

CITY OF SABETHA, KANSAS

FINANCIAL STATEMENTS

Year Ending December 31, 2022

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City of Sabetha, Kansas
FINANCIAL STATEMENTS
Year ending December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commission
City of Sabetha, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sabetha, Kansas, (the City), as of and for the year ended December 31, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of the City, 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 adverse and unmodified opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 City'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 statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 19, 2023

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Sabetha (the City) is a municipal corporation governed by a five-member commission. These financial statements present only the primary government of the City and the Mary Cotton Public Library and Sabetha Cemetery related municipal entities. They exclude one of the related municipal entities for which the City is considered financially accountable:

The Sabetha Housing Authority

Separate financial statements may be obtained directly from the above.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Special Assessments. As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the Bond and Interest Fund.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2022:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and governing body may amend the budget at that time. The budget was not amended for the year ended December 31, 2022.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

NOTE 2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City 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 City has no other policies that would further limit interest rate risk.

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2022

NOTE 2 - Deposits and Investments (Continued)

Investments. K.S.A. 12-1675 limits the City'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 City has no investment policy that would further limit its investment choices. As of December 31, 2022, the City held no investments.

KSA 12-1225(h) authorizes library boards to invest or reinvest gifts and donations and any dividends, interest, rent, or income derived from the gifts in the manner the board deems will best serve the interest of the library. The Mary Cotton Public Library had the following unsecured investments from gifts and donations at December 31, 2022.

<u>Investment Type</u>	<u>Fair Value</u>
Greater Manhattan Community Foundation	
Bond Funds	\$ 5,972
Cash & Cash Equivalents	1,589
Stocks & Mutual Funds	<u>13,075</u>
Total	<u>\$ 20,637</u>

Concentration of credit risk. State statutes place no limit on the amount the City 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 City's deposits may not be returned to it. State statutes require the City'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 City has no designated "peak periods." All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$5,984,092 and the bank balance was \$6,021,948. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$550,607 was covered by federal depository insurance and the balance of \$5,471,341 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2022, the Library's carrying amount of deposits was \$179,055 and the bank balance was \$179,273. The bank balance was held by two banks resulting in a concentration of credit risk. All of the Library's bank balance was covered by federal depository insurance.

At December 31, 2022, the Cemetery's carrying amount of deposits was \$40,111 and the bank balance was \$40,111. The bank balance was held by one bank resulting in a concentration of credit risk. All of the Cemetery's bank balance was covered by federal depository insurance.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City 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 - Defined Benefit Pension Plan

Plan Description. The City and the Library participate in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2022

NOTE 3 - Defined Benefit Pension Plan (Continued)

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$179,066 and \$6,848 from the Library for the year ended December 31, 2022.

Net Pension Liability. At December 31, 2022, the City's and Library's proportionate share of the collective net pension liability reported by KPERS were \$1,927,250 and \$76,242, respectively. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's and Library's proportion of the net pension liability was based on the ratio of the City's and Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report, including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - Long-Term Debt

Changes in General Long-Term Liabilities. During the year ended December 31, 2022, the following changes occurred in long term liabilities:

	Balance January 1, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>	Interest <u>Paid</u>
Paid for by taxes					
General obligation bonds	\$ 7,325,000	\$ -	\$ 625,000	\$ 6,700,000	\$203,373
Revolving loans	3,758,163	-	327,268	3,430,895	81,229
Finance leases	<u>254,700</u>	<u>-</u>	<u>81,776</u>	<u>172,924</u>	<u>7,592</u>
	<u>\$ 11,337,863</u>	<u>\$ -</u>	<u>\$ 1,034,044</u>	<u>\$ 10,303,819</u>	<u>\$ 292,194</u>

General Obligation Bonds. The following tables detail the City's general obligation bonds debt at December 31, 2022.

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2022

NOTE 4 - Long-Term Debt (Continued)

General obligation bonds outstanding as of December 31, 2022 are as follows:

<u>Purpose</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance December 31, 2022</u>
Paid for by taxes					
General Obligation Series 2016-A	10/5/2016	9/1/2036	2.00 - 3.00%	\$ 3,300,000	\$ 2,475,000
General Obligation Series 2018-B	10/15/2018	9/1/2026	3.25%	2,000,000	1,065,000
Paid for by revenues					
General Obligation Series 2018-A	9/27/2018	9/1/2038	4.85%	815,000	705,000
General Obligation Series 2020-A	9/17/2020	9/1/2033	1.75%	2,860,000	<u>2,455,000</u>
					<u>\$ 6,700,000</u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Paid for by Taxes</u>		<u>Paid for by Revenues</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 405,000	\$ 108,862	\$ 230,000	\$ 77,156	\$ 635,000	\$ 186,018
2024	415,000	96,075	245,000	72,200	660,000	168,275
2025	425,000	82,975	250,000	66,983	675,000	149,958
2026	440,000	69,550	245,000	61,523	685,000	131,073
2027	165,000	55,650	255,000	56,150	420,000	111,800
2028 - 2032	880,000	201,900	1,360,000	193,732	2,240,000	395,632
2033 - 2037	810,000	61,500	515,000	59,335	1,325,000	120,835
2038	-	-	60,000	2,910	60,000	2,910
	<u>\$ 3,540,000</u>	<u>\$ 676,512</u>	<u>\$ 3,160,000</u>	<u>\$ 589,987</u>	<u>\$ 6,700,000</u>	<u>\$ 1,266,499</u>

Revolving Loans. The following tables detail the City's revolving loan debt at December 31, 2022.

Revolving loans outstanding as of December 31, 2022 are as follows:

<u>Purpose</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance December 31, 2022</u>
Paid for by revenues					
Wastewater System Improvements	3/1/2004	9/1/2025	2.79%	\$ 3,250,000	\$ 607,442
Wastewater System Improvements	6/3/2016	9/1/2037	2.00%	1,292,032	1,015,248
Water System Improvements	7/18/2019	2/1/2041	2.19%	1,899,945	<u>1,808,205</u>
					<u>\$ 3,430,895</u>

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year ended December 31, 2022

NOTE 4 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for revolving loans are as follows:

Year Ending December 31,	Total	
	Principal	Interest
2023	\$ 333,982	\$ 41,114
2024	342,425	34,106
2025	348,780	29,947
2026	145,193	44,913
2027	148,270	42,127
2028 - 2032	789,850	166,744
2033 - 2037	877,209	87,704
2038 - 2041	445,186	18,665
	<u>\$ 3,430,895</u>	<u>\$ 465,318</u>

Finance Leases. The City has entered into lease agreements as lessee for financing the acquisition of equipment.

Finance leases outstanding as of December 31, 2022 are as follows:

Purpose	Issuance Date	Maturity Date	Interest Rates	Original Amount	Balance
					December 31, 2022
Paid for by taxes and revenues					
Fire Truck	2019	2023	3.55%	\$ 198,645	\$ 41,782
Ambulance	2020	2025	3.17%	212,905	131,143
					<u>\$ 172,924</u>

The annual debt service requirements to maturity for finance leases are as follows:

Year Ending December 31,	Total	
	Principal	Interest
2023	\$ 84,332	\$ 5,037
2024	43,703	2,401
2025	44,889	1,216
	<u>\$ 172,924</u>	<u>\$ 8,654</u>

NOTE 5 - Compensated Absences

It is the City's policy to pay employees' accrued vacation pay upon termination of employment. As of December 31, 2022, the liability for accrued vacation pay was \$60,075.

CITY OF SABETHA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2022

NOTE 6 - Interfund Transfers

A reconciliation of transfers by fund type for 2022 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Parks and Recreation Fund	General Fund	\$ 10,211	K.S.A. 68-590
Highway Fund	General Fund	68,562	K.S.A. 79-2958
Water Fund	General Fund	11,000	K.S.A. 12-825d
Sewer Fund	General Fund	2,500	K.S.A. 12-825d
Electric Fund	General Fund	171,000	K.S.A. 12-825d
		<u>\$ 263,273</u>	

NOTE 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2022.

The City is a party to various claims, none of which is expected to have material financial impact on the City.

NOTE 9 - Other Post-Employment Benefits

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2022.

NOTE 10 - Statutory Violations

Actual exceeded budgeted expenditures in the Highway Fund and the Library Fund, which is a violation of K.S.A. 79-2935.

CITY OF SABETHA, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General	\$ 2,983,168	\$ 168,528	\$ 3,151,696	\$ 2,607,444	\$ [544,252]
Special Purpose Funds:					
Library	155,665	-	155,665	169,777	14,112
Airport	600,000	207,762	807,762	783,865	[23,897]
Parks and Recreation	15,000	-	15,000	10,211	[4,789]
Highway	66,420	-	66,420	68,562	2,142
Bond and Interest Funds:					
Bond and Interest	497,062	-	497,062	387,176	[109,886]
Aquatic Center	223,600	-	223,600	223,600	-
Business Funds:					
Electric	6,000,000	-	6,000,000	5,042,166	[957,834]
Water	982,000	-	982,000	864,691	[117,309]
Sewer	1,380,646	-	1,380,646	937,447	[443,199]

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Taxes	\$ 934,875	\$ 630,896	\$ 303,979
Intergovernmental	55,806	52,908	2,898
Franchise tax	326,117	253,200	72,917
Licenses	6,687	18,900	[12,213]
Fines and fees	8,000	18,900	[10,900]
Interest	10,747	4,700	6,047
Use of property	31,359	30,000	1,359
Charges for services	719,633	544,040	175,593
Reimbursement	168,528	25,000	143,528
Operating transfers	263,273	665,920	[402,647]
Miscellaneous	<u>158,047</u>	<u>120,000</u>	<u>38,047</u>
 Total Receipts	 <u>2,683,072</u>	 <u>\$ 2,364,464</u>	 <u>\$ 318,608</u>
 Expenditures			
General Government			
Personnel	250,482	\$ 275,000	\$ [24,518]
Contractual services	146,479	215,000	[68,521]
Commodities	20,731	60,000	[39,269]
Law Enforcement			
Personnel	424,594	425,000	[406]
Contractual services	117,236	120,000	[2,764]
Commodities	10,205	20,000	[9,795]
Parks and Recreation			
Personnel	272,988	300,000	[27,012]
Contractual services	184,934	195,000	[10,066]
Commodities	29,925	80,000	[50,075]
Streets			
Personnel	142,638	150,000	[7,362]
Contractual services	117,060	130,000	[12,940]
Commodities	124,342	135,000	[10,658]
Capital outlay	31,450	55,000	[23,550]
EMT			
Personnel	320,365	320,365	-
Contractual services	22,033	22,035	[2]
Commodities	22,573	22,600	[27]

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Expenditures (Continued)			
Industrial development	\$ 5,015	\$ 5,250	\$ [235]
Capital outlay	177,794	200,000	[22,206]
Cemetery subsidy	30,000	30,000	-
Debt service	156,600	222,918	[66,318]
Adjustment for qualifying budget credits	<u>-</u>	<u>168,528</u>	<u>[168,528]</u>
 Total Expenditures	 <u>2,607,444</u>	 <u>\$ 3,151,696</u>	 <u>\$ [544,252]</u>
 Receipts Over [Under] Expenditures	 75,628		
 Unencumbered Cash, Beginning	 <u>928,041</u>		
 Unencumbered Cash, Ending	 <u>\$ 1,003,669</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
 Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Taxes	\$ 169,777	\$ 155,773	\$ 14,004
Total Receipts	<u>169,777</u>	<u>\$ 155,773</u>	<u>\$ 14,004</u>
Expenditures			
Appropriations	<u>169,777</u>	<u>\$ 155,665</u>	<u>\$ 14,112</u>
Total Expenditures	<u>169,777</u>	<u>\$ 155,665</u>	<u>\$ 14,112</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
 Airport Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Charges for services	\$ 36,293	\$ 25,000	\$ 11,293
Grants	<u>207,762</u>	<u>-</u>	<u>207,762</u>
Total Receipts	<u>244,055</u>	<u>\$ 25,000</u>	<u>\$ 219,055</u>
Expenditures			
Contractual services	149,379	\$ 75,000	\$ 74,379
Commodities	26,822	20,000	6,822
Capital outlay	607,664	505,000	102,664
Adjustment for qualifying budget credits	<u>-</u>	<u>207,762</u>	<u>[207,762]</u>
Total Expenditures	<u>783,865</u>	<u>\$ 807,762</u>	<u>\$ [23,897]</u>
Receipts Over [Under] Expenditures	[539,810]		
Unencumbered Cash, Beginning	<u>641,757</u>		
Unencumbered Cash, Ending	<u>\$ 101,947</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Taxes	\$ 10,211	\$ 15,000	\$ [4,789]
Total Receipts	<u>10,211</u>	<u>\$ 15,000</u>	<u>\$ [4,789]</u>
Expenditures			
Operating transfers	<u>10,211</u>	<u>\$ 15,000</u>	<u>\$ [4,789]</u>
Total Expenditures	<u>10,211</u>	<u>\$ 15,000</u>	<u>\$ [4,789]</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
 Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Taxes	\$ 68,562	\$ 66,420	\$ 2,142
Total Receipts	<u>68,562</u>	<u>\$ 66,420</u>	<u>\$ 2,142</u>
Expenditures			
Operating transfers	<u>68,562</u>	<u>\$ 66,420</u>	<u>\$ 2,142</u>
Total Expenditures	<u>68,562</u>	<u>\$ 66,420</u>	<u>\$ 2,142</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

CITY OF SABETHA, KANSAS
 Prairie View Sidewalk Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2022

Receipts		
Miscellaneous		\$ <u> -</u>
Total Receipts		<u> -</u>
Expenditures		
Capital outlay		<u> -</u>
Total Expenditures		<u> -</u>
Receipts Over [Under] Expenditures		-
Unencumbered Cash, Beginning		<u> 29,222</u>
Unencumbered Cash, Ending		<u><u> \$ 29,222</u></u>

*- This fund is not required to be budgeted.

CITY OF SABETHA, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>[Under]</u>
Receipts			
Taxes	\$ 358,694	\$ 328,758	\$ 29,936
Special assessments	<u>30,634</u>	<u>30,000</u>	<u>634</u>
Total Receipts	<u>389,328</u>	<u>\$ 358,758</u>	<u>\$ 30,570</u>
Expenditures			
Principal and interest	387,176	\$ 410,222	\$ [23,046]
Cash reserve	<u>-</u>	<u>86,840</u>	<u>[86,840]</u>
Total Expenditures	<u>387,176</u>	<u>\$ 497,062</u>	<u>\$ [109,886]</u>
Receipts Over [Under] Expenditures	2,152		
Unencumbered Cash, Beginning	<u>231,998</u>		
Unencumbered Cash, Ending	<u>\$ 234,150</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
 Aquatic Center Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Taxes	\$ 351,986	\$ 299,200	\$ 52,786
Total Receipts	<u>351,986</u>	<u>\$ 299,200</u>	<u>\$ 52,786</u>
Expenditures			
Debt service	<u>223,600</u>	<u>\$ 223,600</u>	<u>\$ -</u>
Total Expenditures	<u>223,600</u>	<u>\$ 223,600</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	128,386		
Unencumbered Cash, Beginning	<u>481,538</u>		
Unencumbered Cash, Ending	<u>\$ 609,924</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
 Electric Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Charges to customers	\$ 5,104,696	\$ 6,000,000	\$ [895,304]
Reimbursements	26,857	230,000	[203,143]
Use of money and property	<u>35,824</u>	<u>14,000</u>	<u>21,824</u>
Total Receipts	<u>5,167,377</u>	<u>\$ 6,244,000</u>	<u>\$ [1,076,623]</u>
Expenditures			
Administration	278,812	\$ 343,580	\$ [64,768]
Production	979,570	721,000	258,570
Distribution	3,444,966	3,350,000	94,966
Capital outlay	117,818	850,000	[732,182]
Debt service	50,000	235,420	[185,420]
Operating transfers	<u>171,000</u>	<u>500,000</u>	<u>[329,000]</u>
Total Expenditures	<u>5,042,166</u>	<u>\$ 6,000,000</u>	<u>\$ [957,834]</u>
Receipts Over [Under] Expenditures	125,211		
Unencumbered Cash, Beginning	<u>2,867,913</u>		
Unencumbered Cash, Ending	<u>\$ 2,993,124</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Charges to customers	\$ 775,441	\$ 848,100	\$ [72,659]
KDHE loan proceeds	-	1,164,500	[1,164,500]
Miscellaneous	11,755	-	11,755
Use of money and property	<u>14,330</u>	<u>5,600</u>	<u>8,730</u>
Total Receipts	<u>801,526</u>	<u>\$ 2,018,200</u>	<u>\$ [1,216,674]</u>
Expenditures			
Administration	174,716	\$ 172,100	\$ 2,616
Production	259,685	471,400	[211,715]
Distribution	239,458	284,700	[45,242]
Capital outlay	52,494	32,800	19,694
Debt service	127,338	10,000	117,338
Operating transfers	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Total Expenditures	<u>864,691</u>	<u>\$ 982,000</u>	<u>\$ [117,309]</u>
Receipts Over [Under] Expenditures	[63,165]		
Unencumbered Cash, Beginning	<u>483,100</u>		
Unencumbered Cash, Ending	<u>\$ 419,935</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts			
Charges to customers	\$ 505,163	\$ 560,900	\$ [55,737]
Reimbursements	7,535	10,850	[3,315]
Sales tax	351,986	299,200	52,786
Use of money and property	10,747	4,350	6,397
Grants	<u>197,095</u>	<u>391,858</u>	<u>[194,763]</u>
Total Receipts	<u>1,072,526</u>	<u>\$ 1,267,158</u>	<u>\$ [194,632]</u>
Expenditures			
Administration	284,664	\$ 160,000	\$ 124,664
Treatment	197,032	225,000	[27,968]
Capital outlay	16,736	447,508	[430,772]
Collection	145,356	135,000	10,356
Debt service	291,159	410,638	[119,479]
Operating transfers	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total Expenditures	<u>937,447</u>	<u>\$ 1,380,646</u>	<u>\$ [443,199]</u>
Receipts Over [Under] Expenditures	135,079		
Unencumbered Cash, Beginning	<u>334,078</u>		
Unencumbered Cash, Ending	<u>\$ 469,157</u>		

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
Mary Cotton Public Library - Related Municipal Entity
General Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022

Receipts	
State of Kansas	\$ 731
NEKL Association	22,767
City appropriation	169,777
Interest	415
Donations and sales	9,100
Reimbursements	2,721
Grants	<u>12,708</u>
Total Receipts	<u>218,219</u>
Expenditures	
Salary and payroll taxes	138,050
Books, periodicals and film	30,669
Supplies	966
Utilities	20,725
Maintenance	32,336
Miscellaneous	<u>21,341</u>
Total Expenditures	<u>244,087</u>
Receipts Over [Under] Expenditures	[25,868]
Unencumbered Cash, Beginning	<u>226,928</u>
Unencumbered Cash, Ending	<u>\$ 201,060</u>

See independent auditor's report on the financial statements.

CITY OF SABETHA, KANSAS
 Sabetha Cemetery - Related Municipal Entity
 General Fund
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2022

Receipts		
City appropriation		\$ 30,000
Interest		18
Miscellaneous		339
Charges for services		<u>31,498</u>
Total Receipts		<u>61,855</u>
Expenditures		
Salaries		16,552
Payroll taxes		4,156
Contractual service		17,375
Supplies		4,459
Miscellaneous		<u>4,816</u>
Total Expenditures		<u>47,358</u>
Receipts Over [Under] Expenditures		14,497
Unencumbered Cash, Beginning		<u>25,614</u>
Unencumbered Cash, Ending		<u>\$ 40,111</u>

CITY OF SABETHA, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2022

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Tax Fund	\$ 25,110	\$ 6,532	\$ -	\$ 31,642
Municipal Court Fund	4,847	8,178	9,960	3,065
EMS Fund	<u>44,583</u>	<u>555,629</u>	<u>550,455</u>	<u>49,757</u>
Total Agency Funds	<u>\$ 74,540</u>	<u>\$ 570,339</u>	<u>\$ 560,415</u>	<u>\$ 84,464</u>

See independent auditor's report on the financial statements.