activities:		
Redemption (Purchases) of Certificates of Deposit	658,834	(48,602)
Interest Income	<u>40,633</u>	<u>48,613</u>
Net Cash Provided by (used in) Investing Activities	<u>699,467</u>	<u>11</u>
Net Increase (Decrease) in Cash and Cash Equivalents	210,749	(18,765)
Cash and Cash Equivalents, Beginning of Year	<u>163,824</u>	<u>182,589</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>374,573</u></u>	\$ <u><u>163,824</u></u>
Reconciliations of Operating Income to Net Cash Provided by (used in) Operating Activities		
Operating Income (Loss)	\$ (49,754)	\$ (73,733)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:		
Depreciation	52,250	47,269
Changes in Assets and Liabilities Not Current Affecting Cash:		
(Increase) Decrease in Accounts Receivable	25,988	(305)
(Increase) Decrease in Inventory	6,792	0
(Increase) Decrease in Prepaid Insurance	(286)	(268)
Increase (Decrease) in Accounts Payable	251	(321)
Increase (Decrease) in Accrued Payroll Taxes	<u>3,096</u>	<u>0</u>
	\$ <u><u>38,337</u></u>	\$ <u><u>(27,358)</u></u>

The accompanying notes are an integral part of these financial statements.

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting principles consistently applied in the preparation of the accompanying financial statements are noted as follows.

1. Financial Reporting Entity

The scope of the entity for financial reporting purposes is defined as those funds for which the Rural Water District Number 8 (here in referred to as the District) is considered financially accountable. The District's financial statements include all of its operations. The District is a separately administered organization. The District has no component units. The District is a quasi-municipality governed by an elected six-member board.

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements - The government-wide financial statements include the statement of net position. This statement reports financial information for the District as a whole. Individual funds are not displayed but the statements distinguish between governmental activities generally supported by taxes and general revenues (of which the District does not have any), from the business-types activities, generally financed in whole or in part with fees charged to external customers. The District is a special-purpose government engaged in a single governmental program delivery of water to customers near Leavenworth, Kansas area.

The statement of revenues, expenses and changes in net position reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities, expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services that report fees, fines and forfeitures, and other charges to users of the District's services; (2) members deposits water meters. All other revenues not properly included with program revenues or meter deposits will be reported as general revenues.

3. Measurement focus and Financial Statement Presentation

In June 1999, GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This statement, known as the "Reporting Model" statement, affects the way the District prepares and presents financial information.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments, including special purpose governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decision and includes:

Management's Discussion and Analysis – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports. The District has chosen to omit this discussion from the report.

Statement of Net Assets or Balance Sheet – This statement is designated to display the financial position of the District. Districts report all capital assets, including infrastructure. The net assets of the District will be broken down into three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted.

Measurement Focus, Basis of Accounting, and Financial Statement Position – The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

RURAL WATER DISTRICT NUMBER 8

Leavenworth County, Kansas

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

3. Measurement Focus and Financial Statement Presentation - continued

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The District reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The District's statements will report using the economic resources measurement focus and the accrual basis of accounting. Reimbursements are reported as reductions to expenses or capital assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating income reported in the financial statements includes revenues and expenses related to the primary, continuing operations of the District. Operating revenues are charges to customers for sales or services. Operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Non-operating revenues and expenses consist of gain (loss) on sales of assets, realized and unrealized gains and losses on investments, and investment income. Other revenues and expenses consist primarily of benefit units sold or refunded.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

4. Fund Types and Major Funds

Governmental funds: The District has no governmental funds.

Business-type funds: The District has one major enterprise fund. The Water fund accounts for the operating activities of the District's water utilities services.

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are short term, liquid investments having original maturities of three months or less, not restricted for contingencies.

6. Accounts Receivable

The direct write-off method is used for bad debts. Accounts receivable are written off when deemed uncollectible. Accordingly, no allowance for bad debts has been recorded.

7. Inventory

Inventory consist of pipe, meters and other materials used by the District in its daily operations and is valued at cost which is based upon invoices received at the time the inventory item is paid.

8. Property, Plant and Equipment

Property, plant and equipment are reported at cost. Major improvements and betterments to existing property and equipment are capitalized. Expenditures for maintenance and repairs that do not extend the life of the applicable assets are charged to expenses as incurred. Historically, the District has received reimbursements from customers (i.e. line extensions) which are accounted for as reductions of costs.

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE A. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

8. Property, Plant and Equipment - continued

Depreciation is provided on the straight-line basis over the estimated useful life of the assets as follows:

Water System	40 years
Building	40 years
Water Tower	40 years
Vehicles	7 years
Administrative equipment	5 - 10 years

9. Income Tax

The District is not subject to federal or state income taxes as a quasi-governmental unit.

10. Use of 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.

11. Revenues

Operating revenues and expenses included the sale of water and the expenses associated with pumping and cleaning the water. Non-operating revenues and expenses consist of investment income and sales of assets.

12. Deferred Outflows and Inflows of Resources

The District has deferred outflows in terms of prepaid insurance and deferred inflows in terms of advances received on line extensions from customers both of which will be recognized in the following year.

NOTE B - ASSETS, LIABILITIES AND NET POSITION

1. Cash and Investments

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.

Custodial credit risk – 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 did not have any designated "peak periods" for the current year. All deposits were legally secured at December 31, 2022 and 2021.

At year-end, the carrying amount of the District's deposits including certificates of deposit was \$2,281,021 and \$2,729,106 for 2022 and 2021 respectively. The bank balances were \$2,287,434 and \$2,735,172 for 2022 and 2021 respectively. The difference between book and bank balance is outstanding deposits and checks. The bank balance

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE B. - ASSETS, LIABILITIES AND NET POSITION - continued

1. Cash and Investments – continued

was held by three banks thus reducing concentration of credit risk. Of the bank balance, \$750,000 and \$750,000 for 2022 and 2021 respectively was covered by FDIC insurance and \$1,537,434 and \$1,980,054 respectively was collateralized with securities held by the pledging financial institutions' agents in the District's name. \$5,118 was unsecured at the end of 2021.

Investments - K.S.A. 12-1675 authorizes 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. At December 31, 2022 and 2021, the District held certificates of deposit only.

2. Accounts Receivable

<u>Accounts receivable</u>	<u>2022</u>	<u>2021</u>
Currently due from customers	\$ 23,797	\$ 49,785
Receivable from AV Tech for meter issues	<u>237,900</u>	<u>0</u>
	<u>\$ 261,697</u>	<u>\$ 49,785</u>

3. Inventories

Inventory is valued at costs and is used internally and not for resell.

<u>Inventories</u>	<u>2022</u>	<u>2021</u>
Pipe, couplings, fittings, meters ect.	<u>\$ 0</u>	<u>\$ 6,792</u>

RURAL WATER DISTRICT NUMBER 8

Leavenworth County, Kansas
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE B. - ASSETS, LIABILITIES AND NET POSITION - continued**4. Capital Assets are detailed as follows:**

	2021			
Capital assets	Beginning Balance	Additions	Retirements	Ending Balance
Rural water system	\$ 2,341,901	\$ 289,783	\$ 0	\$ 2,631,684
Land	42,343	0	0	42,343
Buildings	67,424	0	0	67,424
Water tower	433,864	0	0	433,864
Administrative equipment	17,956	0	0	17,956
Vehicle	42,600	0	0	42,600
Other equipment	15,408	2,800	0	18,208
Totals at cost	2,961,496	292,583	0	3,254,079
Accumulated depreciation:	1,726,603	52,250	0	1,778,853
Net property, plant and equipment	\$ 1,234,893	\$ 240,333	\$ 0	\$ 1,475,226

	2021			
Capital assets	Beginning Balance	Additions	Retirements	Ending Balance
Rural water system	\$ 2,160,373	\$ 181,528	\$ 0	\$ 2,341,901
Land	42,343	0	0	42,343
Buildings	67,424	0	0	67,424
Water tower	433,864	0	0	433,864
Administrative equipment	17,956	0	0	17,956
Vehicle	42,600	0	0	42,600
Other Equipment	15,408	0	0	15,408
Totals at cost	2,779,968	181,528	0	2,961,496
Accumulated depreciation:	1,679,334	47,269	0	1,726,603
Net property, plant and equipment	\$ 1,100,634	\$ 134,259	\$ 0	\$ 1,234,893

There were no impairment of capital assets as described above as of December 31, 2022 or 2021.

5. Compensated Absences

The District does not pays for unused vacation.

NOTE C. - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**1. Budgetary Information**

The District adopts an internal budget for the support and maintenance of the District.

2. Compliance with Kansas Statutes

The District is under secured at one bank by \$5,118 as of December 31, 2021. In January of 2022 the under secured funds were removed from the bank and placed in another bank. Management is not aware of any other statutory violations for the years ended December 31, 2022 or 2021

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE D. - OTHER INFORMATION

1. Risk Management

The District is exposed to various risks of loss related to torts' theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. During the last three years, claim settlements have not exceeded insurance coverage.

2. Concentrations of Risk

The District purchases 100 percent of its water from the City of Leavenworth.

3. Subsequent events

The District had determined that it was necessary to replace all meters in the District, as some of the old meters were no longer sending a signal for determining water usage. The replacement of meters and their installation was started in 2022. However due to issues with the sending mechanism (which were defect) the District is now negotiating for the return of funds for the defective equipment for \$237,900.

SUPPLEMENTARY INFORMATION

RURAL WATER DISTRICT NUMBER 8
Leavenworth County, Kansas

SCHEDULE OF STATISTICAL INFORMATION
For the Years Ended December 31

		<u>2022</u>	<u>2021</u>
Gallons sold		55,592,010	55,193,450
Gallons purchased		62,722,792	60,211,008
Water loss percentage	in 2022 had to flush upgraded lines	11.4%	8.3%
Number of benefit units		862	839
Average monthly water usage		5,374	5,482
Average monthly water sales per benefit unit		\$ 47.38	\$ 47.38
Average monthly expenses per benefit unit		\$ 52.19	\$ 54.71
Cash per benefit unit		\$ 2,646.20	\$ 3,252.81

See Independent Auditor's Report.