WAKARUSA WATERSHED JOINT DISTRICT NO.35
Overbrook, Kansas
REGULATORY BASIS FINANCIAL STATEMENTS
For the year ended December 31, 2022
And
INDEPENDENT AUDITORS' REPORT

...KL...

Karlin & Long, LLC
Certified Public Accountants

WAKARUSA WATERSHED JOINT DISTRICT NO.35
TABLE OF CONTENTS

	Page
Independent Auditor's Report on Financial Statements	1-3
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4
Notes to Financial Statements	5-11
Regulatory Required Supplementary Information	
Schedule 1	
Summary of Expenditures - Actual and Budget	12
Schedule 2	
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	13

...KL...

Karlin & Long, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wakarusa Watershed Joint District No. 35
Overbrook, Kansas

We have audited the accompanying fund Summary Statement of Regulatory Basis Receipts, Expenditures, and Unencumbered Cash Balances of the Wakarusa Watershed Joint District No. 35, Overbrook, Kansas ("District") as of and for the year ended December 31, 2022, and the related notes to the financial statements.

Adverse and Unmodified Opinions

Adverse Opinion on U.S. Generally Accepted Accounting Principals

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse and Unmodified Opinions section of our report, the accompanying 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 District as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified 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 District as of December 31, 2022, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with the auditing standards accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with that relevant ethical requirements relating to our audit. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

10115 Cherry Lane
Lenexa, Kansas 66220
(913) 829-7676

2200 Kentucky Avenue
Platte City, Missouri 64079
(816) 858-3791

901 Kentucky Street, Suite 104
Lawrence, Kansas 66044
(785) 312-9091

Matter Giving rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District 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.

Responsibilities of Management for the Financial Statements

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 the 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is 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 GAAS 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 judgement made by a reasonable user on the financial statement.

In performing an audit in accordance with GAAS, we:

Exercise professional judgement and maintain professional skepticism throughout the audit

Identify and assess the risks of material misstatement of the financial statement, 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 statement.

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 District'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 statement.

Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the fund Summary Statement of Regulatory Basis Receipts, Expenditures, and Unencumbered Cash (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 through 2 as listed in the table of contents) are presented for additional analysis and are not a required part of the basic financial statement, however are 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.

Karlin & Long, LLC

Karlin & Long, LLC
Certified Public Accountants
Lawrence, KS

September 25, 2023

WAKARUSA WATERSHED JOINT DISTRICT NO. 35
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General	$ 934,909	$ 0	$ 295,470	$ 843,743	$ 386,636	$ 24,163	$ 410,799
Total Reporting Entity	$ 934,909	$ 0	$ 295,470	$ 843,743	$ 386,636	$ 24,163	$ 410,799

Composition of Cash	
Checking Accounts	$ 31,997
Savings Accounts	119,823
Petty Cash	
Certificates of Deposit	258,979
Total Reporting Entity	$ 410,799

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

Wakarusa Watershed Joint District No. 35

Regulatory-Required

Supplementary Information

For the year ended December 31, 2022

Schedule 1

WAKARUSA WATERSHED JOINT DISTRICT NO. 35
Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2022

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General	$ 936,000	$ 0	$ 0	$ 936,000	$ 843,743	$ (92,257)

Schedule 2

WAKARUSA WATERSHED JOINT DISTRICT NO. 35
Schedule of Receipts and Expenditures - Actual and Budget
GENERAL FUND
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance-Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad Valorem property tax	$ 260,314	$ 263,695	$ (3,381)
Delinquent tax			0
Motor Vehicle tax	31,457	31,866	(409)
Recreational Vehicle tax	673	682	(9)
16/20 M Vehicle tax	513	520	(7)
Commercial Vehicle tax	1,004	1,017	(13)
Watercraft tax	585	593	(8)
Interest income	924	5,000	(4,076)
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	295,470	303,373	(7,903)
EXPENDITURES			
Board Expenses	1,487	10,000	(8,513)
Bank fees	0	1,000	(1,000)
Dues/Easements	1,900	0	1,900
Engineering	161,289	60,000	101,289
Insurance	19,603	20,000	(397)
Legal	10,200	5,000	5,200
Licenses/Permits	0	5,000	5,000
Maintenance expenses	484,879	620,000	135,121
Payroll /Taxes	150,520	150,000	(520)
Publications	802	10,000	9,198
Office supplies	1,440	20,000	18,560
Rent/Utilities	11,623	35,000	23,377
Adjustment for qualifying budget credits			0
Total Expenditures	843,743	$ 936,000	$ 289,215
Receipts Over (Under) Expenditures	(548,273)		
Unencumbered Cash, Beginning	934,909		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	$ 386,636		