



**CITY OF LEBO, KANSAS**

**Financial Statements for the  
Year Ended December 31, 2022  
And Independent Auditors' Report**

# CITY OF LEBO, KANSAS

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## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council  
City of Lebo, Kansas

### *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 Lebo, Kansas (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* described in Note 1.

### *Basis for Adverse and Unmodified Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

#### *Matter Giving Rise to Adverse Opinion on U.S. General Accepted Accounting Principles*

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

### ***Responsibilities of Management for the Financial Statement***

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 statements, 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 statements.
- 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 statements.
- 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.

### ***Other Matters***

#### ***Regulatory-Required Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The

summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1-2 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.

The 2021 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated June 27, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying 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>. The 2021 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.

#### ***Additional Supplementary Information***

The supplemental schedules on pages 32 thru 33 are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statement on these schedules, and we do not express an opinion on these schedules.

*Michael D. Peroo, CPA, PA*  
November 12, 2023

Olathe, Kansas

*Michael D. Peroo, CPA*  
Michael D. Peroo, CPA  
In Charge of and Actively Engaged  
on this Audit

**CITY OF LEBO, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
General Fund	\$ 499,320	\$ 784,296	\$ 600,581	\$ 683,035
Special Revenue Funds:				
Economic Development Fund	45,068	39,681	43,935	40,814
Law Enforcement Fund	46,900	1,457	-	48,357
Employee Benefit Fund	11,194	37,719	39,427	9,486
Special Highway Fund	11,211	23,880	21,388	13,703
Special Liability Fund	1,255	1,816	2,294	777
Special Park and Recreation Fund	24,103	40,176	46,151	18,128
Capital Project Funds				
Capital Improvement Reserve	345,938	50,000	-	395,938
Municipal Equipment Reserve	65,856	30,000	12,799	83,057
Enterprise Funds				
Gas Fund	291,784	278,961	244,925	325,820
Water Fund	223,375	289,570	246,220	266,725
Sewer Fund	157,451	107,234	98,937	165,748
Solid Waste	22,145	72,167	63,548	30,764
Total Reporting Entity	\$ <u>1,745,600</u>	1,756,957	1,420,205	\$ <u>2,082,352</u>
Less Transfers:		<u>100,000</u>	<u>100,000</u>	
Net Receipts and Disbursements		\$ <u>1,656,957</u>	\$ <u>1,320,205</u>	
COMPOSITION OF CASH:				
Farmers State Bank of Aliceville - Operating Account				\$ 6,785
Farmers State Bank of Aliceville -Savings				2,017,155
Farmers Sate Bank of Aliceville - Debit Card				526
Farmers State Bank of Aliceville - Economic Development				42,900
Farmers State Bank of Aliceville - Utility Deposit Savings				14,766
Farmers State Bank of Aliceville - Community Building				200
Cash Drawer				<u>20</u>
Total Reporting Entity				\$ <u>2,082,352</u>

# CITY OF LEBO, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Lebo, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2022.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Debt service funds – to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting, which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

The municipality has approved a resolution to prepare the financial statements on a cash basis.

- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation that shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets, such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance, are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not

presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. 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 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the Budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of Hearing.
4. Adoption of the final budget on or before August 25.

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 20<sup>th</sup>. The City did not hold a revenue neutral rate hearing for the year ending December 31, 2022.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2021.

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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for the 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Economic Development 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.

e. Comparative Amounts - The amounts shown for the year ended December 31, 2021 in the accompanying financial statements are included to provide a basis for comparison with 2022 and are not intended to present all information necessary for a fair presentation in accordance with the cash basis and budget laws of Kansas.



## 2. DEPOSITS

At December 31, 2022 the carrying amounts of the City's deposits were \$2,082,352 and the bank balances were \$2,096,468. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

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 bank 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. The City has no investments.

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% . There were no designated "peak periods" during the year.

## 3. TAXES

**Property Taxes** – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and second half is due the following May 10.

**Motor Vehicle Taxes** – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2022, the City received the following from county and state taxes:

	General Fund	Law Enforcement	City Special Liability	Special Highway Fund	Employee Benefit Fund	Totals
Property Taxes	\$ 153,937	\$ 345	\$ 1,417	\$	\$ 32,164	\$ 187,863
Motor Vehicle Taxes	26,323	1,112	399		5,555	33,389
Sales Taxes	319,887					319,887
State Highway Aid				23,880		23,880
	<u>\$ 500,147</u>	<u>\$ 1,457</u>	<u>\$ 1,816</u>	<u>\$ 23,880</u>	<u>\$ 37,719</u>	<u>\$ 565,019</u>

The mill levies are as follows:

	2022	2021
General Fund	28.023	27.979
Employee Benefit Fund	5.683	5.903
Law Enforcement Fund	0.046	1.182
Special Liability	0.248	0.423
	<u>34.000</u>	<u>35.487</u>

The assessed valuation for 2022 was \$5,606,132 and \$5,454,641 in 2021.

#### 4. UTILITIES

The City provides water, sewer, gas and trash services. The City mails their utility bills between the 23<sup>rd</sup> and the 25<sup>th</sup> of each month. The utility bills are due by the 1st of the following month. Bills not paid by the 10th are subject to a late charge fee of 10%. If service is disconnected the customer shall pay said bill and penalty and further service charge in the sum of \$50 before turning the water back on.

The water rates were increased in May 2022, as follows:

***Inside City (residential):***

0-1,000 gallons	\$ 27.00
All above 1,000 gallons	\$ 9.25 per 1,000 gallons
Minimum bill	\$ 25.00

***Outside City and Commercial:***

0-1,000 gallons	\$ 37.00
All above 1,000 gallons	\$ 10.00 per 1,000 gallons
Minimum bill	\$ 35.00

***Wholesale***

0 - 10,000	\$ 9.00 per 1,000 gallons
11,000 - 100,000	\$ 8.25 per 1,000 gallons
101,000 - 250,000	\$ 7.25 per 1,000 gallons
all above 250,000	\$ 6.25 per 1,000 gallons

Any person making application for water service is required to make a deposit of \$75 for property owners or \$125 for renters.

The sewer rates for 2022 are as follows:

\$19 for the first 1,000 gallons and \$.70 for each additional 1,000 gallons.

The trash rates for 2022 are as follows:

\$13.25 per month for residential solid waste removal. There is a charge of \$3 for a trash tote, and \$4 per additional tote.

The gas rates for 2022 are as follows:

\$5.89 per 1,000 cubic feet over the cost of gas per 1,000 MMBTU and the transportation charges per month.

Any person making application for gas service is required to make a deposit of \$150 for property owners and \$200 for renters.

## 5. LONG-TERM DEBT

The City's long-term debt is comprised of two loans from Kansas Department of Health.

### Kansas Water Pollution Control Revolving Fund

In July 2005, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the construction of a sewer main extension. The total cost of the project was \$467,079.

The amount of the loan is up to \$467,079 (\$75,016 and \$103,463 outstanding at December 31, 2022 and 2021, respectively) bearing interest at a rate of 2.81%, principal and interest payments made on a semi-annual basis beginning one year after the completion of the project.

Changes in Kansas Water Pollution Control Revolving Fund:

Beginning Balance	\$ 103,463
Payments	<u>28,447</u>
Ending Balance	\$ <u>75,016</u>
Interest Payments	\$ <u>2,950</u>
Total Payments	\$ <u>31,397</u>

Payments subsequent to 2022:

	Principal	Interest	Total
2023	\$ 29,324	\$ 2,074	\$ 31,398
2024	30,229	1,169	31,398
2025	<u>15,463</u>	<u>237</u>	<u>15,700</u>
	\$ <u>75,016</u>	\$ <u>3,480</u>	\$ <u>78,496</u>

Kansas Water Supply Revolving Fund

In December 2012, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the replacement of approximately 7,000 feet of aging asbestos cement waterlines with PVC waterlines and install an altitude valve on the elevated storage tank. The total cost of the project was estimated at \$406,496.

The amount of the loan is up to \$409,864 (\$266,672 and \$285,945 outstanding at December 31, 2022 and 2021, respectively) bearing interest at a rate of 2.16%, principal and interest payments made on a semi-annual basis beginning February 1, 2015.

Changes in Kansas Water Pollution Control Revolving Fund:

Beginning Balance	\$ 285,945
Payments	<u>19,273</u>
Ending Balance	\$ <u>266,672</u>
Interest Payments	\$ <u>6,073</u>
Total Payments	\$ <u>25,346</u>

Payments subsequent to 2022:

	Principal	Interest	Total
2023	\$ 19,692	\$ 5,654	\$ 25,346
2024	20,119	5,227	25,346
2025	20,556	4,790	25,346
2026	21,003	4,343	25,346
2027	21,459	3,887	25,346
2028	21,925	3,421	25,346
2029	22,401	2,945	25,346
2030	22,888	2,458	25,346
2031	23,385	1,961	25,346
2032	23,892	1,454	25,346
2033	24,411	935	25,346
2034	<u>24,943</u>	<u>403</u>	<u>25,346</u>
	\$ <u>266,672</u>	\$ <u>37,477</u>	\$ <u>304,150</u>

6. CONTRACTS

In 1994, the City entered into a 40-year agreement with Public Wholesale District No. 12, (District) to buy a minimum amount of 3,000,000 gallons per month. The City is to pay the District \$3.42 per 1,000 gallons purchased. Starting January 2006, the rate per 1,000 increased to \$3.45. In December 2007 there was another amendment to the contract when the City of Lebo annexed customers of Coffey County RWD #3 that were within the District’s territory. In December 2012 the contract was amended to reduce the minimum to 1,750,000 gallons per month, and the maximum to 3,500,000 per month. The District increased the water rate from \$3.75 to \$4.00 in 2013. The District increased the rate to \$4.50 per 1,000 gallons in September 2017 and to \$5.00 in 2019. In 2022 and 2021, respectively, the City purchased 21,854,000 and 21,914,000 gallons from the Public Wholesale District.

In September 2016, the City entered into a contract with Encore Energy Services, Inc (Encore) to provide natural gas to the residents of the City. The City will pay \$3.20 per MMBtu plus transportation, fuel charge and gas loss. In 2022 and 2021, the City paid Encore \$173,644 and \$112,564, respectively, for services.

7. COMPENSATED ABSENCES FOR EMPLOYEES

Full time employees of the City will be eligible for vacation and sick leave after six months of service. Eligible employees shall take at least 6 vacation days each year. An employee may carry-over vacation days to the next year, with a maximum carry-over amount allowance of 30 days.

<u>Years of Service</u>	<u>Per year</u>
0-9 years	1 day per month
10-19 years	1 ½ day per month
After 19	2 days per month

Full time employees will receive a maximum of 2 weeks (10 working days) paid sick leave per year. Sick leave is cumulative up to a maximum of 480 hours. On termination an employee will receive one-sixth (1/6) a maximum of 80 hours accrued sick leave paid. At December 31, 2022, City employees had a combined balance of 715 hours of sick leave, a cash value of \$16,556 and a balance of 409 hours of vacation leave, a cash value of \$9,678.

8. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer, gas and trash to customers located in Coffey County in Kansas. The City grants credit to those customers and requires no collateral.

9. CAPITAL PROJECTS

The City received approval from Kansas Department of Transportation of receiving federal funds in 2021 for \$950,480 for phase 2 of the Downtown Streetscape project. In 2022 the City spent the following for design work related to the project:

	Project Authorization	Expenditures in 2022	Expenditures to Date
Downtown Streetscape	\$ <u>950,480</u>	\$ <u>277,500</u>	\$ <u>371,550</u>

Although not part of a capital project, the City also made expenditures on the following large items in 2022:

Infrastructure

Miller Road - Street Design	\$ 18,660
Throne Drive	28,500
Downstreet Street Project	9,050
Phase 2 NO Permit	8,500
Asphalt Patching	<u>54,415</u>
	<u>\$ 119,125</u>

Park & Recreation

Improvements to softball field	\$ 5,646
Fence guard for softball field	5,609
Laser leveling	4,500
Baseball lights	1,524
Scoreboards	<u>5,016</u>
	<u>\$ 22,295</u>

Economic Development

Trailer park	<u>\$ 24,841</u>
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## 10. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2022 for the funds that were part of this audit.

## 11. RELATED PARTY

The city was not aware of any related party transactions during the year of 2022.

## 12. PENSION PLAN

### General Information about the 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](http://www.kpers.org) or by writing to KPERS (611 South 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 8.87% and 8.87% for the fiscal year ended December 31, 2022 and 2021, respectively.

The City has four employees that participate in the Plan. The payroll for the employees covered by the System for 2022 and 2021 was \$172,618 and \$205,580, respectively and the City's total payroll for 2022 and 2021 was \$264,516 and \$289,257.

The contribution requirement for the year ended December 31, 2022 and 2021 was \$25,720 and \$30,570, which consisted of \$10,357 and \$12,335 from the employee, respectively, and \$15,363 and \$18,235 from the City, respectively. The City also contributed \$918 for insurance.

### Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$164,352. 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 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](http://www.kpers.org) or can be obtained as described above.



13. INFRASTRUCTURE

The City has elected not to comply with Governmental Accounting Standard No. 34 (GASB 34) regarding the capitalization and tracking of infrastructure or capital assets.

14. RISK MANAGEMENT

The City is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, job-related injuries and illnesses to employees. To insure against the various risks, the City has obtained various insurance coverage through EMC Insurance Companies.

15. ADEQUACY OF UTILITY RATES

To determine whether the city was charging adequate rates for sewer, trash, water, and gas the City calculated the operating ratio and debt service ratio as applicable. The target minimum for both of these ratios is 1.20 and 1.25 respectively. The City uses these ratios to facilitate management in measuring the adequacy of the rates. There is no penalty for falling below these benchmarks.

The Operating Ratio for the following funds is as follows:

	Water	Gas	Sewer	Trash
Operating Revenues	\$ 283,959	\$ 275,608	\$ 106,437	\$ 72,167
Operating Expenses	<u>\$ 216,006</u>	<u>\$ 234,925</u>	<u>\$ 56,088</u>	<u>\$ 63,548</u>
Operating Ratio	<u>1.31</u>	<u>1.17</u>	<u>1.90</u>	<u>1.14</u>

The Debt Service Ratios for the Sewer and Water Funds are as follows:

Debt Service	Sewer Fund	Water Fund
Net Receipts	\$ 8,297	\$ 43,350
Add Back:		
Debt Service	31,397	25,346
Capital Outlay		
Transfer Out	<u>10,000</u>	<u>          </u>
Available for debt service	\$ 49,694	\$ 68,696
Debt service	<u>\$ 31,397</u>	<u>\$ 25,346</u>
Debt Service Ratio	<u>1.58</u>	<u>2.71</u>

16. COMMITMENTS AND CONTINGENCIES

The City is not involved in any litigation.

## 17. TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	\$ 50,000
General Fund	Municipal Equip Reserve Fund	K.S.A. 12-1,117	30,000
Gas Fund	General Fund	K.S.A. 12-825d	10,000
Sewer Fund	General Fund	K.S.A. 12-825d	<u>10,000</u>
			<u>\$ 100,000</u>

## 18. LEASE

The City (lessee) entered into a lease purchase agreement with Flint Hills Bank (lessor) on December 4, 2018. The purpose of the lease is for the upgrade to the downtown of the City. The lessee will pay \$14,453 semiannually beginning June 2, 2019 through December 1, 2028. The interest rate is based on the ten-year treasury plus 150 basis points. Outstanding balance at December 31, 2022 and 2021 was \$135,896 and \$157,333, respectively.

Subsequent payments are as follows:

Year	Payment
2023	\$ 28,906
2024	28,906
2025	28,906
2026	28,906
2027	28,906
2028	<u>28,906</u>
	173,436
Less interest	<u>37,540</u>
	<u>\$ 135,896</u>

19. ECONOMIC DEVELOPMENT

The City’s Economic Development program provides loans to businesses in the City. The terms of the loans are 10 years and the interest rate is 4%. The City had outstanding loans of \$199,299 at December 31, 2022.

Note receivable, business, monthly installments of \$800, beginning January 1, 2017 and ending December 1, 2027. Interest rate of 4%.	\$ 37,443
Note receivable, business, monthly installments of \$554 beginning March 1, 2019 and ending October 1, 2028. Interest rate of 4%.	34,873
Note receivable, business, monthly installments of \$400, beginning September 1, 2021 and ending July 1, 2031. Interest rate of 4%.	34,946
Note receivable, business, monthly installments of \$306, beginning April 8, 2019 and ending November 8, 2028. Interest rate of 4%.	19,129
Note receivable, business, monthly installments of \$275, beginning September 1, 2019 and ending August 1, 2029. Interest rate of 4%.	19,098
Note receivable, business, monthly installments of \$90 beginning August 4, 2021 and ending January 4, 2026. Interest rate of 4%.	3,173
Note receivable, business, monthly installments of \$1,000, beginning September 1, 2018 and ending August 1, 2028. Interest rate of 4%.	50,637
	\$ <u>199,299</u>

20. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the District has evaluated events and transactions for potential recognition or disclosure through November 12, 2023, the date the financial statements were available to be issued. There are no additional events or transactions that require adjustment to or disclosure in these financial statements.

\* \* \* \* \*

**CITY OF LEBO, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Expenditures Chargeable to Current Year</u>	<u>Certified Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 600,581	\$ 916,512	\$ 315,931
Special Revenue Funds:			
Law Enforcement Fund	-	47,128	47,128
Employee Benefit Fund	39,427	40,000	573
Special Highway Fund	21,388	23,100	1,712
Special Liability Fund	2,294	3,000	706
Special Parks and Recreation Fund	46,151	75,000	28,849
Enterprise Funds:			
Gas Fund	244,925	242,950	(1,975)
Water Fund	246,220	288,446	42,226
Sewer Fund	98,937	107,397	8,460
Solid Waste Fund	63,548	67,000	3,452
Total Budgeted Funds	<u>1,363,470</u>	<u>\$ 1,810,533</u>	<u>\$ 447,063</u>
Non Budgeted Funds:			
Capital Improvement Fund	-		
Municipal Equipment Reserve	12,799		
Economic Development	43,935		
Total Non Budgeted Funds	<u>56,734</u>		
Total Expenditures	<u>\$ 1,420,204</u>		

## CITY OF LEBO, KANSAS

**GENERAL FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> Actual	<u>2022</u> Actual	<u>2022</u> Budget	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
Property Tax	\$ 152,709	\$ 153,937	\$ 157,100	\$ (3,163)
Sales Tax	300,981	319,887	225,000	94,887
Motor Vehicle Tax	25,528	26,323	25,548	775
Intergovernmental Receipts	155,710	155,710	155,710	-
Franchise Tax	28,949	32,171	25,000	7,171
Licenses and Fees	6,389	5,687	5,000	687
Swimming Pool	8,216	8,905	8,600	305
Fines	5,178	2,260	4,000	(1,740)
Reimbursements and other	86,756	58,868	10,000	48,868
Transferred In	25,000	20,000	30,000	(10,000)
Interest on Idle Funds	346	548	3,000	(2,452)
Total Receipts	<u>795,762</u>	<u>784,296</u>	<u>\$ 648,958</u>	<u>\$ 135,338</u>
<b>EXPENDITURES:</b>				
<b>General Administration</b>				
Personnel Services	50,915	58,588	60,000	1,412
Contractual Services	48,238	50,133	38,000	(12,133)
Commodities	26,924	27,889	30,000	2,111
Miscellaneous	1,024	709	-	(709)
Capital Outlay	-	-	10,000	10,000
	<u>127,101</u>	<u>137,319</u>	<u>138,000</u>	<u>681</u>
<b>Law Enforcement</b>				
Personnel Services	68,922	71,127	92,000	20,873
Contractual Services	7,355	8,142	10,000	1,858
Commodities	12,268	18,360	9,000	(9,360)
Capital Outlay	-	-	8,000	8,000
	<u>88,545</u>	<u>97,629</u>	<u>119,000</u>	<u>21,371</u>
<b>Street Lights</b>				
Contractual Services	16,205	18,948	18,000	(948)
	<u>16,205</u>	<u>18,948</u>	<u>18,000</u>	<u>(948)</u>
<b>Streets</b>				
Contractual Services	-	413	3,000	2,587
	<u>-</u>	<u>413</u>	<u>3,000</u>	<u>2,587</u>
<b>Parks and Recreation</b>				
Personnel Services	3,174	17,885	3,500	(14,385)
Contractual Services	832	614	14,000	13,386
Capital Outlay	6,000	150	10,000	9,850
Commodities	22,773	29,359	25,000	(4,359)
	<u>32,779</u>	<u>48,008</u>	<u>52,500</u>	<u>4,492</u>
<b>Infrastructure</b>				
	<u>337,855</u>	<u>150,066</u>	<u>389,105</u>	<u>239,039</u>
	<u>337,855</u>	<u>150,066</u>	<u>389,105</u>	<u>239,039</u>
<b>Swimming Pool</b>				
Personnel Service	16,241	18,900	21,000	2,100
Contractual Service	3,365	4,152	5,000	848
Commodities	18,777	16,072	12,000	(4,072)
Sales Tax	156	167	-	(167)
Capital Outlay	-	-	-	-
	<u>38,539</u>	<u>39,291</u>	<u>38,000</u>	<u>(1,291)</u>
<b>Debt Service</b>				
	<u>28,907</u>	<u>28,907</u>	<u>28,907</u>	<u>0</u>
<b>Transfer Out</b>				
	<u>30,000</u>	<u>80,000</u>	<u>130,000</u>	<u>50,000</u>
Total Expenditures	<u>699,931</u>	<u>600,581</u>	<u>\$ 916,512</u>	<u>\$ 315,931</u>
Receipts over Expenditures	95,831	183,715		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>403,489</u>	<u>499,320</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 499,320</u>	<u>\$ 683,035</u>		

**CITY OF LEBO, KANSAS**

**ECONOMIC DEVELOPMENT FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Total for the Prior Year Ended December 31, 2021)

	<b>2021</b>	<b>2022</b>
<b>RECEIPTS:</b>		
Loan Payments	\$ 30,223	\$ 39,571
Interest Payments	9,046	-
Miscellaneous	110	110
	<hr/>	<hr/>
Total Receipts	39,379	39,681
<b>EXPENDITURES:</b>		
Tourism	2,500	2,900
Economic Development Loan	40,500	37,935
	<hr/>	<hr/>
Total Expenditures	43,000	43,935
Receipts under Expenditures	(3,621)	(4,254)
<b>UNENCUMBERED CASH, BEGINNING</b>	<hr/> 48,689	<hr/> 45,068
<b>UNENCUMBERED CASH, ENDING</b>	\$ <u>45,068</u>	\$ <u>40,814</u>

**CITY OF LEBO, KANSAS****LAW ENFORCEMENT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
County Tax	\$ 7,532	\$ 1,457	\$ 1,331	\$ 126
Total Receipts	7,532	1,457	<u>\$ 1,331</u>	<u>\$ 126</u>
<b>EXPENDITURES:</b>				
Capital Outlay	_____	_____	47,128	47,128
Total Expenditures	-	_____	<u>\$ 47,128</u>	<u>\$ 47,128</u>
Receipts over Expenditures	7,532	1,457		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>39,368</u>	<u>46,900</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 46,900</u>	<u>\$ 48,357</u>		

**CITY OF LEBO, KANSAS**

**EMPLOYEE BENEFIT FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>RECEIPTS:</b>				
Property and Vehicle Taxes	\$ 37,529	\$ 37,719	\$ 37,252	\$ 467
Total Receipts	<u>37,529</u>	<u>37,719</u>	<u>37,252</u>	<u>467</u>
<b>EXPENDITURES:</b>				
Employee Benefit	<u>29,864</u>	<u>39,427</u>	<u>40,000</u>	<u>573</u>
Total Expenditures	<u>29,864</u>	<u>39,427</u>	<u>\$ 40,000</u>	<u>\$ 573</u>
Receipts over Expenditures	7,665	(1,708)		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>3,529</u>	<u>11,194</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 11,194</u>	<u>\$ 9,486</u>		



**CITY OF LEBO, KANSAS**

**SPECIAL HIGHWAY FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<b>Variance Favorable (Unfavorable)</b>
<b>RECEIPTS:</b>				
State Tax	\$ 25,688	\$ 23,880	\$ 22,810	\$ 1,070
Total Receipts	25,688	23,880	<u>\$ 22,810</u>	<u>\$ 1,070</u>
<b>EXPENDITURES:</b>				
Personnel Services	12,291	12,133	12,100	(33)
Commodities	<u>8,744</u>	<u>9,255</u>	<u>11,000</u>	<u>1,745</u>
Total Expenditures	<u>21,035</u>	<u>21,388</u>	<u>\$ 23,100</u>	<u>\$ 1,712</u>
Receipts over Expenditures	4,653	2,492		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>6,558</u>	<u>11,211</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 11,211</u>	<u>\$ 13,703</u>		

**CITY OF LEBO, KANSAS**

**SPECIAL LIABILITY FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
Property and Vehicle Taxes	\$ 2,692	\$ 1,816	\$ 1,774	\$ 42
Total Receipts	2,692	1,816	<u>\$ 1,774</u>	<u>\$ 42</u>
<b>EXPENDITURES:</b>				
Contractual Services	<u>2,664</u>	<u>2,294</u>	<u>\$ 3,000</u>	<u>\$ 706</u>
Total Expenditures	<u>2,664</u>	<u>2,294</u>	<u>\$ 3,000</u>	<u>\$ 706</u>
Receipts over (under) Expenditures	28	(478)		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>1,227</u>	<u>1,255</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 1,255</u>	<u>\$ 777</u>		

## CITY OF LEBO, KANSAS

**SPECIAL PARK AND RECREATION FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
Coffey County Receipt	\$ 37,868	\$ 37,868	\$ 37,868	\$ (1)
Miscellaneous	<u>1,765</u>	<u>2,308</u>	<u>2,000</u>	<u>308</u>
Total Receipts	39,633	40,176	<u>\$ 39,868</u>	<u>\$ 307</u>
<b>EXPENDITURES:</b>				
Personal Cost	2,365	7,053	\$ 6,200	\$ (853)
Contractual Service	6,452	4,961	12,000	7,039
Commodities	12,082	11,842	12,000	158
Capital Outlay	<u>18,838</u>	<u>22,295</u>	<u>44,800</u>	<u>22,505</u>
Total Expenditures	<u>39,737</u>	<u>46,151</u>	<u>\$ 75,000</u>	<u>\$ 28,850</u>
Receipts under Expenditures	(104)	(5,975)		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>24,207</u>	<u>24,103</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 24,103</u>	<u>\$ 18,128</u>		

**CITY OF LEBO, KANSAS**

**CAPITAL IMPROVEMENT RESERVE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Total for the Prior Year Ended December 31, 2021)

	<b>2021</b>	<b>2022</b>
<b>RECEIPTS:</b>		
Reimbursement from State	\$ 58,878	\$
Transferred from General	<u>15,000</u>	<u>50,000</u>
Total Receipts	73,878	50,000
<b>EXPENDITURES:</b>		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts over Expenditures	73,878	50,000
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>272,060</u>	<u>345,938</u>
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 345,938</u>	<u>\$ 395,938</u>

**CITY OF LEBO, KANSAS**

**MUNICIPAL EQUIPMENT RESERVE FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES  
 REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Total for the Prior Year Ended December 31, 2021)

	2021	2022
<b>RECEIPTS:</b>		
Transferred from General	\$ <u>15,000</u>	\$ <u>30,000</u>
Total Receipts	15,000	30,000
<b>EXPENDITURES:</b>		
Capital Outlay	<u>-</u>	<u>12,799</u>
Total Expenditures	-	12,799
Receipts over Expenditures	15,000	17,201
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>50,856</u>	<u>65,856</u>
<b>UNENCUMBERED CASH, ENDING</b>	<u><u>\$ 65,856</u></u>	<u><u>\$ 83,057</u></u>

## CITY OF LEBO, KANSAS

## GAS FUND

## SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## REGULATORY BASIS

## FOR THE YEAR ENDED DECEMBER 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
Sales - Customers	\$ 214,527	\$ 269,346	\$ 200,000	\$ 69,346
Sales Tax	4,965	6,262	2,000	4,262
Interest Income	2	2	16	(15)
Reimbursed Expenses and Other Income	<u>380</u>	<u>3,351</u>	<u></u>	<u>3,351</u>
Total Receipts	219,874	278,961	\$ <u>202,016</u>	\$ <u>76,944</u>
<b>EXPENDITURES:</b>				
Personnel Services	62,931	30,241	\$ 64,000	\$ 33,759
Contractual Services	138,833	190,725	124,500	(66,225)
Commodities	11,156	4,379	30,850	26,471
Stored Gas Property Tax	12	39		(39)
Sales Tax and Other	5,037	9,541	3,600	(5,941)
Transfer	<u>15,000</u>	<u>10,000</u>	<u>20,000</u>	<u>10,000</u>
Total Expenditures	<u>232,969</u>	<u>244,925</u>	\$ <u>242,950</u>	\$ <u>(1,976)</u>
Receipts under Expenditures	(13,095)	34,036		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>304,879</u>	<u>291,784</u>		
<b>UNENCUMBERED CASH, ENDING</b>	\$ <u>291,784</u>	\$ <u>325,820</u>		

## CITY OF LEBO, KANSAS

**WATER FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
Water Sales - Customer	\$ 275,921	\$ 283,959	\$ 250,000	\$ 33,959
Sales tax	1,724	2,282	1,050	1,232
Reimbursed Expenses and Other Income	927	3,327	3,800	(473)
Interest on Idle Funds	<u>2</u>	<u>2</u>	<u>16</u>	<u>(14)</u>
Total Receipts	278,574	289,570	<u>\$ 254,866</u>	<u>\$ 34,704</u>
<b>EXPENDITURES:</b>				
Personnel	65,157	46,397	\$ 63,000	\$ 16,603
Contractual Services	141,832	143,581	128,100	(15,481)
Commodities	14,291	19,215	20,000	785
Debt Service	25,346	25,346	25,346	(0)
Other	2,983	6,813	2,000	(4,813)
Capital Outlay	<u>4,868</u>	<u>4,868</u>	<u>50,000</u>	<u>45,133</u>
Total Expenditures	<u>249,609</u>	<u>246,220</u>	<u>\$ 288,446</u>	<u>\$ 42,226</u>
Receipts over (under) Expenditures	28,965	43,350		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>194,410</u>	<u>223,375</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 223,375</u>	<u>\$ 266,725</u>		

**CITY OF LEBO, KANSAS**

**SEWER FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>	<u>2022</u> <u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>RECEIPTS:</b>				
Sales - Customers	\$ 106,150	\$ 106,437	\$ 94,000	\$ 12,437
Special Assessments	<u>797</u>	<u>797</u>		<u>797</u>
Total Receipts	106,947	107,234	<u>\$ 94,000</u>	<u>\$ 13,234</u>
<b>EXPENDITURES:</b>				
Personnel Services	30,416	23,790	\$ 30,000	\$ 6,210
Contractual Services	12,011	15,292	14,000	(1,292)
Commodities	17,733	17,006	22,000	4,994
Capital Outlay	3,301	1,452		(1,452)
Debt Service	31,397	31,397	31,397	(0)
Transfer to General	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Expenditures	<u>104,858</u>	<u>98,937</u>	<u>\$ 107,397</u>	<u>\$ 8,460</u>
Receipts over Expenditures	2,089	8,297		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>155,362</u>	<u>157,451</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 157,451</u>	<u>\$ 165,748</u>		



## CITY OF LEBO, KANSAS

**SOLID WASTE FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>RECEIPTS:</b>				
Sales - Customers	\$ 69,066	\$ 72,167	\$ 67,000	\$ 5,167
Total Receipts	69,066	72,167	<u>67,000</u>	<u>5,167</u>
<b>EXPENDITURES:</b>				
Contractual Services	63,382	63,548	\$ 67,000	\$ 3,452
Total Expenditures	63,382	63,548	<u>67,000</u>	<u>3,452</u>
Receipts over Expenditures	5,684	8,619		
<b>UNENCUMBERED CASH, BEGINNING</b>	<u>16,461</u>	<u>22,145</u>		
<b>UNENCUMBERED CASH, ENDING</b>	<u>\$ 22,145</u>	<u>\$ 30,764</u>		

**CITY OF LEBO, KANSAS****Supplemental****SCHEDULE OF SELECTED UTILITY OPERATING DATA  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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	<b>2022</b>	<b>2021</b>
<b>WATER STATISTICS:</b>		
Number of customers	443	443
Gallons sold	19,472,000	20,337,400
Gallons purchased	21,854,000	21,914,000
Water loss percentage	10.90%	7.19%
Average monthly usage per customer	3,663	3,826
Charges for service	\$ 283,959	\$ 275,921
Average customer charge per month	\$ 53.41	\$ 51.89

**CITY OF LEBO, KANSAS****Supplemental****SCHEDULE OF OTHER OPERATING DATA  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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	2022	2021
Population	883	883
Assessed Valuation	\$ 5,615,749	\$ 5,432,586
Mill Levy	33.102	35.487
Total Receipts	\$ 1,656,957	\$ 1,656,554
Total Disbursements	\$ 1,320,205	\$ 1,432,049
Indebtedness	\$ 477,584	\$ 546,742
Receipts per Capita	\$ 1,877	\$ 2,294
Disbursements per Capita	\$ 1,495	\$ 1,983
Indebtedness per Capita	\$ 541	\$ 757