

CITY OF MAIZE, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

December 31, 2022

CITY OF MAIZE, KANSAS
TABLE OF CONTENTS
December 31, 2022

	<u>Page Number</u>
Independent Auditor's Report	1 - 3
Statement 1	
Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash Regulatory Basis	4
Notes to Financial Statement	5 - 13
Schedule 1	
Summary of Expenditures - Actual and Budget - Regulatory Basis	15
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget - Actual	
General Fund	16
Consolidated Street	17
Capital Improvement	18
Maize Park Cemetery City	19
Bond and Interest	20
Wastewater Treatment	21
Water	22
Equipment Reserve	23
Law Enforcement Training	24
Wastewater Reserve	25
Water Reserve	26
Water Bond Reserve	27
Wastewater Bond Reserve	28
Asset Forfeiture	29
Maize Public Building Commission	30
ARPA	31
Fight Addiction	32
Convention and Tourism	33
Capital Projects	34
Schedule 3	
Agency Funds	35
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	36 - 37
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance	38 - 39
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41
Schedule of Findings and Questioned Costs	42



July 5, 2023

Mayor and Council Members
City of Maize, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Maize, 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 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, 2022, 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, 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* (KMAAG) 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), KMAAG and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.. 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 audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 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 KMAAG. 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.

July 5, 2023
City of Maize, Kansas
(Continued)

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the City's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statement. 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 5, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF MAIZE, KANSAS
SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2022

Fund	Beginning	Prior Year Cancelled Encumbrances	Cash		Ending	Add:	Ending
	Unencumbered Cash Balance		Receipts	Expenditures	Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Cash Balance
Governmental Funds							
General Fund	\$ 2,171,638	\$ -	\$ 5,623,327	\$ 6,488,578	\$ 1,306,387	\$ 164,791	\$ 1,471,178
Special Purpose Funds							
Consolidated Street	271,180	-	386,241	453,028	204,393	18,434	222,827
Capital Improvement	467,342	-	1,487,263	1,468,973	485,632	263,480	749,112
Maize Park Cemetery District	239,270	-	105,116	99,158	245,228	1,637	246,865
Equipment Reserve	60,560	-	402,758	418,991	44,327	28,345	72,672
Law Enforcement Training	25,593	-	9,533	14,528	20,598	1,575	22,173
Wastewater Reserve	333,261	-	156,569	343,657	146,173	3,848	150,021
Water Reserve	616,867	-	222,133	249,702	589,298	12,175	601,473
Water Bond Reserve	268,000	-	1,426	-	269,426	-	269,426
Wastewater Bond Reserve	147,800	-	-	74,800	73,000	-	73,000
Asset Forfeiture	4,165	-	-	-	4,165	-	4,165
Maize Public Building Commission	6,440	-	290,102	296,535	7	-	7
ARPA	376,487	-	376,487	752,974	-	-	-
Fight Addiction	-	-	1,294	-	1,294	-	1,294
Convention and Tourism	-	-	8,834	-	8,834	-	8,834
Bond and Interest Fund	72,390	-	3,183,533	2,827,227	428,696	-	428,696
Capital Projects	(15,007,998)	-	22,658,547	6,697,226	953,323	103,770	1,057,093
Business Funds							
Wastewater Treatment Fund	1,242,982	-	1,501,397	1,231,921	1,512,458	4,916	1,517,374
Water	1,747,846	-	1,759,383	1,593,233	1,913,996	9,726	1,923,722
Total Reporting Entity	\$ (6,956,177)	\$ -	\$ 38,173,943	\$ 23,010,531	\$ 8,207,235	\$ 612,697	\$ 8,819,932

Composition of Cash

Checking	\$ 1,846,218
Money Market	6,985,656
Certificate of Deposit	71,526
Total Primary Government	\$ 8,903,400
Agency Funds	(83,468)
Total Reporting Entity	\$ 8,819,932

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

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The City of Maize, Kansas (the City) is a municipal corporation governed by an elected six-member council and mayor. The financial statement presents the City and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Maize Public Building Commission

The Maize Public Building Commission performs functions related to the issuance and repayment of debt for the City. The governing body of the related municipal entity is appointed by the governing body of the City. During the year ended December 31, 2022, the City of Maize made payments totaling \$439,716 to the Maize Public Building Commission for the purpose of debt service.

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

General Fund - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

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

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

Business Funds - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

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

Basis of Accounting

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 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 revenues 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.

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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.

Budgetary Information

The City Charter establishes the fiscal year as the twelve-month period beginning January 1. The Mayor and City Council prepare a budget of estimated expenditures and receipts for the ensuing fiscal year in accordance with State of Kansas Statutes. These statutes require that an annual operating budget be 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 municipality 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 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 ten 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 for 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 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, trust funds, and the following special purpose funds:

Water Bond Reserve	ARPA
Asset Forfeiture	Fight Addiction
Maize Public Building Commission	Convention & Tourism

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.

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Special Assessments

Projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured in full by the City and are retired from the City's bond and interest fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the City's bond and interest fund to finance delinquent special assessments. Special assessment taxes are levied over a fifteen- or twenty year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

Note 2: Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or beneficiary) the property and rights of the plan (without being restricted to the provision of benefits under the plan), subject only to the claims of the plan's general creditors. Participants' rights under the plan are equal to those of general creditors of the plan in an amount equal to the fair market value of the deferred account for each participant.

Note 3: Compensated Absences

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the City to record vacation and sick leave benefits as expenditures when paid.

Note 4: Deposits and Investments

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 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 coverage is 50%. The City does not utilize "peak periods". All deposits were legally secured at December 31, 2022.

As of December 31, 2022, the City's carrying amount of the deposits was \$8,903,400 and the bank balance was \$9,122,018. The bank balance was held by one bank. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the City's name.

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 5: Maize Public Building Commission

As described in Note 1, the Maize Public Building Commission (MPBC) is a related municipal entity of the City. As of December 31, 2022, all funds of the MPBC were held in trust by Security Bank of Kansas City in a money market bank account. All funds are received by Security Bank of Kansas City and disbursed as appropriate in accordance with a Trust Agreement between the MPBC and Security Bank of Kansas City.

Note 6: Reimbursed Expenditures

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 the KMAAG regulatory basis of accounting.

Note 7: Contingencies

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; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Grant Programs

The City participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Note 8: 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 the 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. The City did not provide any significant postemployment benefits for former employees at December 31, 2022.

Note 9: Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Consolidated Street	12-1, 119	\$ 158,334
General	Capital Improvement	12-1,118	1,454,000
General	Equipment Reserve	12-1,117	402,000
Wastewater Treatment	Wastewater Reserve	12-1,118	59,800
Wastewater Treatment	Bond and Interest	12-825d	454,801
Water	Water Bond Reserve	12-825d	1,426
Water	Bond and Interest	12-825d	776,657
Water	Water Reserve	12-825d	219,883
Wastewater Reserve	Bond and Interest	12-825d	85,000
Capital Projects	General	10-117a	1,074
Wastewater Bond Reserve	Wastewater Treatment	12-825d	74,800
			<u>\$ 3,687,775</u>

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 10: Subsequent Events

Subsequent to December 31, 2022, the City issued a temporary note in the amount of \$9,635,000 with an interest rate of 4.19% (callable on October 1, 2024) with final maturity on October 1, 2026.

Note 11: Capital Projects

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

	Project Authorization	Expenditures to Date
Villas at Hampton lakes	\$ 614,000	\$ 577,260
Cathey Property Purchase	316,700	334,785
Urban Crest Addition	733,000	938,351
WWTP Phase 1B	2,302,140	2,264,941
Mallard Estates	1,230,000	1,018,651
Oasis Addition	1,146,000	868,030
45th Street Improvements	1,758,000	1,148,203
The Coves	8,536,000	7,593,260
Academy Ave Improvements	3,890,000	3,850,263
Woodward Addition Ph 1	3,309,000	2,389,470
53rd & Tyler Water Line	1,581,250	1,621,025
Eagles Nest 2nd Ph 2	1,824,000	1,618,028
119th & Academy	1,807,000	1,234,271
Woodward Addition Ph 3	440,000	388,119
45th & 119th	2,425,000	1,623,008
Carriage Crossing 7	582,000	634,306
Carriage Crossing 8	1,170,000	1,194,616
	<u>\$ 33,664,090</u>	<u>\$ 29,296,587</u>

Note 12: Defined Benefit Pension Plan

Plan Description

The City 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 Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503) or by calling 1-888-275-5737.

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 limited on annual increases in the employer contribution rates. The actuarially determined employee contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$225,538 for the year ended December 31, 2022.

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 12: Defined Benefit Pension Plan (Continued)
Plan Description (Continued)

Net Pension Liability. At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$2,071,483. 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 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 assumption and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

Note 13: Sublease Agreement

The City has entered into a sublease agreement with the Maize Recreation Commission for use of a portion of the City Hall building. Terms of the sublease agreement provide for payments by the Maize Recreation Commission based on the debt service schedule related to the Maize Public Building Commission Improvement Bonds. Future minimum payments under this agreement are as follows:

<u>Year Ending December 31</u>		
2023	\$	144,081
2024		150,626
2025		156,565
2026		161,856
2027		167,451
Thereafter		638,271
	<u>\$</u>	<u>1,418,850</u>

Note 14: Tax Abatements

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with two entities as of December 31, 2022:

<u>Entity</u>	<u>Amount of Taxes During the Fiscal Year</u>
Reiloy Westland Corporation	\$ 34,845
Aerotech Engineering	21,877
	<u>\$ 56,722</u>

The above agreements have been negotiated under K.S.A. 12-1740 et seq, which authorizes the City to issue industrial revenue bonds to pay for the costs of facilities used for commercial, industrial, and manufacturing purposes. The City must prepare an analysis of the costs and benefits of each exemption and conduct a public hearing on the granting of such exemption. The notice of public hearing must be published at least seven days prior to the hearing in the official City newspaper.

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 15: Revenue Bond Reserve Requirements

The City issued revenue bonds for the purpose of constructing a water distribution system and a wastewater treatment system.

Provisions of the bond ordinance make the following requirement for the Wastewater Treatment and Water Funds to assure profitable operation and timely repayment of debt by the establishment of rates that will produce revenues sufficient to:

- a. Pay the cost of the operation and maintenance of the System.
- b. Pay the principal and interest on the revenue bonds as and when the same become due.
- c. Enable the City to have in each fiscal year net revenues in an amount that will be not less than 110% of the debt service requirements required to be paid by the City for the current fiscal year on all Wastewater Fund and Water Fund revenue bonds at the time outstanding. For 2022, 110% of the debt service payments for the current fiscal year were \$382,793 for the water system and \$76,533 for the wastewater treatment system, while net revenues as calculated per the covenant were \$1,168,045 and \$784,077, respectively.
- d. Provide reasonable and adequate reserves for the payment of the bonds and the interest thereon.

Note 16: Compliance with Revenue Bond Ordinance

The financial statement, together with the description of the revenue bond requirements in Note 15, indicate the Water Fund and the Wastewater Treatment Fund did meet all requirements for reserves and debt service, and the current rate structure does appear to have been adequate in 2022, to meet the requirements of K.S.A. 12-866 and K.S.A. 10-1208, as applicable.

Note 17: Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector and other entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying debt. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entities served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported in the accompanying financial statement.

As of December 31, 2022, there were six series of Industrial Revenue Bonds outstanding with an aggregate principal balance outstanding as of December 31, 2022, of \$21,753,221.

Note 18 : Capital Projects Fund

In order to maintain the bank-qualified status of certain municipal debt issues in 2021, funding of some capital projects was delayed until 2022. This, along with past internal accounting practices, has contributed to the negative balance in the Capital Projects Fund at the beginning of 2022. The City has contracted the services of a consultant to review and update internal procedures to ensure compliance with proper fund accounting rules in the future.

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 18: Changes in Long-Term Debt

Following is a summary of long-term debt transactions of the City for the year ended December 31, 2022:

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2015-B	1.00 - 2.00%	08/31/15	\$ 740,000	10/01/22	\$ 100,000	\$ -	\$ 100,000	\$ (100,000)	\$ -	\$ 2,000
Series 2018-A	2.00 - 3.40%	09/25/18	5,545,000	10/01/38	4,310,000	-	425,000	(425,000)	3,885,000	115,320
Series 2019-A	2.00 - 2.50%	09/30/19	6,275,000	10/01/34	5,395,000	-	470,000	(470,000)	4,925,000	113,250
Series 2020-A	1.00 - 1.40%	09/01/20	2,640,000	10/01/35	2,480,000	-	165,000	(165,000)	2,315,000	26,670
Series 2021-A	1.00 - 3.00%	08/04/21	4,240,000	10/01/41	4,240,000	-	160,000	(160,000)	4,080,000	97,630
Series 2021-B	1.00 - 2.00%	08/04/21	3,375,000	10/01/36	3,375,000	-	280,000	(280,000)	3,095,000	63,659
Total General Obligation Bonds					\$ 19,900,000	\$ -	\$ 1,600,000	\$ (1,600,000)	\$ 18,300,000	\$ 418,529
Revenue Bonds										
Water System Series 2014A	2.50 - 4.00%	10/29/14	285,000	10/1/38	\$ 255,000	\$ -	\$ 10,000	\$ (10,000)	\$ 245,000	\$ 9,025
Wastewater System Series 2014A	2.50 - 4.00%	10/29/14	995,000	10/1/38	875,000	-	40,000	(40,000)	835,000	29,575
Water System Refunding Series 2016A	2.00 - 3.00%	07/01/16	4,125,000	8/1/31	2,920,000	-	260,000	(260,000)	2,660,000	68,969
Total Revenue Bonds					\$ 4,050,000	\$ -	\$ 310,000	\$ (310,000)	\$ 3,740,000	\$ 107,569
Revolving Loan										
Wastewater Treatment Plant	1.74%	09/01/16	6,065,906	3/1/38	\$ 5,252,842	\$ -	\$ 277,413	\$ (277,413)	\$ 4,975,429	\$ 90,197
KDHE Revolving Loan	1.34%	09/01/22	2,500,000	3/1/42	-	2,257,121	-	2,257,121	2,257,121	3,608
					\$ 5,252,842	\$ 2,257,121	\$ 277,413	\$ 1,979,708	\$ 7,232,550	\$ 93,805
Maize Public Building Commission										
2012-A Improvement Revenue Bonds	1.00 - 2.00%	10/30/12	300,000	11/1/22	\$ 30,000	\$ -	\$ 30,000	\$ (30,000)	\$ -	\$ 600
2015-A Improvement Revenue Bonds	1.00 - 2.125%	10/01/15	1,050,000	10/01/25	440,000	-	105,000	(105,000)	335,000	9,081
2021-A Refunding Bonds	1.00 - 1.25%	07/08/21	3,405,000	05/01/31	3,405,000	-	260,000	(260,000)	3,145,000	35,035
Total Maize Public Building Commission					\$ 3,875,000	\$ -	\$ 395,000	\$ (395,000)	\$ 3,480,000	\$ 44,716
Temporary Notes										
Series 2019-A	1.75%	05/01/19	2,080,000	9/1/22	\$ 560,000	\$ -	\$ 560,000	\$ (560,000)	\$ -	\$ 5,853
Series 2020-A	1.00%	06/03/20	6,600,000	10/01/23	3,135,000	-	-	-	3,135,000	31,350
Series 2021-A	0.35%	09/23/21	4,990,000	12/31/24	4,990,000	-	-	-	4,990,000	16,398
Series 2022-A	0.45%	01/05/22	11,015,000	09/01/24	-	11,015,000	-	11,015,000	11,015,000	32,494
Series 2022-B	2.13%	04/05/22	9,210,000	09/01/25	-	9,210,000	-	9,210,000	9,210,000	79,372
Total Temporary Notes					\$ 8,685,000	\$ 20,225,000	\$ 560,000	\$ 19,665,000	\$ 28,350,000	\$ 165,467
Total Long-Term Debt					\$ 41,762,842	\$ 22,482,121	\$ 3,142,413	\$ 19,339,708	\$ 61,102,550	\$ 830,086

CITY OF MAIZE, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 18: Changes in Long-Term Debt (Continued)

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028 - 2032</u>	<u>2033 - 2037</u>	<u>2038 - 2042</u>	<u>Total</u>
Principal									
General Obligation Bonds	\$ 1,560,000	\$ 1,515,000	\$ 1,575,000	\$ 1,605,000	\$ 1,660,000	\$ 6,325,000	\$ 3,025,000	\$ 1,035,000	\$ 18,300,000
Revenue Bonds	320,000	325,000	330,000	350,000	355,000	1,575,000	395,000	90,000	3,740,000
Revolving Loan	392,776	399,195	405,719	412,352	419,095	2,200,582	2,386,700	616,131	7,232,550
Maize Public Building Commission	380,000	400,000	425,000	330,000	345,000	1,600,000	-	-	3,480,000
Temporary Notes	3,135,000	16,005,000	9,210,000	-	-	-	-	-	28,350,000
Total Principal	<u>\$ 5,787,776</u>	<u>\$ 18,644,195</u>	<u>\$ 11,945,719</u>	<u>\$ 2,697,352</u>	<u>\$ 2,779,095</u>	<u>\$ 11,700,582</u>	<u>\$ 5,806,700</u>	<u>\$ 1,741,131</u>	<u>\$ 61,102,550</u>
Interest and Service Fees									
General Obligation Bonds	\$ 364,533	\$ 332,798	\$ 301,668	\$ 268,903	\$ 235,203	\$ 756,428	\$ 256,893	\$ 51,210	\$ 2,567,636
Revenue Bonds	98,619	90,619	83,819	76,819	68,969	208,763	66,563	3,600	697,771
Revolving Loan	79,131	74,630	70,051	74,012	77,164	296,838	139,258	18,460	829,544
Maize Public Building Commission	39,366	34,366	29,029	23,385	20,010	39,398	-	-	185,554
Temporary Notes	328,745	262,745	195,713	-	-	-	-	-	787,203
Total Interest and Service Fees	<u>\$ 910,394</u>	<u>\$ 795,158</u>	<u>\$ 680,280</u>	<u>\$ 443,119</u>	<u>\$ 401,346</u>	<u>\$ 1,301,427</u>	<u>\$ 462,714</u>	<u>\$ 73,270</u>	<u>\$ 5,067,708</u>
Total Principal and Interest	<u>\$ 6,698,170</u>	<u>\$ 19,439,353</u>	<u>\$ 12,625,999</u>	<u>\$ 3,140,471</u>	<u>\$ 3,180,441</u>	<u>\$ 13,002,009</u>	<u>\$ 6,269,414</u>	<u>\$ 1,814,401</u>	<u>\$ 66,170,258</u>

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MAIZE, KANSAS
SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2022

<u>Fund</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>
Governmental Funds					
General	\$ 6,976,763	\$ -	\$ 6,976,763	\$ 6,488,578	\$ (488,185)
Special Purpose Funds					
Consolidated Street	460,179	-	460,179	453,028	(7,151)
Capital Improvement	1,911,620	-	1,911,620	1,468,973	(442,647)
Maize Park Cemetery District	220,737	-	220,737	99,158	(121,579)
Equipment Reserve	442,800	-	442,800	418,991	(23,809)
Law Enforcement Training	15,000	-	15,000	14,528	(472)
Wastewater Reserve	456,100	-	456,100	343,657	(112,443)
Water Reserve	250,000	-	250,000	249,702	(298)
Wastewater Bond Reserve	74,800	-	74,800	74,800	-
Bond and Interest	2,877,781	-	2,877,781	2,827,227	(50,554)
Business					
Wastewater Treatment	1,233,500	-	1,233,500	1,231,921	(1,579)
Water	1,593,426	-	1,593,426	1,593,233	(193)
Totals	<u>\$ 16,512,706</u>	<u>\$ -</u>	<u>\$ 16,512,706</u>	<u>\$ 15,263,796</u>	<u>\$ (1,248,910)</u>

CITY OF MAIZE, KANSAS
GENERAL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem tax	\$ 2,696,206	\$ 2,751,368	\$ (55,162)
Delinquent tax	338,015	50,000	288,015
Motor vehicle tax	25,182	284,928	(259,746)
Sales tax	1,305,807	1,000,000	305,807
Transient guest tax	105,298	100,000	5,298
Liquor tax	1,347	80	1,267
Franchise tax	628,411	431,000	197,411
Municipal court	118,345	115,500	2,845
Permits and licenses	18,660	148,475	(129,815)
Community building rental	8,000	7,500	500
911 camp revenue	-	9,000	(9,000)
Planning & zoning revenue	257,247	5,500	251,747
Fireworks permit	32,000	28,000	4,000
Interest	75,478	7,500	67,978
Miscellaneous	12,257	2,500	9,757
Transfers in	1,074	-	1,074
Total Cash Receipts	<u>\$ 5,623,327</u>	<u>\$ 4,941,351</u>	<u>\$ 681,976</u>
EXPENDITURES			
City Council	\$ 37,027	\$ 34,950	\$ 2,077
Administration	415,848	399,000	16,848
Police Department	359,503	1,162,588	(803,085)
Municipal Court	167,516	164,110	3,406
Community Facilities	66,119	94,375	(28,256)
Planning Commission	53,601	55,000	(1,399)
Non-Departmental			-
Employee Benefits	919,845	950,000	(30,155)
Utilities	35,054	35,000	54
Community Services	6,514	8,000	(1,486)
Building Inspections	123,976	100,000	23,976
Audit	19,175	19,000	175
Economic Development	20,000	20,000	-
Park and Tree Board	33,033	35,000	(1,967)
Senior Services	1,128	-	1,128
City Hall and Public Works Lease Payments	287,226	295,262	(8,036)
Transient Guest Tax Rebate	105,298	100,000	5,298
Housing Grant	299,274	440,000	(140,726)
Commercial grant	13,643	16,000	(2,357)
911 Camp Expenses	-	8,000	(8,000)
Contingency	826,616	210,000	616,616
Tech Support	119,760	119,930	(170)
Debt service	563,048	-	563,048
Miscellaneous	1,040	1,500	(460)
Transfers out	2,014,334	2,609,048	(594,714)
Cash Reserve	-	100,000	(100,000)
Total Expenditures	<u>\$ 6,488,578</u>	<u>\$ 6,976,763</u>	<u>\$ (488,185)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ (865,251)</u>		
UNENCUMBERED CASH - JANUARY 1	<u>2,171,638</u>		
UNENCUMBERED CASH - DECEMBER 31	<u>\$ 1,306,387</u>		

See Independent Auditor's Report.

CITY OF MAIZE, KANSAS
CONSOLIDATED STREET
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
State gas tax	\$ 153,380	\$ 126,880	\$ 26,500
County gas tax	67,969	55,130	12,839
Transfers in	158,334	190,000	(31,666)
Miscellaneous	6,558	-	6,558
Total Cash Receipts	<u>\$ 386,241</u>	<u>\$ 372,010</u>	<u>\$ 14,231</u>
EXPENDITURES			
Personnel services	\$ 195,710	\$ 233,279	\$ (37,569)
Operating expenses	257,318	226,900	30,418
Total Expenditures	<u>\$ 453,028</u>	<u>\$ 460,179</u>	<u>\$ (7,151)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (66,787)		
UNENCUMBERED CASH - JANUARY 1	<u>271,180</u>		
UNENCUMBERED CASH - DECEMBER 31	<u>\$ 204,393</u>		

CITY OF MAIZE, KANSAS
CAPITAL IMPROVEMENT
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)
CASH RECEIPTS			
Transfers in	\$ 1,454,000	\$ 1,454,000	\$ -
Interest	13,264	7,500	5,764
Miscellaneous	19,999	-	19,999
Total Cash Receipts	<u>\$ 1,487,263</u>	<u>\$ 1,461,500</u>	<u>\$ 25,763</u>
EXPENDITURES			
Street Improvements	\$ 625,529	\$ 710,000	\$ (84,471)
Sidewalks	87,445	100,000	(12,555)
Park Improvements	740,999	1,101,620	(360,621)
Miscellaneous	15,000	-	15,000
Total Expenditures	<u>\$ 1,468,973</u>	<u>\$ 1,911,620</u>	<u>\$ (442,647)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 18,290		
UNENCUMBERED CASH - JANUARY 1	<u>467,342</u>		
UNENCUMBERED CASH - DECEMBER 31	<u>\$ 485,632</u>		

CITY OF MAIZE, KANSAS
MAIZE PARK CEMETERY DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Ad valorem tax	\$ 57,769	\$ 57,973	\$ (204)
Delinquent taxes	463	-	463
Motor vehicle taxes	6,432	6,764	(332)
Plot fees	22,550	9,000	13,550
Internments	11,625	3,000	8,625
Memorial permit fees	1,175	500	675
Interest	4,928	250	4,678
Miscellaneous	174	500	(326)
Total Cash Receipts	\$ 105,116	\$ 77,987	\$ 27,129
EXPENDITURES			
Personnel services	\$ 8,462	\$ 25,000	\$ (16,538)
Operating expenses	70,042	173,237	(103,195)
Capital outlay	20,654	22,500	(1,846)
Total Expenditures	\$ 99,158	\$ 220,737	\$ (121,579)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 5,958		
UNENCUMBERED CASH - JANUARY 1	239,270		
UNENCUMBERED CASH - DECEMBER 31	\$ 245,228		

CITY OF MAIZE, KANSAS
BOND AND INTEREST
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Ad valorem tax	\$ 59,651	\$ 60,858	\$ (1,207)
Delinquent taxes	474	2,000	(1,526)
Motor vehicle taxes	5,832	4,744	1,088
Special assessments	1,782,421	1,600,000	182,421
Interest	18,697	1,200	17,497
Transfers in	1,316,458	1,316,458	-
Total Cash Receipts	\$ 3,183,533	\$ 2,985,260	\$ 198,273
EXPENDITURES			
Debt service - principal	\$ 2,187,413	\$ 2,244,093	\$ (56,680)
Debt service - interest	639,814	633,688	6,126
Total Expenditures	\$ 2,827,227	\$ 2,877,781	\$ (50,554)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 356,306		
UNENCUMBERED CASH - JANUARY 1	72,390		
UNENCUMBERED CASH - DECEMBER 31	\$ 428,696		

CITY OF MAIZE, KANSAS
WASTEWATER TREATMENT
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)
CASH RECEIPTS			
User fees	\$ 1,134,490	\$ 975,000	\$ 159,490
Tap fees	123,900	60,000	63,900
Plant equity fees	122,400	65,000	57,400
Interest	38,154	6,000	32,154
Miscellaneous	7,653	7,500	153
Transfers in	74,800	-	74,800
Total Cash Receipts	<u>\$ 1,501,397</u>	<u>\$ 1,113,500</u>	<u>\$ 387,897</u>
 EXPENDITURES			
Personnel services	\$ 318,375	\$ 371,855	\$ (53,480)
Operating expenses	398,945	347,044	51,901
Transfers out	514,601	514,601	-
Total Expenditures	<u>\$ 1,231,921</u>	<u>\$ 1,233,500</u>	<u>\$ (1,579)</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ 269,476		
 UNENCUMBERED CASH - JANUARY 1	<u>1,242,982</u>		
 UNENCUMBERED CASH - DECEMBER 31	<u>\$ 1,512,458</u>		

CITY OF MAIZE, KANSAS
WATER
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
User Fees	\$ 1,411,482	\$ 1,100,000	\$ 311,482
Tap Fees	127,250	65,000	62,250
Plant Equity Fees	112,195	60,000	52,195
Connection Fees	8,500	7,000	1,500
Tower Rent	30,083	33,000	(2,917)
Water Tax	13,999	15,000	(1,001)
Interest	52,755	2,000	50,755
Miscellaneous	3,119	-	3,119
Total Cash Receipts	\$ 1,759,383	\$ 1,282,000	\$ 477,383
EXPENDITURES			
Personnel services	\$ 336,926	\$ 326,090	\$ 10,836
Operating expenses	258,341	269,370	(11,029)
Transfers out	997,966	997,966	-
Total Expenditures	\$ 1,593,233	\$ 1,593,426	\$ (193)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 166,150		
UNENCUMBERED CASH - JANUARY 1	1,747,846		
UNENCUMBERED CASH - DECEMBER 31	\$ 1,913,996		

CITY OF MAIZE, KANSAS
EQUIPMENT RESERVE
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)
CASH RECEIPTS			
Interest	\$ 758	\$ 1,000	\$ (242)
Transfers in	402,000	402,000	-
Total Cash Receipts	<u>\$ 402,758</u>	<u>\$ 403,000</u>	<u>\$ (242)</u>
 EXPENDITURES			
Capital outlay	<u>\$ 418,991</u>	<u>\$ 442,800</u>	<u>\$ (23,809)</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ (16,233)		
 UNENCUMBERED CASH - JANUARY 1	<u>60,560</u>		
 UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ 44,327</u></u>		

CITY OF MAIZE, KANSAS
LAW ENFORCEMENT TRAINING
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Training receipts	\$ 9,533	\$ 10,000	\$ (467)
EXPENDITURES			
Training expenses	\$ 14,528	\$ 15,000	\$ (472)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (4,995)		
UNENCUMBERED CASH - JANUARY 1	25,593		
UNENCUMBERED CASH - DECEMBER 31	\$ 20,598		

CITY OF MAIZE, KANSAS
WASTEWATER RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Fees	\$ 96,769	\$ 85,000	\$ 11,769
Transfers in	59,800	59,800	-
Total Cash Receipts	<u>\$ 156,569</u>	<u>\$ 144,800</u>	<u>\$ 11,769</u>
 EXPENDITURES			
Capital outlay	\$ 253,870	\$ 371,100	\$ (117,230)
Contractual services	4,787	-	4,787
Transfers out	85,000	85,000	-
Total Expenditures	<u>\$ 343,657</u>	<u>\$ 456,100</u>	<u>\$ (112,443)</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ (187,088)		
 UNENCUMBERED CASH - JANUARY 1	<u>333,261</u>		
 UNENCUMBERED CASH - DECEMBER 31	<u>\$ 146,173</u>		

CITY OF MAIZE, KANSAS
WATER RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Fees	\$ 2,250	\$ -	\$ 2,250
Transfers in	219,883	219,883	-
Total Cash Receipts	\$ 222,133	\$ 219,883	\$ 2,250
EXPENDITURES			
Contractual services	\$ 5,359	\$ 9,000	\$ (3,641)
Capital outlay	244,343	241,000	3,343
Total Expenditures	\$ 249,702	\$ 250,000	\$ (298)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (27,569)		
UNENCUMBERED CASH - JANUARY 1	616,867		
UNENCUMBERED CASH - DECEMBER 31	\$ 589,298		

CITY OF MAIZE, KANSAS
WATER BOND RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS	
Transfers in	<u>\$ 1,426</u>
EXPENDITURES	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 1,426
UNENCUMBERED CASH - JANUARY 1	<u>268,000</u>
UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ 269,426</u></u>

CITY OF MAIZE, KANSAS
WASTEWATER BOND RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS	\$ -	\$ -	\$ -
EXPENDITURES			
Transfers out	\$ 74,800	\$ 74,800	\$ -
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (74,800)		
UNENCUMBERED CASH - JANUARY 1	147,800		
UNENCUMBERED CASH - DECEMBER 31	\$ 73,000		

CITY OF MAIZE, KANSAS
ASSET FORFEITURE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -
UNENCUMBERED CASH - JANUARY 1	<u>4,165</u>
UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ 4,165</u></u>

CITY OF MAIZE, KANSAS
MAIZE PUBLIC BUILDING COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS		
Miscellaneous	\$	290,094
Investment income		8
Total Cash Receipts	\$	<u>290,102</u>
EXPENDITURES		
Debt service	\$	295,035
Fees		1,500
Total Expenditures	\$	<u>296,535</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$	(6,433)
UNENCUMBERED CASH - JANUARY 1		<u>6,440</u>
UNENCUMBERED CASH - DECEMBER 31	\$	<u><u>7</u></u>

CITY OF MAIZE, KANSAS
ARPA
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS	
Federal aid	<u>\$ 376,487</u>
EXPENDITURES	
Miscellaneous	<u>\$ 752,974</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (376,487)
UNENCUMBERED CASH - JANUARY 1	<u>376,487</u>
UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ -</u></u>

CITY OF MAIZE, KANSAS
FIGHT ADDICTION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS	
Miscellaneous	<u>\$ 1,294</u>
EXPENDITURES	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 1,294
UNENCUMBERED CASH - JANUARY 1	<u>-</u>
UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ 1,294</u></u>

CITY OF MAIZE, KANSAS
CONVENTION AND TOURISM
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS	
Transient guest tax	<u>\$ 8,834</u>
EXPENDITURES	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 8,834
UNENCUMBERED CASH - JANUARY 1	<u> -</u>
UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ 8,834</u></u>

CITY OF MAIZE, KANSAS
CAPITAL PROJECTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

CASH RECEIPTS	
Debt proceeds	\$ 21,708,979
Other	949,568
Total Cash Receipts	<u>\$ 22,658,547</u>
 EXPENDITURES	
Personnel services	\$ 13,437
Construction/Engineering Costs	6,533,876
Bond interest	148,839
Transfers out	1,074
Total Expenditures	<u>\$ 6,697,226</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 15,961,321
UNENCUMBERED CASH - JANUARY 1	<u>(15,007,998)</u>
UNENCUMBERED CASH - DECEMBER 31	<u><u>\$ 953,323</u></u>

CITY OF MAIZE, KANSAS
AGENCY FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
 For the Year Ended December 31, 2022

Fund	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court	\$ 68,231	\$ 43,376	\$ 34,554	\$ 77,053
Mayor Donnelly Memorial	4,780	-	2,537	2,243
Cafeteria Plan	(4,519)	100,408	91,717	4,172
Total Cash Receipts	<u>\$ 68,492</u>	<u>\$ 143,784</u>	<u>\$ 128,808</u>	<u>\$ 83,468</u>



July 5, 2023

Mayor and Council Members
City of Maize, Kansas

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statement
Performed in Accordance With Government Auditing Standards**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Maize, Kansas (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated July 5, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

July 5, 2023
City of Maize, Kansas
(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas



July 5, 2023

Mayor and Council Members
City of Maize, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with the Uniform Guidance

Unmodified Opinions

We have audited City of Maize, Kansas' (the City) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

July 5, 2023
City of Maize, Kansas
(Continued)

Auditor's Responsibilities for the Audit of Compliance (continued)

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Vayne & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF MAIZE, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Regulatory Basis
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	<u>Assistance Listing Number</u>	<u>Pass Through Number</u>	<u>Federal Award Expenditures</u>	<u>Subrecipient Expenditures</u>
U.S. Department of the Treasury				
Passed through Kansas Governor's Office				
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 752,974	\$ -
U.S. Department of the Interior				
Passed through the Kansas Department of Wildlife & Parks				
Outdoor Recreation Acquisition, Development and Planning	15.916	N/A	<u>398,591</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 1,151,565</u>	<u>\$ -</u>

CITY OF MAIZE, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2022

Note 1: Organization

The City of Maize, Kansas (the City) is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The City elected not to use the 10% de minimis indirect cost rate.

Note 3: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2022.

Note 5: Outstanding Loans

The City did not have any outstanding loans under any federal grants at December 31, 2022.

CITY OF MAIZE, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Regulatory Basis
For the Year Ended December 31, 2022

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None
Reportable conditions identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Noncompliance material to financial statement noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None

Federal Awards

Internal controls over major programs:	
Material weaknesses identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Reportable conditions identified not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)? Yes No

Identification of major programs:	
<u>Name of Federal program</u>	<u>CFDA Number</u>
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes No

Note:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The City elected not to use the 10% de minimis indirect cost rate.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.