RURAL WATER DISTRICT NUMBER 4
Osage County, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

October 31, 2023 and 2022

RURAL WATER DISTRICT NUMBER 4
Osage County, Kansas

TABLE OF CONTENTS
October 31, 2023 and 2022

	Statements	Page
Independent Auditor's Report		1
Financial Statements		
Statement of Net Position	1	3
Statements of Revenues, Expenses and Changes in Net Position	2	4
Statements of Cash Flows	3	5
Notes to Financial Statements		6
Supplementary Information	Schedule	
Schedule of Revenues and Expenditures Compared to Budget	1	13
Schedule of Statistical Information	2	15

234 South Main
Ottawa, Kansas 66067
(785) 242-3170
(785) 242-9250
www.ag.cpa WEB SITE

Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, CPA
Lucille L. Hinderliter, CPA

INDEPENDENT AUDITOR'S REPORT

To the Directors
Rural Water District #4 Osage County
Waverly, Ks

Opinions
We have audited the accompanying financial statements of the business-type activities of Rural Water District Number 4, Osage County Kansas as of and for the year ended October 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Rural Water District Number 4, Osage County Kansas as of October 31, 2023 and 2022, 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 Rural Water District Number 4, Osage County Kansas, 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 3, Sedgwick County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

• Exercise professional judgment and maintain professional skepticism throughout the audit.

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rural Water District Number 4's internal control. Accordingly, no such opinion is expressed.

• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rural Water District Number 4's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Rural Water District Number 4 has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rural Water District Number 4's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Harold K. Mayes Jr

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks.
April 5, 2024

Rural Water District Number 4
Osage County, Kansas
STATEMENTS OF NET POSITION
October 31,

	2023	2022
ASSETS		
Current Assets		
Cash	$ 181,355	$ 86,860
Savings Account	38,091	28,705
Certificates of Deposit	281,883	280,327
Accounts Receivable	12,225	21,041
Total current assets	513,554	416,933
Property, Plant & Equipment		
Land	8,146	8,146
Office Furniture & Equipment	8,143	8,143
Buildings	45,293	45,293
Towers	252,750	252,750
Wells, Lines, Meters	2,610,576	2,517,018
	2,924,908	2,831,350
Accumulated Depreciation	(1,680,997)	(1,625,761)
Total Property, Plant & Equipment	1,243,911	1,205,589
Total Assets	$ 1,757,465	$ 1,622,522
LIABILITIES & NET POSITION		
Current Liabilities		
Accounts Payable	$ 4,901	$ 0
Prepayments On Line Installations	5,784	0
Total Current Liabilities	10,685	0
Net Position		
Invested in Capital Assets, Net of Related Debt	1,243,911	1,205,589
Unrestricted Net Position	502,869	416,933
Total Net Position	1,746,780	1,622,522
Total Liabilities & Net Position	$ 1,757,465	$ 1,622,522

The accompanying notes are an integral part of these statements.

Rural Water District Number 4
Osage County, Kansas
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended October 31,

	2023	2022
Operating Revenues		
Water Sales	$ 178,132	$ 129,170
Basic Service	104,006	102,590
Capital Improvement	9,612	9,326
Late Charges and Reconnect Fees	7,865	6,933
Other Water Sales	7,539	12,516
Total Revenues	307,154	260,535
Cost of Sales		
Cost of Water	61,173	49,733
Chemicals, Supplies & Fees	34,133	33,797
Total Cost of Sales	95,306	83,530
Gross Profit	211,848	177,005
Operating Expenses		
Wages & Payroll Taxes	74,194	62,311
Repairs & Maintenance	36,410	29,020
Vehicle Expenses	11,910	10,150
Utilities & Phone	17,570	16,701
Professional Services - Attorney & Accounting	4,381	4,230
Insurance	11,613	10,462
Supplies	2,869	3,364
Contract Labor	2,766	3,338
Small Equipment	0	780
Mileage Reimbursement	389	360
Office Supplies & Postage	3,132	947
Warranty Services	5,600	5,600
Dues & Memberships	490	512
Education/Training/Conference	2,758	1,094
Director Expenses	0	677
Box Rent/Bank Charges/Returned Checks	1,485	77
Other	0	536
Depreciation	55,236	53,557
Total Operating Expenses	230,803	203,716
Total Operating Income (Loss)	(18,955)	(26,711)
Non-Operating Revenues (Expenses)		
Rental Income	3,711	4,519
Interest Income	1,684	1,603
Total Non-Operating Income (Loss)	5,395	6,122
Other Revenues and (Expenses)		
Sales of Benefit Units	44,800	29,000
Extension Line Reimbursement	93,018	0
Net Income	124,258	8,411
Net Position, Beginning of Year	1,622,522	1,614,111
Net Position, End of Year	$ 1,746,780	$ 1,622,522

The accompanying notes are an integral part of these statements.

Rural Water District Number 4
Osage County, Kansas
STATEMENTS OF CASH FLOWS
For the Year Ended October 31,

Cash flows from operating activities	2023	2022
Cash Received From Customers	$ 321,754	$ 260,623
Cash Paid For Water	(95,306)	(83,530)
Cash Paid to Suppliers	(96,472)	(88,700)
Cash Paid to Employees (Including Payroll Taxes & Benefits)	(74,194)	(62,399)
Net Cash Provided By (Used In) Operating Activities	55,782	25,994
Cash flows provided by (used in) financing activities		
Water benefit units proceeds	44,800	29,000
Extension Line Reimbursement	93,018	0
Net cash provided by (used in) financing activities	137,818	29,000
Cash flows provided by (used in) investing activities:		
Purchases of property and equipment (net of reimbursements)	(93,558)	(24,337)
Rental Income	3,711	4,519
(Increase) Decrease in certificates of deposit	(1,556)	(1,530)
Interest Income	1,684	1,603
Net cash provided by (used in) investing activities	(89,719)	(19,745)
Net increase (decrease) in cash and cash equivalents	103,881	35,249
Cash and cash equivalents, beginning of year	115,565	80,316
Cash and cash equivalents, end of year	$ 219,446	$ 115,565
Cash Balances		
Cash Operations	$ 181,355	$ 86,860
Savings	38,091	28,705
	$ 219,446	$ 115,565
Reconciliations of operating income to net cash provided by (used in) operating activities		
Operating income	$ (18,955)	$ (26,711)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	55,236	53,557
Changes in assets and liabilities not current affecting cash:		
(Increase) Decrease in accounts receivable	8,816	3,811
Increase (Decrease) in account payable	4,901	(852)
Increase (Decrease) in other payables	5,784	(3,723)
Increase (Decrease) in payroll liabilities	0	(88)
	$ 55,782	$ 25,994

The accompanying notes are an integral part of these financial 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 4 (here in referred to as the District) is considered financially accountable. The District's financial statements include all of its operations. The District is a separately administered organization. The District has no component units. The District is a quasi-municipality governed by an elected five-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 the Coffey and Osage Counties area).

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

The District has just one fund to present in the basic financial statements that accounts for water sales and service to customers of the District. This fund is reported as an enterprise fund.

3. Measurement focus and Financial Statement Presentation

The financial statements of the District are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when relate cash flows take place. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Reimbursements are reported as reductions to expenses or capital assets.

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

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

Budgets are adopted for internal use only and are not required to be published or approved by outside agencies. All budgets are prepared using the accrual basis of accounting.

NOTE A. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICEIES - continued

4. Fund Types and Major Funds

***Governmental funds*:** The District has no governmental funds.

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

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are short term, 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. Property, Plant and Equipment

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

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

Well Sites	40 years
Office Building & Equipment	3 to 40 years
Distribution System	10 - 40 years

The District capitalization policy is items with a cost of $5,000 or more are capitalized.

8. Income Tax

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

9. 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.

10. 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.

11. Revenue Recognition
The District recognizes sales of water to customers on a monthly basis. Billings are computed based on water usage an current rates and is due upon receipt of the bill and recognized as income at that time.

NOTE A. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

12. Deferred Outflows and Inflows of Resources

The District does not have any deferred outflows or inflows to report at the current time.

13. Restricted and Unrestricted Resources

The District's policy is to first expend restricted resources should the expenditure qualify for the restricted purpose before expending unrestricted funds.

NOTE B - ASSETS, LIABILITIES AND NET POSITION

1. Cash 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 bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

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

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the District 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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at October 31, 2023 and 2022.

At October 31, 2023 and 2022, the carrying amount of the District's cash was $501,329 and $395,892 for October 31, 2023 and 2022 respectively. The bank balance was $502,022 and $413,740 as of October 31, 2023 and 2022 respectively. The bank balance was held by three banks, which reduces concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $502,022 and $413,740 for October 31, 2023 and 2022 respectively was covered by federal depository insurance.

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.

Interest Rate Risk
Interest rate risk is the risk that the fair value of the Districts investments will decrease as a result of an increase in interest rates. In accordance with Kansas Statute 12-1675, the District limits its investments to maturities with less than two years.

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

1. Cash and Investments - continued

Credit Risk

Credit risk is the risk that the counterparty will not fulfill its obligations. The District does not have any investments that would be subjected to credit risk.

2. Accounts Receivable

Accounts receivable	2023	2022
Currently due from customers	$ 7,325	$ 9,085
Past due from customers	4,900	11,956
	$ 12,225	$ 21,041

3. Capital Assets are detailed as follows:

	2023			
Capital assets	Beginning Balance	Additions	Retirements	Ending Balance
Land	$ 8,146	$ 0	$ 0	$ 8,146
Office Furniture & Equipment	8,143	0	0	8,143
Buildings	45,293	0	0	45,293
Towers	252,750	0	0	252,750
Wells, Lines , Meters	2,517,018	93,558	0	2,610,576
Totals at cost	2,831,350	93,558	0	2,924,908
Accumulated depreciation:	1,625,761	55,236	0	1,680,997
Net Fixed Assets	$ 1,205,589	$ 38,322	$ 0	$ 1,243,911

	2022			
Capital assets	Beginning Balance	Additions	Retirements	Ending Balance
Land	$ 8,146	$ 0	$ 0	$ 8,146
Office Furniture & Equipment	8,143	0	0	8,143
Buildings	45,293	0	0	45,293
Towers	252,750	0	0	252,750
Wells, Lines , Meters	2,492,681	24,337	0	2,517,018
Totals at cost	2,807,013	24,337	0	2,831,350
Accumulated depreciation:	1,572,204	53,557	0	1,625,761
Net Fixed Assets	$ 1,234,809	$ (29,220)	$ 0	$ 1,205,589

There were no impairment of capital assets as described above as of October 31, 2023 and 2022

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

4. Compensated Absences

The District does not have a formal policy for the accruing vacation or sick leave.

The District does not have any employee benefits.

NOTE C. - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

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

2. Compliance with Kansas Statutes

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the water district. There were no apparent statutory violations during the year ended October 31, 2023 and 2022.

NOTE D. - OTHER INFORMATION

1. Contracts and Concentrations

The District has a 40-year agreement with the Public Wholesale Water Supply District No. 12 (PWWSD 12) to purchase water in quantities as may be required by the District not to exceed 1,200,000 gallons per month. The District is required to purchase a minimum amount of 600,000 gallons of water per month. The District purchased 10,659,000 gallons for the year ended October 31, 2023 and 2022. For the year ended October 31, 2023 and 2022 the District purchases per month exceeded the 600,000 gallons minimum. Thus, the District was not required to pay any amount for being under the 600,000 gallons minimum. The rate paid by the District for October 31, 2023 and 2022 was $5 per 1,000 gallons for a total of $61,173 and $49,733 for December 31, 2023 and 2022 respectively.

2. Leases

The District has a lease agreement whereby the District leases a well site. The lease shall remain in full force and effect as long as the premises are used for the production of water from any water wells. In consideration, the District (lessee) guarantees payment of $1.08 per 1,000 gallons pumped, with the minimum annual amount being 3,000,000 gallons. The District agrees to pay the lessor for any gallons pumped over the minimum at a rate set by both the lessee and the lessor. In 2023 and 2022, the District pumped in excess of 3,000,000 gallons, from the Kistner Well Field. The Kistner's were charged for water usage at the same rates as other customers which was included in water sales. Since the District exceeded the minimum number of gallons, no payment is due to Kistner for the current year end.

NOTE D. - OTHER INFORMATION - continued

3. Grants

	Coffey County	Home Administration	Total
Balance, Beginning of Year	$ 456,448	$ 116,000	$ 572,448
Additions	0	0	0
Reductions	0	0	0
Balance end of Year	$ 456,448	$ 116,000	$ 572,448

4. 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.

5. Related Party

The board members of the District purchase water from the District at regular rates. The District has an employee that also provides contracting services. During the year ended October 31, 2023 and 2022 the District paid $48,319 and $39,170 as of December 31, 2023 and 2022 respectively for services.

6. Net Position

Net position in proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statute. As of October 31, 2023 and 2022, the District did not have any restricted net positions.

7. Subsequent Events

Management has evaluated events through April 5, 2024 and has determined there are no significant events that require disclosure.

SUPPLEMENTARY INFORMATION

Rural Water District Number 4
Osage County, Kansas
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
For the Year Ended October 31, 2023

Schedule 1

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	$ 167,943	$ 178,132	$ 10,189
Basic Service	114,510	104,006	(10,504)
Capital Improvement	10,410	9,612	(798)
Late Charges and Reconnect Fees	6,007	7,865	1,858
Other Water Sales	0	7,539	7,539
Total Operating Income	298,870	307,154	8,284
Cost of Sales			
Cost of Water	52,633	61,173	(8,540)
Chemicals & Supplies	32,704	34,133	(1,429)
Water Protection & Other Fees	1,196	0	1,196
Total Cost of Sales	86,533	95,306	(8,773)
Gross profit	212,337	211,848	(489)
Operating Expenses			
Wages & Payroll Taxes	71,801	74,194	(2,393)
Repairs & Maintenance	54,200	36,410	17,790
Vehicle Expenses	12,000	11,910	90
Utilities & Phone	24,973	17,570	7,403
Professional Services - Attorney & Accounting	4,120	4,381	(261)
Insurance	12,090	11,613	477
Supplies	1,320	2,869	(1,549)
Contract Labor	3,600	2,766	834
Small Equipment	0	0	0
Mileage Reimbursement	161	389	(228)
Office Supplies & Postage	3,554	3,132	422
Warranty Services	5,600	5,600	0
Dues & Memberships	512	490	22
Education/Training/Conference	1,094	2,758	(1,664)
Director Expenses	400	0	400
Box Rent/Bank Charges/Returned Checks	514	1,485	(971)
Depreciation	0	55,236	(55,236)
Total Operating Expenses	195,939	230,803	(34,864)
Total Operating Income (Loss)	16,398	(18,955)	(35,353)
Non-Operating Revenues (Expenses)			
Rental Income	4,100	3,711	389
Interest Income	3,787	1,684	(2,103)
Total Non-Operating Income (Loss)	7,887	5,395	(1,714)
Other Revenues and (Expenses)			
Sales of benefit units	20,000	44,800	24,800
Extension Line Reimbursement	0	93,018	93,018
Total Other Revenues and (Expenses)	20,000	137,818	117,818
Net Income	$ 44,285	$ 124,258	$ 80,751

See Independent Auditor's Report.

Rural Water District Number 4
Osage County, Kansas
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
For the Year Ended October 31, 2022

Schedule 1

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Sales	$ 148,950	$ 129,170	$ (19,780)
Basic Service	108,000	102,590	(5,410)
Capital Improvement	10,080	9,326	(754)
Late Charges and Reconnect Fees	4,275	6,933	2,658
Other Water Sales	0	12,516	12,516
Total Operating Income	271,305	260,535	(10,770)
Cost of Sales			
Cost of Water	54,804	49,733	5,071
Chemicals & Supplies	12,600	33,797	(21,197)
Water Protection & Other Fees	3,100	0	3,100
Total Cost of Sales	70,504	83,530	(13,026)
Gross profit	200,801	177,005	(23,796)
Operating Expenses			
Wages & Payroll Taxes	62,616	62,311	305
Repairs & Maintenance	45,000	29,020	15,980
Vehicle Expenses	10,200	10,150	50
Utilities & Phone	12,100	16,701	(4,601)
Professional Services - Attorney & Accounting	2,483	4,230	(1,747)
Insurance	12,600	10,462	2,138
Supplies	0	3,364	(3,364)
Contract Labor	4,050	3,338	712
Small Equipment	0	780	(780)
Mileage Reimbursement	1,800	360	1,440
Office Supplies & Postage	4,744	947	3,797
Warranty Services	4,650	5,600	(950)
Dues & Memberships	490	512	(22)
Education/Training/Conference	1,400	1,094	306
Director Expenses	840	677	163
Box Rent/Bank Charges/Returned Checks	315	77	238
Other	315	536	(221)
Depreciation	46,311	53,557	(7,246)
Total Operating Expenses	209,914	203,716	6,198
Total Operating Income (Loss)	(9,113)	(26,711)	(17,598)
Non-Operating Revenues (Expenses)			
Rental Income	4,100	4,519	(419)
Interest Income	7,893	1,603	(6,290)
Total Non-Operating Income (Loss)	11,993	6,122	(6,709)
Other Revenues and (Expenses)			
Sales of benefit units	0	29,000	29,000
Extension Line Reimbursement	0	0	0
Total Other Revenues and (Expenses)	0	29,000	29,000
Net Income	$ 2,880	$ 8,411	$ 4,693

See Independent Auditor's Report.

Rural Water District Number 4
Osage County, Kansas
SCHEDULE OF STATISTICAL INFORMATION
For the Year Ended October 31,

Schedule 2

	2023	2022
Gallons Sold	16,373,000	19,712,000
Gallons Used In Cleraing Lines Etc	1,516,000	843,000
Gallons Lost	3,505,000	3,210,000
Gallons Purchased/Produced	21,394,000	23,765,000
Water Loss Percentage	16.38%	13.51%
Number of Units	359	349
Average Monthly Customer's Water Bill	$ 71	$ 62
Average Monthly Costs & Expenses Per Customer	$ 54	$ 49
Average Monthly Gallons Used Per Customer	3,801	4,707