CITY OF VALLEY FALLS, KANSAS

Financial Statement With Independent Auditors' Report

For the Year Ended December 31, 2023

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For the Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Valley Falls, Kansas
Valley Falls, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Valley Falls, Kansas**, as of and for the year ended December 31, 2023 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 matters discussed in the Basis for 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, 2023, or 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, 2023, 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 Auditors' 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 audit 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.

above+beyond
AdamsBrown, LLC

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.

Auditors' 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, 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 purposes of additional 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 accompanying supplementary 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.

City of Valley Falls, Kansas' basic financial statement for the year ended December 31, 2022 (not presented herein), was audited by other auditors whose report dated April 18, 2023, expressed an unmodified opinion on the basic financial statement. The 2022 basic financial statement and the other auditor's report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The report of the other auditors dated April 18, 2023, stated that the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2022 was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Larned, Kansas

August 7, 2024

CITY OF VALLEY FALLS, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 119,302	-	696,027	711,895	**103,434**	14,042	**117,476**
Special Purpose Funds							
Swimming Pool	4,034	-	1,349	-	**5,383**	-	**5,383**
Capital Improvement Fund	145,224	-	26,300	17,492	**154,032**	-	**154,032**
Special Highway and Streets Fund	59,137	-	29,518	6,500	**82,155**	-	**82,155**
Special Equipment Reserve Fund	3,782	-	61,050	64,105	**727**	-	**727**
RHID Fund	31,612	-	46,387	-	**77,999**	-	**77,999**
Bond and Interest Fund							
Bond and Interest Fund	306,151	-	199,367	103,528	**401,990**	-	**401,990**
Business Funds							
Water Utility Fund	100,009	-	389,751	402,777	**86,983**	4,726	**91,709**
Water Reserve Fund	-	-	50,000	9,502	**40,498**	-	**40,498**
Sewer Service Utility Fund	238,247	-	1,027,979	1,890,303	**(624,077)**	564,404	**(59,673)**
Sewer CD Reserve Fund	91,083	-	50,000	1,400	**139,683**	-	**139,683**
Solid Waste Fund	48,323	-	174,598	153,613	**69,308**	-	**69,308**
Total Reporting Entity	$ 1,146,904	-	2,752,326	3,361,115	**538,115**	583,172	**1,121,287**

Composition of Cash	**Checking Accounts**	$ **876,704**
	Certificates of Deposit	**244,583**
	Total Reporting Entity	$ **1,121,287**

The notes to the financial statement are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Valley Falls, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected five-member council. A related municipal entity is an entity established to benefit the City and/or its constituents. The City has no related municipal entities.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the years ended December 31, 2023.

Regulatory Basis Fund Types

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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.

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

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The 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.

Reimbursements
The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. 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 this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

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 revenues 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 City 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, trust funds, and the following special purpose funds: Swimming Pool Fund, Capital Improvement Fund, and Special Equipment Reserve Fund.

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 3 – DEPOSITS AND INVESTMENTS

City of Valley Falls, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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.

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.

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 K.S.A. 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 does not use "peak periods". All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $1,121,287 and the bank balance was $1,167,213. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, and $917,213 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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. The City had no investments at December 31, 2023.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes.

City of Valley Falls, Kansas' interfund transfers and regulatory authority for the year ended December 31, 2023 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Special Equipment Reserve Fund	K.S.A. 12-1,117	$	10,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118		25,000
Water Utility Fund	General Fund	K.S.A. 12-825d		5,000
Water Utility Fund	Special Equipment Reserve Fund	K.S.A. 12-1,117		25,000
Water Utility Fund	Water Reserve Fund	K.S.A. 12-825d		50,000
Sewer Service Utility Fund	General Fund	K.S.A. 12-825d		10,000
Sewer Service Utility Fund	Special Equipment Reserve Fund	K.S.A. 12-1,117		25,000
Sewer Service Utility Fund	Sewer CD Reserve Fund	K.S.A. 12-825d		50,000
Sewer Service Utility Fund	Bond and Interest Fund	K.S.A. 12-825d		30,000

NOTE 5 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Sewer Project Phase 1	$ 1,935,403	$ 1,705,230

NOTE 6 – LITIGATION

City of Valley Falls, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 7 – RISK MANAGEMENT

City of Valley Falls, Kansas is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Valley Falls, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
City of Valley Falls, Kansas participates 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

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 the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $33,816 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $349,784. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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 website at www.kpers.org or can be obtained as described above.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, City of Valley Falls, Kansas 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.

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, 2023.

NOTE 11 – COMPENSATED ABSENCES

Vacation

Full-time employees will accrue vacation per the following schedule each year:

Years of Service	Hours per Year	Maximum Accruals
Less than 1	40 hours (5 days)	40 hours (5 days)
1-5	80 hours (10 days)	160 hours (20 days)
6-9	120 hours (15 days)	240 hours (30 days)
10+	160 hours (20 days)	240 hours (30 days)

Upon separation of employment employees will be paid for all accrued and unused vacation leave at their final rate of pay upon termination.

Paid Time Off (PTO)

All hourly and full-time employees will accrue 4 hours of paid time off per pay period up to a maximum of 1,040 hours. Employees with a minimum of 5 years of service who retire under KPERS classified retirement will be paid 25% of any and all PTO accrued to the employee as of their retirement date which will be included on the employee's last paycheck.

Discretionary Day

All full time and part time employees are granted on discretionary day each year. If an employee starts after July 1, the employee will not accrue a discretionary day until after January 1 of the following year. There is no accumulation or carry over of the discretionary day.

Shared Leave

Employees needing additional leave may apply for leave sharing if they have exhausted all paid leave including vacation, paid time off, and any accumulated compensatory time. To qualify for shared leave the employee, the employee's child or the employees' spouse must be suffering from illness, injury, impairment, or physical or mental condition that is of an extraordinary or severe nature and which caused or is likely to cause the employee to go on leave without pay status or terminate City employment.

The City Administrator shall determine the amount of shared leave, if any, which an employee may receive. However, an employee shall not receive more than 720 hours of donated PTO.

Donations will be directly subtracted from the donator's leave balance. Donators will have to complete a form indicating the amount of time they wish to contribute. Employee donations will be made on a totally voluntary basis.

NOTE 12 – DEBT RESTRICTIONS AND COVENANTS

KDHE Construction Loan
City of Valley Falls, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the sanitary sewer system in the amount of $1,295,287. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through sewer rates and fees charged.

NOTE 13 – LONG-TERM DEBT

City of Valley Falls, Kansas has the following types of long-term debt.

General Obligations Bonds
On October 26, 2016, the City issued $1,535,000 in Series 2016 general obligation bonds for the purpose of financing construction of a new swimming pool within the City.

KDHE Revolving Loans
On January 18, 2022, the City entered into a $1,295,287 revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance improvements to the sanitary sewer system. The City will use fees generated by the City sewer utilities for loan repayment.

Changes in long-term liabilities for the City for the year ended December 31, 2023, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**		Interest Paid
General Obligation Bonds										
Series 2016	1 - 3.75%	10/26/2016	$ 1,535,000	4/1/2037	$ 1,235,000	-	65,000	**1,170,000**		38,528
KDHE Loans										
Revolving Loan No. C20 3043-01	1.28%	1/18/2022	1,295,287	9/1/2043	102,945	342,696	-	**445,641**	*	273
Total Contractual Indebtedness					$ 1,337,945	342,696	65,000	**1,615,641**		38,801

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	YEAR								
	2024	2025	2026	2027	2028	2029 - 2033	2034 - 2038	2039 - 2043	**Total**
Principal									
General Obligation Bonds	$ 70,000	70,000	70,000	75,000	75,000	420,000	390,000	-	**1,170,000**
KDHE Loans	31,856	59,138	59,897	60,667	61,446	319,268	340,299	362,716	**1,295,287**
Total Principal	**101,856**	**129,138**	**129,897**	**135,667**	**136,446**	**739,268**	**730,299**	**362,716**	**2,465,287**
Interest									
General Obligation Bonds	37,108	35,498	33,748	31,788	29,613	108,694	30,072	-	**306,521**
KDHE Loans	1,648	3,122	2,973	2,823	11,005	45,335	28,411	10,372	**105,689**
Total Interest	**38,756**	**38,620**	**36,721**	**34,611**	**40,618**	**154,029**	**58,483**	**10,372**	**412,210**
Total Principal and Interest	$ **140,612**	**167,758**	**166,618**	**170,278**	**177,064**	**893,297**	**788,782**	**373,088**	**2,877,497**

* At December 31, 2023, the City has not expended nor drawn down all of the authorized funds. The total authorized loan of $1,295,287 is reflected on the maturity schedule.

CITY OF VALLEY FALLS, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF VALLEY FALLS, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types					
General Fund	$ 729,701	-	729,701	**711,895**	(17,806)
Special Purpose Funds					
Special Highway and Streets Fund	172,841	-	172,841	**6,500**	(166,341)
RHID Fund	60,000	-	60,000	**-**	(60,000)
Bond and Interest Fund					
Bond and Interest Fund	182,393	-	182,393	**103,528**	(78,865)
Business Funds					
Water Utility Fund	543,500	-	543,500	**402,777**	(140,723)
Sewer Service Utility Fund	3,821,000	-	3,821,000	**1,890,303**	(1,930,697)
Solid Waste Fund	258,000	-	258,000	**153,613**	(104,387)

CITY OF VALLEY FALLS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 252,753	**207,323**	217,110	(9,787)
Delinquent	7,945	**7,400**	4,657	2,743
Motor Vehicle	31,357	**30,387**	30,257	130
Recreational Vehicle	458	**580**	373	207
Sales Tax	261,334	**275,545**	164,000	111,545
Franchise Tax	61,888	**63,498**	50,000	13,498
Commercial Vehicle Tax	70	**2,159**	890	1,269
Liquor Tax	736	**12,728**	17	12,711
In Lieu of Taxes	15,678	**4,822**	11,500	(6,678)
Licenses and Permits	1,663	**1,457**	2,000	(543)
Swimming Pool	44,223	**39,884**	44,000	(4,116)
Court fines & fees	30,351	**5,936**	40,000	(34,064)
RV Park	1,255	**6,048**	2,000	4,048
Reimbursed Expenses	(555)	**8,800**	10,000	(1,200)
State Aid	283	**4,515**	-	4,515
Miscellaneous	3,435	**2,570**	6,000	(3,430)
Interest on Idle Funds	2,888	**7,375**	2,000	5,375
Transfers In	-	**15,000**	30,000	(15,000)
Cash Forward	-	**-**	100,000	(100,000)
Total Receipts	715,762	**696,027**	714,804	(18,777)
Expenditures				
Administrative	184,436	**154,638**	297,065	(142,427)
Police	187,564	**266,964**	251,474	15,490
Court	37,143	**14,819**	13,820	999
Streets	119,805	**95,556**	88,542	7,014
Parks	30,465	**34,379**	8,100	26,279
Pool	54,801	**110,539**	70,700	39,839
Transfers Out	-	**35,000**	-	35,000
Total Expenditures	614,214	**711,895**	729,701	(17,806)
Receipts Over (Under) Expenditures	101,548	**(15,868)**		
Unencumbered Cash - Beginning	17,754	**119,302**		
Unencumbered Cash - Ending	$ 119,302	**103,434**		

CITY OF VALLEY FALLS, KANSAS
Swimming Pool Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Interest on Idle Funds	$	6	**-**
Miscellaneous		319	**1,349**
Total Receipts		325	**1,349**
Expenditures			
Commodities		220	**-**
Contractual		1,500	**-**
Total Expenditures		1,720	**-**
Receipts Over (Under) Expenditures		(1,395)	**1,349**
Unencumbered Cash - Beginning		5,429	**4,034**
Unencumbered Cash - Ending	$	4,034	**5,383**

CITY OF VALLEY FALLS, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Federal Aid - ARPA	$	87,979	**-**
State Aid		-	**1,300**
Transfers In		-	**25,000**
Total Receipts		87,979	**26,300**
Expenditures			
Contractual		15,891	**3,750**
Capital Outlay		-	**13,742**
ARPA		3,440	**-**
Total Expenditures		19,331	**17,492**
Receipts Over (Under) Expenditures		68,648	**8,808**
Unencumbered Cash - Beginning		76,576	**145,224**
Unencumbered Cash - Ending	$	145,224	**154,032**

CITY OF VALLEY FALLS, KANSAS
Special Highway and Streets Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales Tax	$ 16,644	**-**	-	-
Fuel Tax	30,245	**29,518**	32,060	(2,542)
Connecting Links	125,125	**-**	60,350	(60,350)
Interest on Idle Funds	20	**-**	-	-
Carryover	-	**-**	80,431	(80,431)
Total Receipts	172,034	**29,518**	172,841	(143,323)
Expenditures				
Commodities	8,495	**-**	-	-
Contractual	200,511	**6,500**	172,841	(172,841)
Other	86	**-**	-	6,500
Total Expenditures	209,092	**6,500**	172,841	(166,341)
Receipts Over (Under) Expenditures	(37,058)	**23,018**		
Unencumbered Cash - Beginning	96,195	**59,137**		
Unencumbered Cash - Ending	$ 59,137	**82,155**		

CITY OF VALLEY FALLS, KANSAS
Special Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	-	**60,000**
Sale of Equipment		2,250	**1,050**
Total Receipts		2,250	**61,050**
Expenditures			
Capital Outlay		-	**64,105**
Receipts Over (Under) Expenditures		2,250	**(3,055)**
Unencumbered Cash - Beginning		1,532	**3,782**
Unencumbered Cash - Ending	$	3,782	**727**

CITY OF VALLEY FALLS, KANSAS
RHID Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts					
Special Assessments	$	26,767	**46,387**	60,000	(13,613)
Miscellaneous		4,845	**-**	-	-
Total Receipts		31,612	**46,387**	60,000	(13,613)
Expenditures					
Contractual		-	**-**	60,000	(60,000)
Receipts Over (Under) Expenditures		31,612	**46,387**		
Unencumbered Cash - Beginning		-	**31,612**		
Unencumbered Cash - Ending	$	31,612	**77,999**		

CITY OF VALLEY FALLS, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Sales Tax	163,235	**163,366**	108,000	55,366
Transfers In	-	**30,000**	30,000	-
Interest on Idle Funds	942	**6,001**	-	6,001
Other	-	**-**	44,393	(44,393)
Total Receipts	164,177	**199,367**	182,393	16,974
Expenditures				
Bond Principal	65,000	**65,000**	65,000	-
Bond Interest	39,762	**38,528**	38,528	-
Cash Forward	-	**-**	78,865	(78,865)
Total Expenditures	104,762	**103,528**	182,393	(78,865)
Receipts Over (Under) Expenditures	59,415	**95,839**		
Unencumbered Cash - Beginning	246,736	**306,151**		
Unencumbered Cash - Ending	$ 306,151	**401,990**		

CITY OF VALLEY FALLS, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Utility receipts	$ 220,865	**375,738**	430,000	(54,262)
Utility penalties	4,020	**4,630**	5,000	(370)
Utility sales tax	3,122	**5,284**	3,000	2,284
Service fees	110	**-**	500	(500)
Meter settings	3,000	**-**	1,500	(1,500)
Meter connection	1,970	**1,450**	2,500	(1,050)
Interest on Idle Funds	2	**-**	-	-
Miscellaneous Income	-	**2,000**	500	1,500
Reimbursed expenses	619	**649**	500	149
Carryover	-	-	100,000	(100,000)
Total Receipts	233,708	**389,751**	543,500	(153,749)
Expenditures				
Personal Services	73,790	**126,526**	81,639	44,887
Commodities	145,741	**169,572**	161,660	7,912
Contractual	31,291	**21,004**	43,000	(21,996)
Miscellaneous	1,360	**4,975**	-	4,975
Capital Outlay	22,914	**700**	167,201	(166,501)
Transfers Out	-	**80,000**	90,000	(10,000)
Total Expenditures	275,096	**402,777**	543,500	(140,723)
Receipts Over (Under) Expenditures	(41,388)	**(13,026)**		
Unencumbered Cash - Beginning	141,397	**100,009**		
Unencumbered Cash - Ending	$ 100,009	**86,983**		

CITY OF VALLEY FALLS, KANSAS
Water Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	-	**50,000**
Expenditures			
Commodities		-	**1,400**
Capital Outlay		-	**6,962**
Contractual		-	**1,140**
Total Expenditures		-	**9,502**
Receipts Over (Under) Expenditures		-	**40,498**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**40,498**

CITY OF VALLEY FALLS, KANSAS
Sewer Service Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Utility receipts	$ 146,470	**260,739**	365,000	(104,261)
Utility penalties	3,366	**3,606**	3,000	606
Meter connection	1,600	**1,450**	2,000	(550)
KDHE Loan Proceeds	102,945	**342,696**	3,200,000	(2,857,304)
Federal Aid	-	**419,088**	-	419,088
Miscellaneous	552	**400**	500	(100)
Carryover	-	-	250,000	(250,000)
Total Receipts	254,933	**1,027,979**	3,820,500	(2,792,521)
Expenditures				
Personal Services	78,064	**126,310**	81,639	44,671
Commodities	60,472	**38,686**	76,000	(37,314)
Contractual	30,510	**12,833**	27,500	(14,667)
Capital Outlay	1,104	**700**	315,861	(315,161)
Miscellaneous	311	**6,090**	-	6,090
KDHE Interest	-	**273**	-	273
KDHE Service Fee	-	**1,126**	-	1,126
Transfers Out	-	**115,000**	120,000	(5,000)
Sewer Project	115,945	**1,589,285**	3,200,000	(1,610,715)
Total Expenditures	286,406	**1,890,303**	3,821,000	(1,930,697)
Receipts Over (Under) Expenditures	(31,473)	**(862,324)**		
Unencumbered Cash - Beginning	269,720	**238,247**		
Unencumbered Cash - Ending	$ 238,247	**(624,077)**		

CITY OF VALLEY FALLS, KANSAS
Sewer CD Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	-	**50,000**
Expenditures			
Commodities		-	**1,400**
Receipts Over (Under) Expenditures		-	**48,600**
Unencumbered Cash - Beginning		91,083	**91,083**
Unencumbered Cash - Ending	$	91,083	**139,683**

CITY OF VALLEY FALLS, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts					
Utility Receipts	$	144,741	**172,259**	195,000	(22,741)
Utility Penalties		2,543	**2,339**	2,000	339
Reimbursed Expenses		36	**-**	500	(500)
Other		-	**-**	60,000	(60,000)
Miscellaneous		-	**-**	500	(500)
Total Receipts		147,320	**174,598**	258,000	(83,402)
Expenditures					
Contractual Services		148,229	**152,716**	180,000	(27,284)
Commodities		-	**-**	500	(500)
Capital Outlay		-	**-**	77,500	(77,500)
Miscellaneous		2,561	**897**	-	897
Total Expenditures		150,790	**153,613**	258,000	(104,387)
Receipts Over (Under) Expenditures		(3,470)	**20,985**		
Unencumbered Cash - Beginning		51,793	**48,323**		
Unencumbered Cash - Ending	$	48,323	**69,308**		