RURAL WATER DISTRICT NUMBER 1
Franklin County, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025 and 2024

RURAL WATER DISTRICT NUMBER 1
Franklin County, Kansas

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rural Water District Number 1
Franklin County, Kansas

Opinions
We have audited the accompanying financial statements of the business type fund (the only fund) and the aggregate remaining fund information of Rural Water District Number 1, Franklin County, Kansas and the related notes to the financial statements, which collectively comprise Rural Water District Number 1, Franklin County, Kansas 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 fund the one major fund, and the aggregate remaining fund information of Rural Water District Number 1, Franklin County, Kansas as of December 31, 2025 and 2024, 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 of Rural Water District Number 1, Franklin County 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 1, Franklin County, Kansas 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 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 and 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 1, Franklin County, Kansas 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 1, Franklin County, Kansas 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.

Other Matters
Rural Water District Number 1, Franklin County, Kansas has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the basic financial statements as noted in the table of contents taken as a whole. The revenues and expenses compared to budget (Schedule 1 listed in the table of contents) and Schedule of Pension Liability (Schedule 2) are presented for 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 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 statement or to the basic financial statements 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 statements as a whole, in accordance with accounting principles generally accepted in the United States of America.

Harold K. Mayes Jr

Harold K Mayes Jr CPA
Agler & Gaeddert Chartered
Ottawa, Kansas
April 2, 2026

Rural Water District Number 1
Franklin County, Kansas

STATEMENT OF NET POSITION
December 31,

ASSETS

	2025	2024
Current Assets		
Cash and Cash Equivalents	$ 553,322	$ 507,397
Certificates of Deposit	1,361,330	1,293,758
Accounts Receivable	46,184	35,400
Line Extension Receivable	7,017	14,145
KDOT K-33 Receivable	87,328	26,273
Prepaid Insurance	1,333	1,404
Total Current Assets	2,056,514	1,878,377
Non-Current Assets		
Capital Assets	4,140,996	4,186,416
Accumulate Depreciation	(2,249,501)	(2,284,122)
Total Property Plant and Equipment	1,891,495	1,902,294
Deferred Outflows		
KPERS Deferred Outflow	17,621	32,391
OPEB Deferred Outflows	15	18
Total Deferred Outflows	17,636	32,409
Total Assets	$ 3,965,645	$ 3,813,080

LIABILITIES AND NET POSITION

Current Liabilities		
Accounts Payable	$ 104,425	$ 34,981
Customer Credits	7,073	7,198
Sales Tax Payable	155	169
Water Protection Fee Payable	632	565
Payroll Liabilities	2,880	2,344
Total Current Liabilities	115,165	45,257
Pension Liability and Deferred Inflows		
KPERS Net Pension Liability	100,433	112,988
OPEB Liability	2,498	2,643
KPERS Deferred Inflows	9,847	3,320
OPEB Deferred Inflows	1,938	(1,408)
Pension Liability and Deferred Inflows	114,716	117,543
Net Position		
Invested in Capital Assets	1,891,495	1,902,294
Unrestricted	1,844,269	1,747,986
Total Net Position	3,735,764	3,650,280
Total Liabilities and Net Position	$ 3,965,645	$ 3,813,080

The accompanying notes are an integral part of these statements.

Rural Water District Number 1
Franklin County, Kansas

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

	2025	2024
Operating Revenues		
Water Sales	$ 468,588	$ 437,405
Late Fees	15,336	12,956
Capital Improvement Revenue	109,092	108,240
Gain (Loss) on Disposal of Assets	(9,395)	0
Other Income	2,695	26,813
Total Operating Revenues	586,316	585,414
Cost of Water Rights and Water Sold	221,226	192,994
Gross Profit	365,090	392,420
Operating Expenses		
Clean Drinking Water Fee	1,276	1,373
Line Repairs	38,599	18,831
Vehicle Expense	9,116	6,310
Utilities	14,919	12,516
Trash	292	892
Insurance and Bonds	16,063	16,958
Tests	1,345	1,236
One Call Locations	302	384
Professional Fees	11,031	11,077
Feasibility Engineering Studies	700	1,300
Mileage	44	5
Memberships	1,323	1,273
Board Reimbursement	4,095	3,465
Training	1,667	1,471
Repairs, Maintenance and Equipment	9,414	4,724
Depreciation	111,188	106,203
Salaries and Payroll Taxes	149,222	160,003
Pension	25,134	22,595
Health Insurance	55,527	25,514
Supplies	4,865	4,147
Postage	5,721	5,920
Uniforms	885	489
Website	560	590
Internet	1,375	959
Materials	22,872	23,790
Office Rent	3,630	3,630
Other	548	399
Telephone	2,573	2,285
Bad Debts	0	150
Total Operating Expenses	494,286	438,489
Total Operating Income (Loss)	(129,196)	(46,069)
Non-Operating Revenues (Expenses)		
Interest Income	68,209	66,779
KDOT Reimbursement	111,471	26,273
Total Non-Operating Income (Loss)	179,680	93,052

The accompanying notes are an integral part of these statements.

Rural Water District Number 1
Franklin County, Kansas

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

	2025	2024
Income (Loss) Before Sale of Benefit Units	$ 50,484	$ 46,983
Sale of Benefit Units		
Benefit Units	35,000	28,000
Net Income (Loss)	85,484	74,983
Total Net Position, Beginning of Year	3,650,280	3,575,297
Total Net Position, End of Year	$ 3,735,764	$ 3,650,280

The accompanying notes are an integral part of these statements.

Rural Water District Number 1
Franklin County, Kansas

STATEMENT OF CASH FLOWS
For the Year Ended December 31,

	2025	2024
Cash Flows from Operating Activities		
Cash Receipts from Customers	$ 528,180	$ 554,846
Cash Receipts from Other Income	2,695	26,813
Cash Payments to Suppliers of Goods or Services	(304,873)	(332,383)
Cash Payments to Employees and Employer Benefits	(217,401)	(138,425)
Net Cash Provided by (Used In) Operating Activities	8,601	110,851
Cash Flows from Investing Activities		
Cash Invested in Certificates of Deposits	(67,572)	(66,266)
Interest Income	68,209	66,779
Net Cash Provided by (Used In) Investing Activities	637	513
Cash Flows from Noncapital Financing Activities		
KDOT Reimbursement	111,471	26,273
Net Cash Provided By (Used In) Investing Activities	111,471	26,273
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale of Benefit Units	35,000	28,000
Acquisition and Construction of Property, Plant & Equipment	(109,785)	(172,219)
Net Cash Provided (Used) by Capital and Related Financing Activities	(74,785)	(144,219)
Net Increase (Decrease) in Cash and Cash Equivalents	45,924	(6,582)
Cash and Cash Equivalents, Beginning of Year	507,398	513,980
Cash and Cash Equivalents, End of Year	$ 553,322	$ 507,398
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating Income (Loss)	$ (129,196)	$ (46,069)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:		
Depreciation	111,188	106,203
Gain (Loss) on Disposal of Assets	9,395	0
Changes in Assets and Liabilities Not Currently Affecting Cash:		
(Increase) Decrease in Accounts Receivable	(10,784)	16,854
(Increase) Decrease in Line Extension Receivable	7,128	7,128
(Increase) Decrease in KDOT K-33 Receivable	(61,055)	(26,273)
(Increase) Decrease in Prepaid Expenses	71	108
(Increase) Decrease in KPERS Deferred Outflows	14,770	20,062
(Increase) Decrease in OPEB Deferred Outflows	3	5
Increase (Decrease) in Accounts Payable	69,444	33,003
Increase (Decrease) in Customer Credits	(125)	(1,464)
Increase (Decrease) in Sales Tax Payable	(14)	(69)
Increase (Decrease) in Water Protection Fee	67	(137)
Increase (Decrease) in Payroll Liabilities	536	(287)
Increase (Decrease) in KPERS Payable	0	(751)
Increase (Decrease) in KPERS Net Pension Liability	(12,555)	3,184
Increase (Decrease) in OPEB Net Pension Liability	(145)	333
Increase (Decrease) in KPERS Deferred Inflows	6,527	(1,167)
Increase (Decrease) in OPEB Deferred Inflows	3,346	188
Net Cash from Operating Activities	$ 8,601	$ 110,851

The accompanying notes are an integral part of these statements.

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 1 (here in referred to as the District) is considered to be 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 in Franklin County, Kansas).

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 charges for water sales, fines, forfeitures, and other charges to users of the District. All other revenues not properly included with program revenues will be reported as other revenues.

3. Measurement focus and Financial Statement Presentation

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 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 and continued 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. Other revenues and expenses are classified as non-operating in the financial statements.

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.

NOTE A. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are short term, highly 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. Line Extension Receivable

The District incurred expenses to put in new lines when it picked up customers from another water district. This receivable is the result of those costs. The District charges a fee to those customers who were a part of the former water district to recoup those costs.

8. Property, Plant and Equipment

Property, plant and equipment are reported at cost. Major improvements and betterments to existing property and equipment are capitalized. Expenditure on maintenance and repairs that do not extend the life of the applicable assets are charged to expenses as incurred.

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

Storage Tank	20 years
Building, Pump Station, and Lines	30 - 40 years
Equipment and Vehicles	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. Revenue Recognition

The District's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Under this basis, revenues are recognized in the period in which they are earned, regardless of the timing of related cash.

NOTE A. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

12. Revenue Recognition - continued

Water Sales: Revenue from water sales is recognized when water is delivered to the customer, The District reads meters on a monthly cycle.

Operating Revenues: The District's operating revenues are generated from water sales, service fees, and penalties. These are recognized when the service is provided.

Connection/Tap Fees: Fees for connecting new customers to the water system are considered 0perating revenues and are recognized when the connection is completed or when the District has no further obligation to perform, typically when cash is received.

Non-operating Revenue: Interest income, sales of benefit units and service areas are recognized in the period in which they are earned or become measurable and available.

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 on December 31, 2025, and 2024.

At year-end, the carrying amount of the District's deposits which includes certificates of deposit was $1,914,652 and $1,801,155 for 2025 and 2024 respectively. The bank balances were $1,929,821 and $1,800,222 for 2025 and 2024 respectively. The difference between book and bank balance is outstanding deposits and checks. The bank balance was held by three banks resulting in a reduction in credit risk. Of the bank balance, $750,000 and $500,010 for 2025 and 2024 was covered by FDIC insurance. The balance in the bank of $1,179,821 and $1,300,212 for 2025 and 2024 respectively was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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.

2. Accounts Receivable Water users having meters receive a water bill around the first day of each month for the prior month's usage. Payment must be made to the District office no later than the 15th day of the billing month. Bills not paid by the 16th of the month are subject to a ten percent (10%) late charge. Past due accounts are mailed a "Notice of Delinquency" documenting a discontinuation of the service date if payment is not received. Failure to make payment by the said date will result in a discontinuance of the service and possible termination. The District has not established an allowance for doubtful accounts as bad debts are not considered to be material to the financial statements.

NOTE B - ASSETS, LIABILITIES AND NET POSITION - continued

3. Capital Assets are detailed as follows:

2025				
Capital assets:	Beginning Balance	Additions	Retirements	Ending Balance
Storage Tank	$ 282,062	$ 0	$ 0	$ 282,062
Buildings, Pump stations, and Lines	3,576,036	109,784	155,204	3,530,616
Equipment and Vehicles	328,318	0	0	328,318
Totals at cost	$ 4,186,416	$ 109,784	$ 155,204	$ 4,140,996
Accumulated depreciation:				
Storage Tank	$ 271,820	$ 0	$ 0	$ 271,820
Buildings, Pump stations, and Lines	1,774,666	111,188	145,809	1,740,045
Equipment and Vehicles	237,636	0	0	237,636
Total accumulated depreciation	$ 2,284,122	$ 111,188	$ 145,809	$ 2,249,501

2024				
Capital assets:	Beginning Balance	Additions	Retirements	Ending Balance
Storage Tank	$ 282,062	$ 0	$ 0	$ 282,062
Buildings, Pump stations, and Lines	3,413,357	162,679	0	3,576,036
Equipment and Vehicles	318,787	9,531	0	328,318
Totals at cost	$ 4,014,206	$ 172,210	$ 0	$ 4,186,416
Accumulated depreciation:				
Storage Tank	$ 266,699	$ 5,121	$ 0	$ 271,820
Buildings, Pump stations, and Lines	1,681,072	93,594	0	1,774,666
Equipment and Vehicles	230,148	7,488	0	237,636
Total accumulated depreciation	$ 2,177,919	$ 106,203	$ 0	$ 2,284,122

NOTE C - DEFINED BENEFIT PENSION PLAN

Description of plan – The District participates in a cost-sharing multiple-employer pension plan (Pension Plan) known as Kansas Public Employees Retirement System (KPERS) KPERS is administrator of the cost sharing multiple employer defined benefit plan (Pension Plan) as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans.* KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on KPERS www.kpers.org.

KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
    - State/School employees.
    - Local employees
- Police and Firemen
- Judges

NOTE C - DEFINED BENEFIT PENSION PLAN - continued

Those employees participating in the Pension Plan for the District are included in the local employee group.

Benefits are established by statute and may only be changed by the Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes the final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement, a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc postretirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at the age of 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A 744922.

Contributions - Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increases over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rates are as follows for District.:

	2025		2024	
	Actuarial Employer Rate	Statutory Employer capped rate	Actuarial Employer Rate	Statutory Employer capped rate
Local government employees	9.71 %	9.71 %	9.62 %	9.62 %

NOTE C - DEFINED BENEFIT PENSION PLAN – continued

Member contribution rates as a percentage of eligible compensation for fiscal year 2025 and 2024 are 6.00% and 6.00% respectively.

Basis of Presentation The schedules of employer and non-employer allocations and the schedules of pension amounts by employer and non-employer (the Schedules) present amounts that are elements of the financial statements of the System or of its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of either the System or its participating employers. The amounts presented in the Schedules were prepared in accordance with the accounting principles accepted in the United States of America. Such preparation requires management of the System to make a number of estimates and assumptions relating to the reported amounts. Actual results could differ from those estimates.

Employer and Non-employer Allocations - Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State
  School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, the System maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedules of employer and non-employer allocations are applied to totals presented in the schedules of pension amounts by employer and non-employer. The allocation percentage for each group as of June 30, 2025 (rolled forward to December 31, 2025) and June 30, 2024 (rolled forward to December 31, 2024) are based on the ratio of each employer's contributions to total employer and non-employer contributions of the group for the fiscal year ended June 30, 2025 (rolled forward to December 31, 2025) and June 30, 2024 (rolled forward to December 31, 2024). The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes. Therefore, the use of these percentages to recalculate individual employer amounts presented in the schedules of pension amounts by employer and non-employer may result in immaterial differences due to rounding.

Net Pension Liability - The components of the collective net position liability of the participating employers by each group on December 31, 2025, and 2024 were as follows:

	December 31, 2025		
	Total Pension Liability	Less Fiduciary Net Position	Net Pension Liability
State/School	$ 25,971,276,053	$ 19,942,956,803	$ 6,028,317,250
Local	7,830,411,531	5,826,164,913	2,004,246,618
Police & Firemen	5,087,670,254	3,466,228,953	1,621,441,301
Judges	240,356,964	214,485,494	25,871,470
	$ 39,129,714,802	$ 29,449,836,163	$ 9,679,876,639
District			$ 100,433

NOTE C - DEFINED BENEFIT PENSION PLAN – continued

December 31, 2024			
	Total Pension Liability	Less Fiduciary Net Position	Net Pension Liability
State/School	$ 25,247,290,213	$ 18,710,873,937	$ 6,536,416,276
Local	7,508,529,336	5,384,299,797	2,124,229,539
Police & Firemen	4,774,062,664	3,180,051,299	1,594,011,365
Judges	235,430,016	199,221,387	36,208,629
	$ 37,765,312,229	$ 27,474,446,420	$ 10,290,865,809
District			$ 112,988

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement and was unchanged for the two years presented:

Actuarial Cost Method	Entry age normal
Inflation	2.75 percent
Salary increase	3.50 to 15.50 percent, including price inflation
Investment Rate of Return	7.00 percent compounded annually, net investment expense, including price inflation.

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-term Expected Real Rate of Return
Global Equity	43.00%	8.20%
Alterantives	11.00%	1.12%
Real Estate	15.00%	5.70%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core Fixed Income	13.00%	2.20%
Short-term Investments	3.00%	0.30%
	100.00%	

NOTE C - DEFINED BENEFIT PENSION PLAN – continued

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below.

In KPERS, the Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so.

Based on legislation first passed in 1993, the employer contribution rates certified by KPERS Board may not increase by more than the statutory cap. Subsequent legislation in 2012 set the statutory cap at 0.90 percent for Fiscal Year 2014, 1.00 percent for Fiscal Year 2015, 1.10 percent for Fiscal Year 2016 and 1.20 percent for Fiscal Years 2017 and beyond.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the statutorily capped rates.

In 2015, S.B. 4 reduced the previously certified State/School statutory rate from 11.27 percent to 8.65 percent for the last half of Fiscal Year 2015. That same session, S.B. 228 recertified statutory rates to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of $1.0 billion in pension obligation bonds.

Legislation in the 2016 session (S.B. 161) provided for the delay of up to $100.0 million in State and School contributions to the Retirement System for Fiscal Year 2016. Concurrently, 2016 H. Sub for S.B. 249 provided that the delayed contributions would be paid in full, with interest at 8.00 percent, by June 30, 2018. However, legislation passed by the 2017 Legislature removed the repayment provision. In addition, 2017 S. Sub for H.B. 2052 delayed $64.0 million in Fiscal Year 2017 contributions, to be paid over 20 years in level dollar installments. The first-year payment of $6.4 million was paid in full at the beginning of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made for the State/School group at the statutory contribution rate of 12.01 percent for that year.

Additional legislation in the 2017 Session (S. Sub for H.B. 2002) provided for a reduction of $194.0 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as receivable by the System.

The 2018 Legislature passed H. Sub for S.B. 109 that provided additional contributions to the school group of $56.0 million in Fiscal Year 2018 and $82.0 million in Fiscal Year 2019.

The 2019 Legislature passed S.B. 9 that provided additional contributions to the school group of $115.0 million in Fiscal Year 2019. H. Sub for S.B. 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in Fiscal Year 2020 of $51.0 million.

The 2021 Legislature passed HB 2405, which authorizes the state of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School's unfunded actuarial liability. SB 159 recertified the State/School contribution rates for Fiscal Years 2023 and 2023. Fiscal Year 2023 was recertified from 14.09 percent to 13.33 percent and Fiscal Year 2023 from 13.86 percent to 13.11 percent. The bond proceeds were received by KPERS on August 26, 2021.

The 2023 Legislature passed SB 421, which authorized the state of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2023 and 2024. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2023, $600 million was transferred to the System. In Fiscal Year 2023 SB 421 authorized transfers totaling $271.0 million. These transfers are included in the cash flow.

NOTE C - DEFINED BENEFIT PENSION PLAN – continued

The 2023 Legislature passed HB 2196, which expanded the Deferred Retirement Option Plan (DROP) in KP&F to include all of that System's employers as of April 27, 2023. Under that same Bill, the Kansas Department of Wildlife and Parks (KDWP) became an affiliated KP&F employer making certain law enforcement positions in the Agency eligible for KP&F future service participation as of July 1, 2023. HB 2100 was also passed, defining and establishing limits on environmental, social and governance factors when entering into contracts (including investment contracts) and when making proxy votes on behalf of the System. This latter change was not expected to materially affect the asset allocation. Neither act impacted the valuation results.

The 2024 Legislature passed HB 2711 that increased both the lump sum retiree death benefit from $4,000 to $6,000 and employer contribution rates for State/School for FY 2025 and FY 2026 and for Local employers for CY 2025 to fund this benefit improvement. The Bill also increased the employer contribution threshold for the 30% Working After Retirement (WAR) rate from $25,000 to $40,000; and the earnings limit for KP&F retirees from $25,000 to $40,000; while creating an exemption from employer contributions for nurses and direct support workers at Community Development Disability Organizations (CDDOs). Further, the Bill increased the alternative investment cap from 15% to 25% and requires the System to divest all publicly traded securities held in funds by countries of concern. None of the changes from this legislation had any impact on the valuation.

Based on the employer contribution history described above, it is a reasonable assumption that the State/School group's contribution rate may not be certified at the statutory rate at some point in the future. It has been assumed that the contribution rates will be made within the same range as have been seen in the past few years. Using this assumption, actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the Net Position Liability to Changes in the Discount Rate - The following presents the net pension liability of the Pension plan as of December 31, 2025 and 2024, calculated using the discount rate of 7.00%, as well as what the pension Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	December 31, 2025		
	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
State/School	$ 9,093,398,424	$ 6,028,319,250	$ 3,450,103,696
Local	2,957,638,076	2,004,246,618	1,203,525,357
Police & Firemen	2,230,734,236	1,621,441,301	1,110,946,990
Judges	47,609,998	25,871,470	7,023,041
	$ 14,329,380,734	$ 9,679,878,639	$ 5,771,599,084
District	$ 148,207	$ 100,433	$ 60,309

NOTE C - DEFINED BENEFIT PENSION PLAN – continued

December 31, 2024			
	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
State/School	$ 9,627,654,177	$ 6,536,416,276	$ 3,947,095,306
Local	3,075,303,370	2,124,229,539	1,329,391,543
Police & Firemen	2,180,861,389	1,594,011,365	1,103,239,319
Judges	58,398,715	36,208,629	16,999,203
	$ 14,942,217,651	$ 10,290,865,809	$ 6,396,725,371
District	$ 163,575	$ 112,988	$ 70,710

Pension Expense - For the year ended December 31, 2025 and 2024, the District recognized pension expense of $25,134 and $22,595 respectively, which include the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources - On December 31, 2025, and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

December 31, 2025		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 12,942	$ 3,449
Net difference between projected and annual actual earnings on investments	0	0
Changes of assumptions	2,483	0
Changes in proportion	2,196	6,398
Total	$ 17,621	$ 9,847

NOTE C - DEFINED BENEFIT PENSION PLAN – continued

December 31, 2024		
	Deferred Outflows of Resources	Deferred Inflows of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 13,744	$ 15
Net difference between projected and annual actual earnings on investments	692	0
Changes of assumptions	6,830	0
Changes in proportion	11,125	3,320
Total	$ 32,391	$ 3,335

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$ 10,053
2027	146
2028	(795)
2029	(1,631)
2030	0
Thereafter	0

Through December 31, 2025, and as of the date of the report, the above amounts have not changed for December 31, 2025.

NOTE D – OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description – District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits - Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

NOTE D – OTHER POSTEMPLOYMENT BENEFIT PLAN – continued

The monthly long-term disability benefit is 60 percent of the Member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability from any other sources by reason of employment, and earnings from any form of employment.

If disability begins before age, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited the shorter of the term of disability or 24 months per lifetime, whichever is less.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate compensation at the time of the disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual. insurance policy.

Covered Employees – District has the following employees covered by the Plan as of December 31, 2025, and 2024:

	2025	2024
Inactive employees or beneficiaries currently receiving benefit payments	0	0
Active employees	2	2
Total	2	2

Total OPEB Liability – Tri-Ko, Inc. total OPEB liability of $309,022 and $115,697 reported as of December 31, 2025 and 2024 respectively was measured as of June 30, 2025 and 2024 (the measurement date), and was determined by an actuarial valuation as of June 30, 2025 and 2024 which was rolled forward to December 31, 2025 and 2024 respectively, using the following actuarial assumptions:

	2025	2024
Price inflation	2.75%	2.75%
Wage inflation	3.50%	3.50%
Salary increases, including wage increases	3.50% to 10.30%	3.50% to 11.50%
Discount rate (based on the 20 year municipal bond rate with an average training of AA/Aa or better, obtained from municipal Bond index	3.39%	3.65%

The following actuarial assumptions were used in the development of Tri-Ko Inc's long-term disability cost projections. Where consistent with the terms of the plan, actuarial assumptions affecting active employee liabilities have utilized the assumptions for the Kansas Public Employees Retirement System (KPERS) as provided on December 31, 2025, Actuarial Valuation reports for the pension plan. These assumptions were adopted by the KPERS Board in connection with a study of experience during 2019-2024. Assumptions related to post-disability payout streams are based on historical experience of the KPERS Death and Disability Plan for all participants.

NOTE D – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

Changes in Total OPEB Liability

	2025	2024
Balance beginning of year	$ 2,643	$ 2,310
Changes for the year		
Service Cost	263	249
Interest	114	93
Changes in benefits terms	0	0
Differences between actual and expected experience	(272)	(17)
Changes in assumptions or other inputs	(250)	8
Benefits payments	0	0
Net Changes	(145)	333
Balance end of the year	$ 2,498	$ 2,643

Sensitivity Analysis - The following presents the Tri-Ko, Inc.'s total OPEB liability calculated using the discount rate of 5.20% and 3.65% as of December 31 2025 and 2024 respectively, as well as what the Tri-Ko, Inc.'s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	December 31, 2025		
	1% Decrease (4.20%)	Discount rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 2,694	$ 2,498	$ 2,309

	December 31, 2024		
	1% Decrease (2.65%)	Discount rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 2,845	$ 2,643	$ 2,446

OPEB Expense - For the year ended December 31, 2025, and 2024, the District recognized OPEB expenses of $3,204 and $1,063 respectively which includes the changes in the total OPEB liability, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources - On December 31, 2025, the District reported deferred inflows of resources related to OPEB from the following sources:

	December 31, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 0	$ (559)
Net difference between projected and annual actual earnings on investments	0	0
Changes of assumptions	18	(849)
Changes in proportion	0	0
Total	$ 18	$ (1,408)

NOTE D – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

December 31, 2024		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 0	$ (719)
Net difference between projected and annual actual earnings on investments	0	0
Changes of assumptions	15	(954)
Changes in proportion	0	0
Total	$ 15	$ (1,673)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB Expense as follows:

Year ended December 31:	
2026	$ (254)
2027	(254)
2028	(254)
2029	(254)
2030	(255)
Thereafter	(387)

NOTE E. - OTHER INFORMATION

1. Budgetary Information

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

2. Compliance with Kansas Statutes

Management is not aware of any statutory violations for the years ended December 31, 2025, and 2024.

3. 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.

4. Concentrations of Risk

The District is engaged in the sale of water to customers located in Franklin County Kansas. The District grants credit to those customers and requires no collateral; therefore, the District has a concentration of accounts receivable in this community.

5. Related Party Transactions

The District sells water to members of the Board of Directors at standard rates.

NOTE E. - OTHER INFORMATION - continued

6. Subsequent events

Management has evaluated events through April 2, 2026, the date the financial statements were available to be issued. The District is in the process of applying for grants to fund extensions to the District. As of December 31, 2025 the process of applying for grants is still under way.

SUPPLEMENTARY INFORMATION

Rural Water District Number 1
Franklin County, Kansas

Schedule 1

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPARED TO BUDGET
For the Year Ended December 31, 2025

	Budget	Actual	Variance Over (Under)
Operating Revenues			
Water Sales	$ 528,869	$ 468,588	$ (60,281)
Late Fees	12,000	15,336	3,336
Capital Improvement Revenue	1,000	109,092	108,092
Gain (Loss) on Disposal of Assets	0	(9,395)	(9,395)
Other Income	1,000	2,695	1,695
Total Operating Revenues	542,869	586,316	43,447
Cost of Water Rights and Water Sold	214,500	221,226	6,726
Gross Profit	328,369	365,090	36,721
Operating Expenses			
Clean Drinking Water Fee	1,550	1,276	(274)
Line Repairs	19,000	38,599	19,599
Vehicle Expense	12,000	9,116	(2,884)
Utilities	16,600	14,919	(1,681)
Trash	900	292	(608)
Insurance and Bonds	19,040	16,063	(2,977)
Tests	1,600	1,345	(255)
One Call Locations	650	302	(348)
Professional Fees	10,000	11,031	1,031
Feasibility Engineering Studies	1,200	700	(500)
Mileage	0	44	44
Memberships	1,200	1,323	123
Board Reimbursement	4,660	4,095	(565)
Training	1,500	1,667	167
Repairs, Maintenance and Equipment	16,000	9,414	(6,586)
Depreciation	0	111,188	111,188
Salaries and Payroll Taxes	149,587	149,222	(365)
Pension	0	25,134	25,134
Health Insurance	59,450	55,527	(3,923)
Supplies	5,000	4,865	(135)
Postage	5,940	5,721	(219)
Uniforms	1,000	885	(115)
Website	550	560	10
Internet	960	1,375	415
Materials	15,000	22,872	7,872
Office Rent	3,600	3,630	30
Other	1,100	548	(552)
Telephone	3,500	2,573	(927)
Bad Debts	300	0	(300)
Total Operating Expenses	351,887	494,286	142,399
Total Operating Income (Loss)	(23,518)	(129,196)	(98,952)

See Independent Auditor's Report.

Rural Water District Number 1
Franklin County, Kansas

Schedule 1

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPARED TO BUDGET
For the Year Ended December 31, 2025

	Budget	Actual	Variance Over (Under)
Non-Operating Revenues (Expenses)			
Interest Income	$ 15,000	$ 68,209	$ 53,209
KDOT Reimbursement	0	111,471	111,471
Total Non-Operating Income (Loss)	15,000	179,680	164,680
Income (Loss) Before Sale of Benefit Units	(8,518)	50,484	59,002
Sales of Benefit Units			
Benefit Units	0	35,000	35,000
Net Income (Loss)	$ (8,518)	$ 85,484	$ 94,002

See Independent Auditor's Report.

Rural Water District Number 1
Franklin County, Kansas

Schedule 1

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPARED TO BUDGET
For the Year Ended December 31, 2024

	Budget	Actual	Variance Over (Under)
Operating Revenues			
Water Sales	$ 532,764	$ 437,405	$ (95,359)
Late Fees	12,000	12,956	956
Capital Improvement Revenue	0	108,240	108,240
Other Income	0	26,813	26,813
Total Operating Revenues	544,764	585,414	40,650
Cost of Water Rights and Water Sold	216,500	192,994	(23,506)
Gross Profit	328,264	392,420	64,156
Operating Expenses			
Clean Drinking Water Fee	1,500	1,373	(127)
Line Repairs	17,000	18,831	1,831
Vehicle Expense	12,000	6,310	(5,690)
Utilities	16,600	12,516	(4,084)
Trash	900	892	(8)
Insurance and Bonds	17,000	16,958	(42)
Tests	1,500	1,236	(264)
One Call Locations	550	384	(166)
Professional Fees	10,000	11,077	1,077
Feasibility Engineering Studies	1,200	1,300	100
Mileage	0	5	5
Memberships	1,200	1,273	73
Board Reimbursement	5,400	3,465	(1,935)
Training	1,500	1,471	(29)
Repairs and Maintenance	24,000	4,724	(19,276)
Depreciation	0	106,203	106,203
Salaries and Payroll Taxes	149,835	160,003	10,168
Pension	0	22,595	22,595
Health Insurance	37,605	25,514	(12,091)
Supplies	5,000	4,147	(853)
Postage	5,400	5,920	520
Uniforms	500	489	(11)
Website	550	590	40
Internet	960	959	(1)
Materials	10,000	23,790	13,790
Office Rent	3,600	3,630	30
Other	1,100	399	(701)
Telephone	3,500	2,285	(1,215)
Bad debts	300	150	(150)
Total Operating Expenses	328,700	438,489	109,789
Total Operating Income (Loss)	(436)	(46,069)	(45,633)

See Independent Auditor's Report.

Rural Water District Number 1
Franklin County, Kansas

Schedule 1

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
COMPARED TO BUDGET
For the Year Ended December 31, 2024

	Budget	Actual	Variance Over (Under)
Non-Operating Revenues (Expenses)			
Interest Income	$ 15,000	$ 66,779	$ 51,779
KDOT Reimbursement	2,000	26,273	24,273
Total Non-Operating Income (Loss)	17,000	93,052	76,052
Income (Loss) Before Capital Contributions	16,564	46,983	30,419
Capital Contributions			
Benefit Units	0	28,000	28,000
Net Income (Loss)	$ 16,564	$ 74,983	$ 58,419

See Independent Auditor's Report.

Rural Water District Number 1
Franklin County, Kansas
SCHEDULE OF PENSION LIABILITY

Schedule 2

For The Years Ending December 31, 2025

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

	2020	2021	2022	2023
Employers proportion (percentage) of the collective net position liability	0.000625493	0.000868497	0.001043432	0.001026877
Employer's proportionate share (amount) of the collective net pension liability	$ 48,785	$ 67,738	$ 110,734	$ 109,804
Employer's employee payroll	$ 121,709	$ 126,919	$ 130,813	$ 141,417
Employer's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll	0.4008331	0.5337105	0.8465061	0.7764554
Total pension liability as a percentage of net position	1.44%	2.01%	3.17%	3.07%

*Information is only available for 6 of the 10 years.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Total OPEB Liability	2022	2023	2024	2025
Service Costs	$ 393	$ 246	$ 249	$ 263
Interest total OPEB liability	75	82	93	114
Changes of benefit terms	0	0	0	0
Differences between actual and expected experience	(304)	(62)	(17)	(272)
Changes in assumptions or other inputs	1,899	(19)	8	(250)
Benefits payments	0	0	0	0
Net change in total OPEB liability	2,063	247	333	(145)
Total OPEB liability, beginning	0	2,063	2,310	2,643
Total OPEB liability, ending	$ 2,063	$ 2,310	$ 2,643	$ 2,498
Covered payroll	$ 130,813	$ 141,417	$ 138,332	$ 138,618
Total OPEB liability as a % of covered payroll	1.58%	1.63%	1.91%	1.80%

Information is only available for 4 of the 10 years to be presented.

	2024	2025
	0.001097945	0.000975943
$	112,988	$ 100,433
$	138,332	$ 138,618
	0.8167886	0.7245307
	3.10%	2.69%