RURAL WATER DISTRICT NUMBER 3
Sedgwick County
Mulvane, Kansas

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2021 and 2020

RURAL WATER DISTRICT NUMBER 3
Sedgwick County
Mulvane, Kansas

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rural Water District Number 3
Sedgwick County
Mulvane, Kansas

Report on Financial Statements
We have audited the accompanying financial statements of the business-type activities of Rural Water District Number 3, Sedgwick County, Mulvane, Kansas, as of and for the year ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparations and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide.* Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations 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 controls. 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.

Opinion
In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the business-type activities of Rural Water District Number 3, Sedgwick County, Mulvane, Kansas as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Rural Water District Number 3, Sedgwick County, Mulvane, Kansas 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the District's basic financial statements. The revenues and expenses compared to budgets (Schedule 1 listed in the table of contents) are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, revenues and expenses compared to budgets are 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.
March 7, 2022

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
STATEMENTS OF NET POSITION
December 31,

	2021	2020
ASSETS		
Current Assets		
Cash Collection	$ 160,297	$ 155,255
Cash Operations	200,298	267,792
Petty Cash	350	350
125 Plan Cash	11,067	9,344
Money Market	10,952	13,530
U.S. Government Securities - Amortized Cost - Held to Maturity	2,551,775	2,224,247
Accounts Receivable	131,691	125,479
Accrued Interest Receivable	14,865	17,993
Inventory	89,234	102,159
Total current assets	3,170,529	2,916,149
Property, Plant and Equipment		
Land	96,596	96,596
Utility Plant	7,871,237	7,712,505
Improvements	48,550	48,550
Equipment	835,260	564,479
Office Furniture & Equipment	75,920	75,468
Vehicles	213,401	213,401
Building and Improvements	508,085	501,785
Tower Under Construction	21,884	0
	9,670,933	9,212,784
Accumulated Depreciation	(5,201,184)	(4,987,365)
Total Property Plant and Equipment	4,469,749	4,225,419
Other Assets		
U.S. Government Securities - Amortized Cost - Held to Maturity	2,867,692	2,651,727
Brec Credit	6,988	7,297
	2,874,680	2,659,024
Total Assets	$ 10,514,958	$ 9,800,592

The accompanying notes are an integral part of these statements.

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
STATEMENTS OF NET POSITION
December 31,

	2021	2020
LIABILITIES AND NET POSITION		
Current Liabilities		
Water Bill Payable	$ 47,854	$ 38,867
Water Programs Payable	1,000	1,058
Sales Tax Payable	335	311
Total Current Liabilities	49,189	40,236
Net Position		
Invested in Capital Assets, Net of Related Debt	4,469,749	4,225,419
Unrestricted Net Position	5,996,020	5,534,937
Total Net Position	10,465,769	9,760,356
Total Liabilities & Net Position	$ 10,514,958	$ 9,800,592

The accompanying notes are an integral part of these statements.

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31,

	2021	2020
Operating Revenues		
Water Sales	$ 1,018,169	$ 977,600
Monthly Minimum	737,968	723,552
Penalties	19,194	19,982
Other Fees and Receipts	7,079	17,869
Total Revenues	1,782,410	1,739,003
Cost of Sales		
Cost of Water	26,613	20,747
Cost of Pumping	4,995	4,847
Cost of Water-Wichita	580,520	595,897
Clean Drinking Water	4,181	4,043
Total Cost of Sales	616,309	625,534
Gross Profit	1,166,101	1,113,469
Operating Expenses		
Wages - Total	319,634	282,284
Meter Readers	32,347	31,497
Payroll Tax Accountant	25,943	22,665
SIMPLE Match	10,552	8,839
Travel & Mileage	340	0
Fuel & Vehicle Maint.	36,570	13,742
One Call Locations	3,775	4,027
Legal Fees	30,931	41,205
Engineering Fees	2,640	59,253
Accounting & Auditing	6,255	5,931
Contract Repairs	23,491	22,257
Repair Supplies	19,206	21,968
Tower Lights	1,878	2,102
Propane	5,431	1,602
Telephone	6,073	5,710
Office & Software	18,472	19,852
Postage	11,033	10,517
Insurance & Bonds	42,223	35,869
Employee Benefits-Insurance	46,321	71,537
Miscellaneous	9,619	13,536
Christmas & Meetings	11,801	5,536
Reimbursed Expenses	4,380	4,500
Dues and Fees	5,398	6,064
Real Estate Tax	13	14
Education/Training/Conference	800	714
Depreciation	257,547	246,042
Office Utilities	3,601	2,302
Total Operating Expenses	936,274	939,565
Total Operating Income (Loss)	229,827	173,904

The accompanying notes are an integral part of these statements.

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31,

	2021	2020
Non-Operating Revenues (Expenses)		
Realized Gain (Loss) on Sale of Assets	$ 38,827	$ 18,122
Sale of Service Areas	118,425	0
Gain (Loss) on Sale of Investments	801	(947)
Interest Income	71,425	87,383
Total Non-Operating Income (Loss)	229,478	104,558
Other Revenues and (Expenses)		
Sale of Benefit Units	246,108	157,000
Net Income	705,413	435,462
Total Net Position, Beginning of Year	9,760,356	9,324,894
Total Net Position, End of Year	$ 10,465,769	$ 9,760,356

The accompanying notes are an integral part of these statements.

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2021	2020
Cash Flows from Operating Activities		
Cash Received From Customers	$ 1,776,198	$ 1,726,517
Cash Paid to Suppliers, Including Water	(870,708)	(1,033,923)
Cash Paid to Employees (including payroll taxes and benefits)	(402,450)	(385,325)
Net Cash Provided by (used in) Operating Activities	503,040	307,269
Cash Flows Provided by (used in) Financing Activities		
Water Benefit Units Proceeds	246,108	157,000
Proceeds from Sale of Assets	2,125	0
Sale of Service Areas	118,425	0
Net Cash Provided by (used in) Financing Activities	366,658	157,000
Cash Flows Provided by (used in) Investing Activities:		
Purchases of Property and Equipment (net of reimbursements)	(464,865)	(168,303)
Interest Income	74,553	90,988
Maturities of U.S. Government Securities (par value)	2,325,000	2,200,000
Purchases of U.S. Government Securities	(2,867,692)	(2,551,699)
Net Cash Provided by (used in) Investing Activities	(933,004)	(429,014)
Net Increase (Decrease) in Cash and Cash Equivalents	(63,306)	35,255
Cash and Cash Equivalents, Beginning of Year	446,271	411,016
Cash and Cash Equivalents, End of Year	$ 382,965	$ 446,271
Cash Balances		
Cash Collections	$ 160,297	$ 155,255
Cash Operations	200,298	267,792
Petty Cash	350	350
125 Plan Cash	11,067	9,344
Money Market	10,952	13,530
	$ 382,964	$ 446,271
Reconciliations of Operating Income to Net Cash Provided by (used in) Operating Activities		
Operating Income	$ 229,827	$ 173,904
Adjustments to reconcile operating income (loss) to net cash provided by (used in) Operating Activities:		
Depreciation	257,547	246,042
Changes in Assets and Liabilities Not Current Affecting Cash:		
(Increase) Decrease in Accounts Receivable	(6,212)	(12,486)
(Increase) Decrease in Inventory	12,925	(42,718)
Increase (Decrease) in Account Payable	8,987	2,789
Increase (Decrease) in Other Payables	(34)	(60,262)
	$ 503,040	$ 307,269

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 3 (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 the Mulvane, Kansas area).

The statement of revenues, expenses and changes in net position reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities, expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services that report fees, fines and forfeitures, and other charges to users of the District's services; (2) members deposits water meters. All other revenues 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. Inventory

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

8. Property, Plant and Equipment

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

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

Equipment and Lines	40 years
Building, Pump Station, and major projects	40 years
Furniture and equipment	3 - 10 years
Tower fencing	7 - 20 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.

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

Deposits and Investments - K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

Custodial credit risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not have any designated "peak periods" for the current year. All deposits were legally secured at December 31, 2021.

At year-end the carrying amount of the District's deposits (less cash on hand of $300) was $382,614 for 2021 and $445,921 for 2020 respectively. The bank balance was $402,895 for 2021 and $457,724 for 2020 respectively. The difference between book and bank balance is outstanding deposits and checks. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance $250,000 for 2021 and $250,000 for 2020 respectively, was covered by FDIC insurance and $152,895 for 2021 and $207,724 for 2020 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.

As of December 31, 2021 and 2020, the District held U.S. Government Securities consisting of Federal Farm Credit Bank, Federal Home Loan Bank and U.S. Treasury Notes. At December 31, 2021 and 2020, maturities for noncurrent held-to maturity securities were between one and two years. At December 31, 2021 and 2020 the estimated fair value of each investment approximated its amortized cost and therefore, there were no significant unrecognized holding gains or losses. The District does not make adjustments for temporary market fluctuations. The investments are carried at cost because they are held to maturity. When these investments mature the gain or loss on the investment is reported in the financial statements under non-operating income. Interest rates on these investments range from .25% to 2.875% for 2021 and .25% to 2.755% for 2020. The District investments are reported at amortized cost.

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

1. Cash and Investments - continued

Investments are stated at amortized costs.

	2021			
		Maturities in years		
Investment Type	Cost	Less than 1 year	1 to 2 years	Rating
Federal Farm Credit	$ 851,029	$ 851,029	$ 0	SP-AA+
Federal Home Loan Mtg.	1,760,756	877,656	883,100	SP-AA+
Fannie Mae	706,487	205,583	500,904	SP-AA+
U.S. Treasury Note	2,101,120	617,432	1,483,688	SP-AA+
U.S. Saving Bond	75	0	75	SP-AA+
	$ 5,419,467	$ 2,551,700	$ 2,867,767	

	2020			
		Maturities in years		
Investment Type	Cost	Less than 1 year	1 to 2 years	Rating
Federal Farm Credit	$ 950,980	$ 0	$ 950,980	SP-AA+
Federal Home Loan Mtg.	1,683,745	806,089	887,656	SP-AA+
Fannie Mae	205,583	0	205,583	SP-AA+
U.S. Treasury Note	2,035,591	1,418,158	617,433	SP-AA+
U.S. Saving Bond	75	0	75	SP-AA+
	$ 4,875,974	$ 2,224,247	$ 2,661,727	

2. Accounts Receivable

Accounts receivable	2021	2020
Currently due from customers	$ 123,387	$ 125,590
Past due from customers	23,874	12,949
Credit balances	(15,570)	(13,060)
	$ 131,691	$ 125,479

3. Inventories

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

Inventories	2021	2020
Pipe, couplins, fittings, meters ect.	$ 89,234	$ 102,159

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

4. Capital Assets are detailed as follows:

	2021			
Capital assets	Beginning Balance	Additions	Retirements	Ending Balance
Land	$ 96,596	$ 0	$ 0	$ 96,596
Utility Plant	7,712,505	158,732	0	7,871,237
Improvements	48,550	0	0	48,550
Equipment	564,479	317,081	46,300	835,260
Office Furniture & Equipment	75,468	452	0	75,920
Vehicles	213,401	0	0	213,401
Building and Equipment	501,785	6,300	0	508,085
Tower Under Construction	0	21,884	0	21,884
Totals at cost	9,212,784	504,449	46,300	9,670,933
Accumulated depreciation:	4,987,365	257,547	43,728	5,201,184
Net Fixed Assets	$ 4,225,419	$ 246,902	$ 2,572	$ 4,469,749

	2020			
Capital assets	Beginning Balance	Additions	Retirements	Ending Balance
Land	$ 96,596	$ 0	$ 0	$ 96,596
Utility Plant	7,602,795	115,551	5,841	7,712,505
Improvements	48,550	0	0	48,550
Equipment	552,406	12,073	0	564,479
Office Furniture & Equipment	75,468	0	0	75,468
Vehicles	172,722	40,679	0	213,401
Building and Equipment	501,785	0	0	501,785
Totals at cost	$ 9,050,322	168,303	5,841	9,212,784
Accumulated depreciation:	4,744,861	246,042	3,538	4,987,365
Net Fixed Assets	$ 4,305,461	$ (77,739)	$ 2,303	$ 4,225,419

There were no impairment of capital assets as described above as of December 31, 2021 and 2020

5. Compensated Absences
The District pays for unused vacation at the anniversary date of employment and records the expenses as an expense for that year. The District does not pay out unused sick leave.

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

Management is not aware of any statutory violations for the years ended December 31, 2021 or 2020

NOTE D. - OTHER INFORMATION

1. Defined Contribution Pension Plan

The District established a Simple IRA program beginning in 1999 for qualified employees. The District matches employee contributions to the plan up to 3 percent of compensation. The District's contribution for the years ended December 31, 2021 and 2020 was $10,552 and $8,264 respectively.

2. 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.

3. Concentrations of Risk

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

4. 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 December 31, 2021 or 2020 the District did not have any restricted net positions.

5. Subsequent events

Management has evaluated events through March 7, 2022. The District is in the process of building a new water tower which is estimated to cost $1,600,000.

SUPPLEMENTARY INFORMATION

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
For the Year Ended December 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water sales	$ 1,047,269	$ 1,018,169	$ (29,100)
Monthly minimum fees	723,600	737,968	14,368
Penalties	21,000	19,194	(1,806)
Other fees and receipts	2,400	7,079	4,679
Total Operating Income	1,794,269	1,782,410	(11,859)
Cost of Sales			
Cost of Water	0	26,613	(26,613)
Cost of Pumping	4,440	4,995	(555)
Cost of Chlorination	2,760	0	2,760
Cost of Water-Wichita	638,492	580,520	57,972
Clean Drinking Water	4,800	4,181	619
Total Cost of Sales	650,492	616,309	34,183
Gross profit	1,143,777	1,166,101	22,324
Operating Expenses			
Wages - Total	310,500	319,634	(9,134)
Meter Readers	31,500	32,347	(847)
Payroll Tax Accountant	26,500	25,943	557
SIMPLE Match	8,400	10,552	(2,152)
Travel & Mileage	0	340	(340)
Fuel & Vehicle Maint.	14,880	36,570	(21,690)
One Call Locations	4,000	3,775	225
Legal Fees	41,200	30,931	10,269
Engineering Fees	6,000	2,640	3,360
Accounting & Auditing	14,760	6,255	8,505
Contract Repairs	22,300	23,491	(1,191)
Repair Supplies	22,000	19,206	2,794
Tower Lights	2,100	1,878	222
Propane	3,360	5,431	(2,071)
Telephone	5,700	6,073	(373)
Office & Software	17,604	18,472	(868)
Postage	10,500	11,033	(533)
Insurance & Bonds	35,500	42,223	(6,723)
Employee Benefits-Insurance	40,000	46,321	(6,321)
Miscellaneous	11,600	9,619	1,981
Christmas & Meetings	7,200	11,801	(4,601)
Reimbursed Expenses	4,560	4,380	180
Dues and Fees	4,680	5,398	(718)
Real Estate Tax	0	13	(13)
Education/Training/Conf	1,200	800	400
Depreciation	240,000	257,547	(17,547)
Office Utilities	2,300	3,601	(1,301)
Total Operating Expenses	888,344	936,274	(47,930)

See Independent Auditor's Report.

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
For the Year Ended December 31, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Net Operating Income (Loss)	$ 255,433	$ 229,827	$ (25,606)
Non-Operating Revenues (Expenses)			
Realized Gain (loss) on Sale of Assets	0	38,827	38,827
Sale of Service Areas		118,425	
Gain (loss) on sale of Investments	0	801	
Interest Income	45,000	71,425	26,425
Total Non-Operating Income (Loss)	45,000	229,478	65,252
Other Revenues and (Expenses)			
Sales of benefit units	0	246,108	246,108
Total Other Revenues and (Expenses)	0	246,108	246,108
Net Income	$ 300,433	$ 705,413	$ 285,754

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
For the Year Ended December 31, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water sales	$ 852,653	$ 977,600	$ 124,947
Monthly minimum fees	707,000	723,552	16,552
Penalties	21,000	19,982	(1,018)
Other fees and receipts	2,400	17,869	15,469
Total Revenues	1,583,053	1,739,003	155,950
Cost of Sales			
Cost of Water Purchases	526,449	625,534	(99,085)
Gross profit	1,056,604	1,113,469	56,865
Operating Expenses			
Wages - Total	291,045	282,284	8,761
Meter Readers	30,700	31,497	(797)
Payroll Tax Accountant	25,054	22,665	2,389
SIMPLE Match	8,400	8,839	(439)
Fuel & Vehicle Maint.	14,880	13,742	1,138
One Call Locations	3,100	4,027	(927)
Legal Fees	23,000	41,205	(18,205)
Engineering Fees	6,000	59,253	(53,253)
Accounting & Auditing	14,700	5,931	8,769
Contract Repairs	19,200	22,257	(3,057)
Repair Supplies	14,160	21,968	(7,808)
Tower Lights	3,600	2,102	1,498
Propane	3,360	1,602	1,758
Telephone	5,280	5,710	(430)
Office & Software	17,600	19,852	(2,252)
Postage	9,800	10,517	(717)
Insurance & Bonds	35,500	35,869	(369)
Employee Benefits-Insurance	64,600	71,537	(6,937)
Miscellaneous	9,000	13,536	(4,536)
Christmas & Meetings	7,200	5,536	1,664
Reimbursed Expenses	4,600	4,500	100
Dues and Fees	4,700	6,064	(1,364)
Real Estate Tax	0	14	(14)
Education/Training/Conference	1,200	714	486
Depreciation	240,000	246,042	(6,042)
Office Utilities	3,000	2,302	698
Total Operating Expenses	859,679	939,565	(79,886)
Net Operating Income (Loss)	196,925	173,904	(23,021)

Rural Water District Number 3
Sedgwick County
Mulvane, Kansas
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
For the Year Ended December 31, 2020

	Budget	Actual	Variance Favorable (Unfavorable)
Non-Operating Revenues (Expenses)			
Realized Gain (Loss) on Sale of Assets	$ 0	$ 18,122	$ 18,122
Gain (Loss) on Sale of Investments	0	(947)	(947)
Interest Income	89,900	87,383	(2,517)
Total Non-Operating Income (Loss)	89,900	104,558	14,658
Other Revenues and (Expenses)			
Sales of benefit units	0	157,000	157,000
Net Income	$ 286,825	$ 435,462	$ 148,637

See Independent Auditor's Report.