RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS

Olsburg, Kansas

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

December 31, 2018 and 2017

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS
Olsburg, Kansas
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VARNEY
& ASSOCIATES, CPAs, LLC

February 14, 2019

Board of Directors
Rural Water District No. 2, Pottawatomie County, Kansas
Olsburg, Kansas

INDEPENDENT AUDITOR'S REPORT

We were engaged to audit the accompanying financial statements of the business-type activities of Rural Water District No. 2, Pottawatomie County, Kansas (the District), which comprise the statements of fund net position as of December 31, 2018 and 2017, and the related statements of revenue, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph; however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Detailed property records have not been maintained and certain prior-year records and supporting data were not available for our audits. Therefore, we were not able to obtain sufficient appropriate audit evidence about the amounts of the capital assets, and related accumulated depreciation that are recorded in the accompanying Statements of Net Position at December 31, 2018 and 2017 (Capital assets were stated at $3,114,547 and $3,091,890; and Accumulated Deprecation was stated at $1,933,176 and $1,839,103 as of December 31, 2018 and 2017 respectively), and the amount of depreciation expense for the years then ended (stated at $94,014 and $94,531 for the years ended December 31, 2018 and 2017, respectively).

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Independent Auditor's Report

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Other Matters

Management has omitted 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 the Governmental Accounting Standards Board, who considers it to be 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Insurance in Force and Schedule of Statistical Information are presented for purposes of additional analysis and are not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 financial statements as a whole.

Varney & Associates, CPAs
Certified Public Accountants
Manhattan, Kansas

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS

Olsburg, Kansas

STATEMENTS OF NET POSITION

December 31,

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	$ 235,362	$ 141,480
Certificates of deposits	133,201	133,201
Prepaid expenses	12,979	12,552
Accounts receivable - Net	22,267	24,469
Inventory	40,262	43,030
Total Current Assets	$ 444,071	$ 354,732
Non-Current Assets		
Restricted cash per debt agreement	$ 50,000	$ 50,000
Capital assets - Net	1,185,992	1,252,787
Total Non-Current Assets	$ 1,235,992	$ 1,302,787
TOTAL ASSETS	$ 1,680,063	$ 1,657,519
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	$ 8,404	$ 8,071
Accrued interest payable	6,975	7,800
Accrued payroll taxes	1,773	1,773
Unearned revenue	27,416	33,131
Current portion long-term debt	30,000	30,000
Total Current Liabilities	$ 74,568	$ 80,775
Non-Current Liabilities		
Long-term debt - Net of current portion	$ 665,000	$ 695,000
Total Liabilities	$ 739,568	$ 775,775
Net Position		
Net investment in capital assets	$ 490,992	$ 527,787
Restricted for debt service	50,000	50,000
Unrestricted	399,503	303,957
Total Net Position	$ 940,495	$ 881,744
TOTAL LIABILITIES AND NET POSITION	$ 1,680,063	$ 1,657,519

Financial Statements

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS
Olsburg, Kansas
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Years Ended December 31,

	2018	2017
REVENUE		
Water sales	$ 328,326	$ 305,747
COST OF SALES		
Water purchased	758	2,254
Gross Profit	$ 327,568	$ 303,493
OTHER OPERATING INCOME		
Transfer fees and other charges	$ 325	$ 302
Reimbursement income	20,097	21,434
Total Other Operating Revenues	$ 20,422	$ 21,736
OPERATING EXPENSES		
Salaries	$ 88,229	$ 84,765
Payroll taxes and benefits	23,307	19,001
Depreciation	94,014	94,531
Maintenance	41,623	46,378
Utilities	24,884	22,955
Insurance	16,108	14,699
Professional fees	5,558	4,846
Office supplies	3,501	3,476
Travel	806	-
Vehicle expense	3,299	3,979
Reimbursed expenses	25	-
Miscellaneous	6,290	5,984
Sales tax	1,968	1,693
Total Operating Expenses	$ 309,612	$ 302,307
OPERATING INCOME (LOSS)	$ 38,378	$ 22,922
NON-OPERATING REVENUE (EXPENSES)		
Interest expense	$ (27,751)	$ (32,089)
Interest income	224	1,504
TOTAL NON-OPERATING REVENUE (EXPENSES)	$ (27,527)	$ (30,585)
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	$ 10,851	$ (7,663)
CONTRIBUTIONS		
Capital contributions from members	47,900	16,500
CHANGE IN NET POSITION	$ 58,751	$ 8,837
BEGINNING - NET POSITION	881,744	872,907
ENDING - NET POSITION	$ 940,495	$ 881,744

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS
Olsburg, Kansas
STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 345,235	$ 327,226
Interest received	224	1,504
Cash paid to suppliers	(126,278)	(125,741)
Cash paid to employees	(88,229)	(84,866)
Interest paid	(27,751)	(32,089)
Net Cash Provided by (Used in) Operating Activities	$ 103,201	$ 86,034
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in certificates of deposit	$ -	$ (35,676)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	$ (22,598)	$ (13,590)
Purchase of construction in process	(4,621)	-
New benefit units	47,900	16,500
Payments on long-term debt	(30,000)	(90,000)
Net Cash Provided by (Used in) Capital and Related Financing Activities	$ (9,319)	$ (87,090)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 93,882	$ (36,732)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	141,480	178,212
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 235,362	$ 141,480
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	$ 10,851	$ (7,663)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation expense	94,014	94,531
Decrease (increase) in prepaid expenses	(427)	(205)
Decrease (increase) in accounts receivable - net	2,202	(1,410)
Decrease (increase) in inventory	2,768	(4,422)
Increase (decrease) in accounts payable	333	4,151
Increase (decrease) in accrued expenses	(825)	(101)
Increase (decrease) in unearned revenue	(5,715)	1,153
Net Cash Provided by (Used in) Operating Activities	$ 103,201	$ 86,034

The accompanying notes are an integral part of these financial statements.
See Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

Rural Water District No. 2, Pottawatomie County, Kansas (the District) was organized under K.S.A. 82a-612 et. seq. on June 15, 1977 to acquire water and water rights and to build and acquire pipelines for the purpose of furnishing water to owners and occupants of land located in Pottawatomie County. The operations of the District constitute a single proprietary-type fund.

The Financial Reporting Entity

The financial reporting entity of the District is comprised of the primary government, the District.

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity,* in that the financial statements include all organizations, activities, and functions that compromise the District. Component units are legally separate entities for which the District (the primary government) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the District. Using these criteria, the District has no component units.

Basis of Presentation and Accounting

The District's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District has elected under GASB 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Activities That Use Proprietary Fund Accounting,* to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board, or any Accounting Research bulletins issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of the fund are accounted for with a separate set of self-balancing accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise funds account for activities: (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position. Net position (i.e., total assets net of total liabilities) is segregated into net investment in capital assets; restricted for debt services; and unrestricted components.

Cash and Cash Equivalents

Cash and cash equivalents include investments in money market and savings accounts and certificates of deposits with an original maturity of three months or less, excluding the reserve account.

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

The District requires the customers to read their own meters on the last day of each month, or the earliest date thereafter, and remit the payment not later than the 10th day of the month following the month for which the bill is due as set forth in the water rate schedule. Bills not paid by the 10th of the month shall be subject to a $10 late charge, and after the 20th of the month the late charge is $35. The District has evaluated the collectibility of the accounts receivable, and based on historical and current economic data, has determined the allowance for uncollectible accounts to be $0 as of December 31, 2018 and 2017.

Inventory

Inventory consists principally of materials and supplies for maintenance and construction of water lines that are recorded when purchased and expensed when used. Inventory is computed at cost.

Restricted Assets

Certain cash balances are classified as restricted assets on the statements of net position due to requirement of the Rural Development Administration and the bond issuing company. The letter of conditions from Rural Development Administration requires a reserve equal to one full annual installment on the loan due to Rural Development Administration. A corresponding amount of net position is reported as restricted for debt service.

Capital Assets

The District maintains an account for capital assets, which consists of buildings, wells and water system, vehicles, and capitalized interest. The District does not possess any infrastructure. All capital assets are stated at historical cost and are reported in the statement of net position. Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. When capital assets are disposed, the cost and applicable depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Net Position

Net position presents the difference between assets and liabilities in the statements of net position. Net position invested in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on its use by District legislation or external restrictions by creditors, grantors, laws or regulations of the government. Unrestricted net position consists of net position that does not meet the definition of invested in capital assets, net of related debt, or restricted net position.

Capital Contributions

Assets contributed by new benefit units are recorded as capital contributions when received. When a benefit unit is returned, operation revenue is recognized for the amount of the capital contribution that was originally recorded.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

Income Taxes

The District is a quasi-municipality and, as such, it is not subject to income taxes.

Note 1: Summary of Significant Accounting Policies (Continued)

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unearned Revenue

The District has customers that have overpaid, leaving a balance in their account. These over payments are applied to future bills until the balance is used up. These overpayments are recorded as unearned revenue.

Note 2: Deposits and Investments

As of December 31, 2018 and 2017 the District's investments consisted of certificates of deposit.

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.

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. The District had no investments, other than certificates of deposit which are included in the bank deposits; therefore they do not have a rating.

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.

Custodial Credit Risk - Deposits

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 statues 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 had no agreements for designated "peak periods."

December 31, 2018

At December 31, 2018, the carrying amount of the District's deposits, including certificates of deposit, was $418,414 and the bank balance was $419,619. $250,000 of the bank balance was covered by federal depository insurance; the remaining $169,619 is unsecured.

December 31, 2017

At December 31, 2017, the carrying amount of the District's deposits, including certificates of deposit, was $324,520 and the bank balance was $324,095. $250,000 of the bank balance was covered by federal depository insurance; the remaining $74,095 is unsecured.

Custodial Credit Risk - Investments

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

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets - Not Being Depreciated				
Construction in process	$ -	$ 4,621	$ -	$ 4,621
Land and easements	21,406	-	-	21,406
Total Non-Depreciable Capital Assets	$ 21,406	$ 4,621	$ -	$ 26,027
Capital Assets - Being Depreciated				
Vehicle and equipment	$ 28,736	$ -	$ -	$ 28,736
Water system	3,041,748	22,658	-	3,064,406
Total Depreciable Capital Assets	$ 3,070,484	$ 22,658	$ -	$ 3,093,142
TOTAL CAPITAL ASSETS	$ 3,091,890	$ 27,279	$ -	$ 3,119,169
Less: Accumulated Depreciation				
Vehicle and equipment	$ 24,481	$ 1,114	$ -	$ 25,595
Water system	1,814,622	92,900	-	1,907,522
Total Accumulated Depreciation	$ 1,839,103	$ 94,014	$ -	$ 1,933,117
NET CAPITAL ASSETS	$ 1,252,787	$ (66,735)	$ -	$ 1,186,052

Depreciation expense for December 31, 2018 and 2017 was $94,014 and $95,531, respectively.

Note 3: Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets - Not Being Depreciated				
Land and easements	$ 21,406	$ -	$ -	$ 21,406
Capital Assets - Being Depreciated				
Vehicle and equipment	$ 28,736	$ -	$ -	$ 28,736
Water system	3,028,158	13,590	-	3,041,748
Total Depreciable Capital Assets	$ 3,056,894	$ 13,590	$ -	$ 3,070,484
TOTAL CAPITAL ASSETS	$ 3,078,300	$ 13,590	$ -	$ 3,091,890
Less: Accumulated Depreciation				
Vehicle and equipment	$ 23,541	$ 940	$ -	$ 24,481
Water system	1,721,031	93,591	-	1,814,622
Total Accumulated Depreciation	$ 1,744,572	$ 94,531	$ -	$ 1,839,103
NET CAPITAL ASSETS	$ 1,333,728	$ (80,941)	$ -	$ 1,252,787

Note 4: Long-Term Debt

	Beginning Balance	Issued	Retired	Ending Balance
Water Revenue Bonds	$ 725,000	$ -	$ 30,000	$ 695,000

Long-term debt consists of the following at December 31, 2018 and 2017:

	2018	2017
Water Revenue Bonds - Series 2012 - $960,000 bonds payable issued May 2012. The series consists of thirteen separately issued bonds maturing from October 1, 2012 through October 1, 2037 and bearing interest from 0.8% through 4.375%, interest only payments are due on April 1 and October 1 each year.	$ 695,000	$ 725,000
TOTAL LONG-TERM DEBT	$ 695,000	$ 725,000
Less: Current portion of long-term debt	(30,000)	(30,000)
NET LONG-TERM DEBT	$ 665,000	$ 695,000

Maturities of long-term debt are as follows:

Year Ended December 31, 2018	Principal	Interest	Total
2019	$ 30,000	$ 27,901	$ 57,901
2020	30,000	27,151	57,151
2021	30,000	26,311	56,311
2022	35,000	25,381	60,381
2023	35,000	24,244	59,244
2024 - 2028	190,000	99,620	289,620
2029 - 2033	235,000	55,563	290,563
2034 - 2037	110,000	7,219	117,219
Total	$ 695,000	$ 293,390	$ 988,390

Year Ended December 31, 2017	Principal	Interest	Total
2018	$ 30,000	$ 31,201	$ 61,201
2019	30,000	30,526	60,526
2020	30,000	29,776	59,776
2021	30,000	28,936	58,936
2022	35,000	28,007	63,007
2023 - 2027	185,000	120,143	305,143
2028 - 2032	225,000	78,531	303,531
2033 - 2037	160,000	22,093	182,093
Total	$ 725,000	$ 369,213	$ 1,094,213

Total interest incurred and expensed in 2018 and 2017 was $27,751 and $32,089, respectively.

Note 5: Commitments and Contingencies

Construction Contracts

At December 31, 2018 and 2017, the District did not have any pending construction project contracts. Commitments related to significant contracts might include contracts for the District's relocation of water lines, installations of water lines, and repairs and maintenance on the water system.

Risk Management

The District is exposed to various risks of loss related to theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The District manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are under $1,000. Insurance claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6: Related Party Transactions

The District signed a lease agreement with an employee whereby the employee agrees to lease certain owned equipment on an as needed basis to the District at agreed upon rates. Total payments paid by the District for this lease were $10,940 and $8,140 for the years ended December 31, 2018 and 2017, respectively.

Note 7: Subsequent Events

Management has evaluated subsequent events through February 14, 2019, which is the date the financial statements were available for issuance.

Note 8: Concentration of Credit Risk

The District is engaged in the sale of water to customers located in Pottawatomie County, Kansas. The District grants credit to those customers and requires no collateral.

The District sells water to a city, which accounts for 0.74% and 1.13% of gallons sold in 2018 and 2017, respectively.

SUPPLEMENTAL INFORMATION

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS
Olsburg, Kansas
SCHEDULE INSURANCE IN FORCE
For the Year Ended December 31, 2018

Insurance Coverage as of December 31, 2018:

Policy Number	Expiration Date	Type	Annual Premium	Amount of Coverage	Description
0D8-55-50	10/19/2019	General Liability	$ 2,159	$ 1,000,000	Aggregate limit
				1,000,000	Products operations limit
				500,000	Personal injury limit
				300,000	Rented premises limit
				5,000	Medical payments for each person
				500,000	Each occurrence limit
0H8-55-50	10/19/2019	Workers' Compensation	3,429	500,000	Bodily injury by accident
				500,000	Bodily injury by policy limit
				500,000	Bodily injury by each employee
0A8-55-50	10/19/2019	Property	7,749	398,350	Building and personal property
				563,591	Water tower
				270,334	Booster station
				333,131	Chlorine building and wells
				18,135	Underground transmitter
				432,000	Stand pipe including controls
0F8-55-50	10/19/2019	Employee Theft	321	300,000	Public employee dishonesty loss
0K8-55-50	10/19/2019	Linebacker	638	1,000,000	Linebacker coverage, each loss
				1,000,000	Aggregate for each policy limit
0E8-55-50	10/19/2018	Business Auto	1,124	500,000	Automobile, liability
				500,000	Uninsured motorists
				500,000	Underinsured motorist
0C8-55-50	10/19/2019	Inland Marine	348	43,000	Catastrophe limit

Supplemental Information

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS
Olsburg, Kansas
SCHEDULE INSURANCE IN FORCE
For the Year Ended December 31, 2017

Insurance Coverage as of December 31, 2017:

Policy Number	Expiration Date	Type	Annual Premium	Amount of Coverage	Description
0D8-55-50	10/19/2018	General Liability	$ 2,039	$ 1,000,000	Aggregate limit
				1,000,000	Products operations limit
				500,000	Personal injury limit
				100,000	Rented premises limit
				5,000	Medical payments for each person
				500,000	Each occurrence limit
0H8-55-50	10/19/2018	Workers' Compensation	3,255	500,000	Bodily injury by accident
				500,000	Bodily injury by policy limit
				500,000	Bodily injury by each employee
0A8-55-50	10/19/2018	Property	7,249	250,000	Building and personal property
				358,684	Water tower
				189,861	Booster station
				279,208	Chlorine building and wells
				16,753	Underground transmitter
				256,871	Stand pipe including controls
0F8-55-50	10/19/2018	Employee Theft	392	100,000	Public employee dishonesty loss
0K8-55-50	10/19/2018	Linebacker	638	1,000,000	Linebacker coverage, each loss
				1,000,000	Aggregate for each policy limit
0E8-55-50	10/19/2018	Business Auto	1,061	500,000	Automobile, liability
				500,000	Uninsured motorists
				500,000	Underinsured motorist
0C8-55-50	10/19/2018	Inland Marine	348	43,000	Catastrophe limit

RURAL WATER DISTRICT NO. 2, POTTAWATOMIE COUNTY, KANSAS
Olsburg, Kansas
SCHEDULE OF STATISTICAL INFORMATION
For the Years Ended December 31, 2018 and 2017

	2018	2017
Benefit units	348	332
Gallons sold	30,604,000	27,374,000
Water sales per benefit unit per month	$ 78.62	$ 76.06
Costs and expenses per benefit unit per month	$ 74.32	$ 75.76
Average gallons used per benefit unit per month	7,329	6,809
Debt service per benefit unit per month	$ 13.87	$ 15.22

Supplemental Information