

**PUBLIC WHOLESALE
WATER SUPPLY DISTRICT NO. 4**

**AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

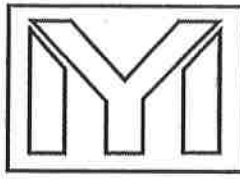
September 30, 2017

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

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SEPTEMBER 30, 2017

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John D. Carroll, CPA
Emily S. Erbe, CPA
Ashley R. Newland, CPA, MBAA

David W. Schwenker

YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS
American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Public Wholesale Water Supply District No. 4
PO Box 6
Cherryvale, KS 67335

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Public Wholesale Water Supply District No. 4, Cherryvale, Kansas, as of and for the year ended September 30, 2017, and the related notes to the financial statement.

Management's Responsibility 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 to meet the financial reporting requirements of the State of Kansas; 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.

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 describe in Note 1B of the financial statement, the financial statement is prepared by the Public Wholesale Water Supply District No. 4 on the basis of 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 1B 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 Public Wholesale Water Supply District No. 4 as of September 30, 2017, 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 Public Wholesale Water Supply District No. 4 as of September 30, 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 1B.

Change in Accounting Principle

As described in Note 9 to the financial statements, Public Wholesale Water Supply District No. 4 changed its accounting reporting from Generally Accepted Accounting Principles to the Regulatory Basis in accordance with the Kansas Municipal Audit and Accounting Guide. Our opinion is not modified with respect to that matter.

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 summary of regulatory basis expenditures-actual and budget, individual fund of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditure-agency funds of regulatory basis receipts and expenditures (Schedule 1 as listed in the table of contents) are presented for 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 1B.

The September 30, 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 1 as listed in the table of contents) is also presented for comparative analysis and was not a required part of the Fiscal Year 2017 basic financial statement upon which we rendered an unmodified opinion dated November 3, 2016. The Fiscal Year 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-financialofficer/municipal-services>. Such Fiscal Year 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 Fiscal Year 2016 basic financial statement. The Fiscal Year 2016 comparative information was 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 Fiscal Year 2016 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 Fiscal Year 2016 comparative information is fairly stated in all material respects in relation to the Fiscal Year 2016 basic financial statement as a whole.


YERKES & MICHELS, CPA, LLC
Independence, KS

November 20, 2017

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4
 SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
 REGULATORY BASIS

For the Year Ended September 30, 2017

	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>	
<u>PROPRIETARY TYPE FUNDS</u>								
Water Operations Fund	\$ 519,529.93	\$ -	\$ 1,217,909.14	\$ 1,124,361.40	\$ 613,077.67	\$ 52,735.45	\$ 665,813.12	Water Operations Fund
TOTAL PRIMARY GOVERNMENT	\$ 519,529.93	\$ -	\$ 1,217,909.14	\$ 1,124,361.40	\$ 613,077.67	\$ 52,735.45	\$ 665,813.12	TOTAL PRIMARY GOVERNMENT

COMPOSITION OF CASH - Primary Government

Community National Bank, Cherryvale, Kansas Savings Account	\$ 194,563.71	194,563.71
Peoples State Bank, Cherryvale, Kansas Operating Account	104,164.52	
Loan Reserve Account	32,972.28	137,136.80
Kansas Department of Heal and Environment Loan Reserve Account	134,112.61	134,112.61
First Neodesha Bank, Neodesha, Kansas Certificate of Deposit	100,000.00	
Certificate of Deposit	100,000.00	200,000.00
TOTAL REPORTING ENTITY	\$ 665,813.12	

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

**NOTES TO THE
FINANCIAL STATEMENT**

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENT

September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. FINANCIAL REPORTING ENTITY

The Public Wholesale Water Supply District No. 4, Cherryvale, Kansas, is governed by an appointed Board of Directors. Each of the thirteen (13) member districts is represented by a Board member. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The Water Supply District's purpose is to supply water to the cities and other water districts from the Big Hill Reservoir.

1B. 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 revenues 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. See also NOTE 9.

The Water Supply 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.

1C. REGULATORY BASIS FUND TYPES

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, restrictions, or limitations.

The following types of funds comprise the financial activities of the Public Wholesale Water Supply District No. 4, Cherryvale, Kansas, for the fiscal year ended 2017:

BUSINESS FUNDS

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

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENT

September 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1D. BUDGETARY INFORMATION

A legal operating budget is not required for the Water District. Spending in the Water District's funds is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

Management is not aware of any regulatory, finance related or contractual violations applicable to the year ended September 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS

As of September 30, 2017, the Water District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the Water Supply 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 Water Supply 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.

Concentration of credit risk. State statutes place no limit on the amount the Water Supply 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 Water Supply 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%. All deposits were legally secured at September 30, 2017.

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENT

September 30, 2017

NOTE 3 – DEPOSITS AND INVESTMENTS (cont'd)

At September 30, 2017 the Water Supply District's carrying amount of deposits, was \$694,813.12 and the bank balance was \$723,188.50. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by four banks and adequately secured, which did not result in a concentration of credit risk. Of the bank balance, \$589,075.89 was covered by federal depository insurance, and \$134,112.61 is held in trust by the Kansas Department of Health and Environment, they ensure that funds are adequately secured.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Water Supply District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Restricted Cash. See Note 4.

NOTE 4 – LONG TERM DEBT

See pages 10 and 11 for long term debt schedules.

Debt Reserve. The District's bond and loan requirements state that a reserve account be established. The District has an established bond reserve account with a balance of \$32,972.28 and a loan reserve account with a balance of \$134,112.61, which fulfill the minimum aggregate balance of \$147,752.40.

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Plan description. The Water District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seg. 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 or by writing to KPERS (611 S. Kansas Avenue, 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

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENT

September 30, 2017

NOTE 5 – DEFINED BENEFIT PENSION PLAN (cont'd)

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 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2016. Contributions to the pension plan from The Water District were \$12,820.19 for the year ended December 31, 2016.

Net Pension Liability. At December 31, 2016, the Water District's proportionate share of the collective net pension liability reported by KPERS was \$202,351. 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 Water 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 these financial statements.

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 publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 6 – COMPENSATED ABSENCES

Vacation leave is earned at a rate of ten (10) working days per year after the employee's first year of employment and fifteen (15) days per year after the employee's tenth year of employment, for all full-time employees. Employees may accumulate up to a maximum of thirty (30) days total vacation; any unused vacation days in excess of the maximum amount at the employees' anniversary date are forfeited.

All full-time employees accrue one sick or personal leave day per month of continuous employment until a maximum of twelve (12) days have accrued per year. Unused sick leave up to a maximum of twelve (12) days is added to the sick time allowable during the succeeding year or years which an employee shall be continuously employed by the District to a maximum of 60 days.

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENT

September 30, 2017

NOTE 7 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, fair value of investments, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

NOTE 8 – SIGNIFICANT DEFICIENCY

We noted that, due to the small number of staff, proper segregation of duties is not attainable. We consider this to be a significant deficiency in internal controls.

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES

Due to the issuance of new Governmental Accounting Standards regarding pension reporting, the District waived the use of Generally Accepted Accounting Principles as noted in Note 1B. The financial statement and accompanying regulatory required supplementary information is prepared on the Regulatory Basis in accordance with Kansas Municipal Audit and Accounting Guide.

PUBLIC WHOLESAL WATER SUPPLY DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 4 - LONG TERM DEBT

Changes in long term liabilities for the Water Supply District for the year ended September 30, 2017, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Loan Service Fees</u>	
Water Revenue Bonds												
Series 2012	.6% - 2.5%	12/27/2012	445,000.00	05/01/2021	245,000.00	-	50,000.00	(50,000.00)	195,000.00	4,462.50		
Series F 2012	.6% - 2%	06/29/2012	415,000.00	02/01/2019	160,000.00	-	65,000.00	(65,000.00)	95,000.00	2,420.00		
Kansas Department of Health & Environment Loan												
No. 2768	2.43%	01/22/2013	1,341,126.09	01/22/2043	1,286,344.22	-	55,045.79	(55,045.79)	1,231,298.43	23,925.99	4,454.30	
Total Bond Indebtedness / Long-Term Debt					1,691,344.22	\$ -	170,045.79	(170,045.79)	1,521,298.43	\$ 30,808.49	\$ 4,454.30	
										Total Payments Made Fiscal Year 9/30/17		205,308.58

PUBLIC WHOLESALE WATER SUPPLY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2017

NOTE 4 - LONG TERM DEBT (cont'd.)

Current maturities of long term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>9/30/2018</u>	<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2021</u>	<u>9/30/2022</u>	<u>9/30/2023</u> <u>9/30/2027</u>	<u>9/30/2028</u> <u>9/30/2032</u>	<u>9/30/2033</u> <u>9/30/2035</u>	<u>TOTAL</u>
Principal:									
Series Bonds 2012	\$ 50,000.00	\$ 55,000.00	\$ 55,000.00	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -	\$ 195,000.00
Series F 2012 Bonds	70,000.00	25,000.00	-	-	-	-	-	-	\$ 95,000.00
KDHE Loan No 2768	56,280.14	57,542.20	58,832.53	60,151.81	61,500.68	328,819.06	367,377.73	240,794.28	\$ 1,231,298.43
Total Principal	<u>\$ 176,280.14</u>	<u>\$ 137,542.20</u>	<u>\$ 113,832.53</u>	<u>\$ 95,151.81</u>			<u>\$ 367,377.73</u>	<u>\$ 240,794.28</u>	<u>\$ 1,521,298.43</u>
Interest:									
Series Bonds 2012	\$ 4,087.50	\$ 3,212.50	\$ 2,112.50	\$ 875.00	\$ -	\$ -	\$ -	\$ -	\$ 10,287.50
Series F 2012 Bonds	1,340.00	250.00	-	-	-	-	-	-	\$ 1,590.00
KDHE Loan No 2768	22,885.37	21,821.39	20,733.58	19,621.35	18,484.19	74,450.82	41,943.95	7,995.33	\$ 227,935.98
Total Interest	<u>\$ 28,312.87</u>	<u>\$ 25,283.89</u>	<u>\$ 22,846.08</u>	<u>\$ 20,496.35</u>	<u>\$ 18,484.19</u>	<u>\$ 74,450.82</u>	<u>\$ 41,943.95</u>	<u>\$ 7,995.33</u>	<u>\$ 239,813.48</u>
Service Fee:									
KDHE Loan No 2768	4,260.57	4,062.49	3,859.97	3,652.92	3,441.21	13,860.52	7,808.72	1,488.63	\$ 42,435.03
Total Interest	<u>\$ 4,260.57</u>	<u>\$ 4,062.49</u>	<u>\$ 3,859.97</u>	<u>\$ 3,652.92</u>	<u>\$ 3,441.21</u>	<u>\$ 13,860.52</u>	<u>\$ 7,808.72</u>	<u>\$ 1,488.63</u>	<u>\$ 42,435.03</u>
Total Principal, Interest and Service Fee	<u>\$ 208,853.58</u>	<u>\$ 166,888.58</u>	<u>\$ 140,538.58</u>	<u>\$ 119,301.08</u>	<u>\$ 21,925.40</u>	<u>\$ 88,311.34</u>	<u>\$ 417,130.40</u>	<u>\$ 250,278.24</u>	<u>\$ 1,803,546.94</u>

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

PUBLIC WHOLESale WATER SUPPLY DISTRICT NO. 4

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

WATER OPERATIONS FUND

For the Year Ended September 30, 2017

(With Comparative Actual Totals for the Prior Year Ended September 30, 2017)

	Prior Year <u>Actual</u>	<u>Actual</u>
CASH RECEIPTS		
Water Sales	\$ 1,190,432.68	\$ 1,185,252.87
RWD 12 MG - Maintenance	22,484.82	28,454.24
Interest Income	1,843.17	2,144.88
Miscellaneous Income	<u>4,004.48</u>	<u>2,057.15</u>
TOTAL CASH RECEIPTS	<u>1,218,765.15</u>	<u>1,217,909.14</u>
EXPENDITURES		
Water Purchases	113,225.79	119,123.46
Chemicals Purchased	177,352.01	230,109.51
Supplies	11,536.40	14,749.60
Payroll Expense	227,261.64	234,295.10
KPERS Expense	22,062.82	20,253.29
Payroll Taxes	17,535.23	18,157.92
Repairs and Maintenance	68,144.70	55,806.94
Equipment Purchases	-	17,477.77
Insurance Expense	31,528.93	32,297.78
Travel, Auto & Meeting Expense	12,949.12	14,095.55
Professional Fees	11,303.80	12,825.03
Office Expense	4,616.36	3,394.01
Utilities	113,268.33	141,463.84
Dues, Licenses, Permits	1,860.00	1,155.00
Interest Expense	37,170.23	30,808.49
Loan Fees	4,495.73	4,454.30
Loan Principal	-	170,045.79
Miscellaneous	180.00	3,773.02
Tags and Taxes	-	75.00
Regulatory Basis Adjustments (NOTE 9)	<u>277,522.21</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,132,013.30</u>	<u>1,124,361.40</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 86,751.85	\$ 93,547.74
UNENCUMBERED CASH, BEGINNING	<u>432,778.08</u>	<u>519,529.93</u>
UNENCUMBERED CASH, ENDING	<u>\$ 519,529.93</u>	<u>\$ 613,077.67</u>