CITY OF FREDONIA, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF FREDONIA, KANSAS

For the Year Ended December 31, 2023

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JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Fredonia, 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 Fredonia, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the 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 of Fredonia, Kansas as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Fredonia, Kansas as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the 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. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Fredonia, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible

for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Fredonia, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated July 20, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 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-governments/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (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 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 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, 2022, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 8, 2024
Chanute, Kansas

CITY OF FREDONIA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2023
General Fund	$ 661,589.33	$ 1,486,963.18	$ 1,610,723.56	$ 537,828.95	$ 59,961.79	$ 597,790.74
Special Purpose Funds:						
Industrial Development	33,017.62	92,863.49	93,684.69	32,196.42	5,431.00	37,627.42
Library	-	110,478.71	110,478.71	-	-	-
Special Parks and Recreation	33,620.14	53,946.18	29,198.82	58,367.50	-	58,367.50
Special Highway	71,495.64	57,463.66	66,313.38	62,645.92	-	62,645.92
Tourism	42,453.06	16,720.22	7,019.07	52,154.21	37.84	52,192.05
Capital Improvement Reserve	107,974.53	480,000.00	-	587,974.53	-	587,974.53
Neighborhood Revitalization	300.00	-	-	300.00	-	300.00
Fire Reserve	10,099.87	-	-	10,099.87	-	10,099.87
1/2 Cent Sales Tax	5,046.76	-	-	5,046.76	-	5,046.76
1/2 Cent Infrastructure Sales Tax	597,016.33	256,437.58	334,500.00	518,953.91	-	518,953.91
1 Cent Swimming Pool Sales Tax	370,000.84	510,025.16	370,943.93	509,082.07	-	509,082.07
Capital Project Funds:						
CDBG-Grant	12,020.25	0.08	6.00	12,014.33	-	12,014.33
Sewer Projects	(370,775.42)	599,276.40	275,316.39	(46,815.41)	-	(46,815.41)
Water and Light Meter Replacement	71,219.37	69,411.29	60.00	140,570.66	-	140,570.66
Bond and Interest Fund:						
Bond and Interest	29,572.03	391,056.72	420,628.75	-	-	-
Business Funds:						
Water Utility	155,614.32	1,014,635.92	1,170,250.24	-	59,778.67	59,778.67
Electric Utility	1,618,076.15	4,052,098.80	4,133,689.00	1,536,485.95	165,436.42	1,701,922.37
Sewer Utility	362,764.23	594,874.41	801,000.00	156,638.64	7,807.90	164,446.54
Solid Waste Utility	91,864.27	259,057.37	289,575.38	61,346.26	3,882.65	65,228.91
Water Bond Reserve	127,500.00	-	-	127,500.00	-	127,500.00
Water Maintenance Reserve	25,000.00	-	-	25,000.00	-	25,000.00
Water Capital Reserve	315,334.33	-	-	315,334.33	-	315,334.33
Water Security Deposit	7,195.50	-	-	7,195.50	-	7,195.50
Water Reserve	50,000.00	-	-	50,000.00	-	50,000.00
Electric Security Deposit	17,695.71	-	-	17,695.71	-	17,695.71
Electric Capital Reserve	414,018.38	-	-	414,018.38	-	414,018.38
Sewer Reserve	263,060.03	-	-	263,060.03	-	263,060.03
Total Primary Government (Excluding Agency Funds)	$ 5,122,773.27	$ 10,045,309.17	$ 9,713,387.92	$ 5,454,694.52	$ 302,336.27	$ 5,757,030.79

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

CITY OF FREDONIA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

	2023
Total Cash to be accounted for:	$ 5,757,030.79
Composition of Cash:	
Utility Cash on Hand	$ 450.00
General Account	104,787.04
Petty Cash	1,612.56
CDBG Account	12,014.33
Cultivate Fredonia Account	46,560.30
Freedom Claims Account	88,797.08
Municipal Court Account	15,677.14
Municipal Court Diversion Account	1,706.34
Select Account	12,479.65
Police Department Drug Account	2,928.68
Fire Donations Account	10,265.87
Fredonia Fast Forward Account	9,573.19
National Night Out Account	519.59
Business Committee Account	3,105.13
Fire Insurance Proceeds Account	6,662.92
K-9 Account	1,666.36
Community National Bank & Trust Savings Account	421,921.31
The Kansas State Bank Savings Account	1,949,517.68
1st National Bank in Fredonia Savings Account	904,921.80
1st National Bank in Fredonia Certificates of Deposit	500,000.00
Kansas Municipal Investment Pool	1,919,297.21
Total Cash	6,014,464.18
Agency Funds per Schedule 3	(257,433.39)
Total Reporting Entity (Excluding Agency Funds)	$ 5,757,030.79

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

CITY OF FREDONIA, KANSAS

Notes to Financial Statement
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Fredonia, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting policies.

Reporting Entity
The City of Fredonia, Kansas is a municipal corporation governed by a Mayor and elected two-member Commission. This financial statement presents the City of Fredonia, Kansas.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

> Fredonia, Kansas Public Library – The City of Fredonia, Kansas Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Separate financial statements are prepared and are available at the Fredonia, Kansas Public Library.
>
> The Housing Authority of the City of Fredonia, Kansas – The Housing Authority of the City of Fredonia, Kansas operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Separate financial statements are prepared and are available at the Housing Authority of the City of Fredonia, Kansas.
>
> Fredonia, Kansas Regional Hospital – The Fredonia, Kansas Regional Hospital operates the City's hospital. The hospital can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Separate financial statements are prepared and are available at the Fredonia, Kansas Regional Hospital.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Fredonia, Kansas, for the year of 2023:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

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

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

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

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

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

Property Taxes
In accordance with governing state statutes, property taxes levied during the current year are a regulatory receipt source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for regulatory receipt recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan
Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer, state-wide pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State of Kansas.

Special Assessments
Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as regulatory receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

Reimbursed Expenses
K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as regulatory receipts. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as regulatory receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2023, the City amended the Water Utility Fund and Electric Utility Fund.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- Capital Improvement Reserve Fund
- Neighborhood Revitalization Fund
- Fire Reserve Fund
- ½ Cent Sales Tax 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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation with K.S.A. 10-1,113. The City has obligated expenditures in excess of available monies in the Sewer Projects Fund, however, K.S.A. 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, is exempt from the cash basis laws of the State of Kansas. This fund met the criteria under the statutes and therefore, is deemed not to be in violation of the Kansas cash basis law. As shown in Schedule 1, the City was in compliance with the budget laws of Kansas.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2023, the City had the following investments and maturities.

Investment Type	Fair Value	Less than 1	1-2	Rating
Kansas Investment Pool	$1,919,297.21	$1,919,297.21	$ - -	S&P AAAf/S1+

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 branch 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. The rating of the City's investments is noted above.

3. DEPOSITS AND INVESTMENTS (Continued)

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's allocation of investments as of December 31, 2023, is as follows:

Investments	Percentage of Investments
Kansas Investment Pool	100%

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. All deposits were legally secured at December 31, 2023.

Deposits: At year-end, the City's carrying amount of deposits was $4,094,716.97 and the bank balance was $4,235,863.05. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $1,064,626.34 was covered by FDIC insurance and $3,171,236.71 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments to be adequately secured.

At December 31, 2023, the City has invested $1,919,297.21 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may by invested in direct obligation that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. RIGHT TO USE CONTRACTS

The City has entered into contracts for copy machines and six police Tasers. Contractual expense for the year ended December 31, 2023, was $9,170.87. Under the current agreements, the future minimum payments are as follows:

2024	$ 6,942.00
2025	3,978.00
2026	3,228.00

5. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Utility Receipts:									
Series 2016 A - Flood Refunding	3.00%	July 14, 2016	$ 1,488,600.00	October 1, 2028	$ 840,000.00	$ -	$ (130,000.00)	$ 710,000.00	$ 25,200.00
Series 2017 A - Electric	3.00%	December 7, 2017	1,930,000.00	October 1, 2027	1,030,000.00	-	(195,000.00)	835,000.00	30,900.00
Paid by Sales Tax Levied:									
Series 2021 A - Refunding Bonds	.45 - .95%	August 19, 2021	1,180,000.00	October 1, 2026	945,000.00	-	(240,000.00)	705,000.00	7,320.00
Paid by Property Tax Levied:									
Series 2020 A - Fire Station	1.0 % - 2.0%	August 25, 2020	340,000.00	October 1, 2030	280,000.00	-	(35,000.00)	245,000.00	4,527.50
State Low Interest Utility Loan	0.25%	March 17, 2021	700,000.00	January 1, 2031	561,099.68	-	(63,778.78)	497,320.90	14,613.00
GRDA Repayment	2.50%	October 31, 2021	130,468.00	February 28, 2026	96,718.68	-	(29,721.04)	66,997.64	2,078.96
Revolving Loans									
Kansas Water Pollution Control 1750-01	2.12%	August 19, 2019	14,140,000.00	September 1, 2023	10,661,124.55	730,441.23	(200.00)	11,391,365.78	230,964.83
Kansas Water Pollution Control 3000-01	1.33%	January 4, 2021	2,219,300.00	September 1, 2023	1,384,482.48	-	(200.00)	1,384,282.48	18,412.96
Finance Lease									
2023 COP	3.75% - 5.15%	January 12, 2023	4,825,000.00	December 1, 2042	-	4,825,000.00	-	4,825,000.00	58,110.62
Total Contractual Indebtedness					$ 15,798,425.39	$ 5,555,441.23	$ (693,899.82)	$ 20,659,966.80	$ 392,127.87

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

Issue	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2042	Less Procceds Not Drawndown	Total
Principal										
General Obligation Bonds										
Series 2016 A - Flood Refunding	$ 135,000.00	$ 140,000.00	$ 140,000.00	$ 145,000.00	$ 150,000.00	$ -	$ -	$ -	$ -	$ 710,000.00
Series 2017 A	200,000.00	205,000.00	210,000.00	220,000.00	-	-	-	-	-	835,000.00
Series 2021 A - Refunding Bonds	235,000.00	230,000.00	240,000.00	-	-	-	-	-	-	705,000.00
Series 2020 A - Fire Station	35,000.00	30,000.00	35,000.00	35,000.00	35,000.00	75,000.00	-	-	-	245,000.00
State Low Interest Utility Loan	32,391.88	66,155.48	68,027.50	69,952.51	71,931.98	188,861.55	-	-	-	497,320.90
GRDA Repayment	30,472.66	31,243.26	5,281.72	-	-	-	-	-	-	66,997.64
Revolving Loans										
Kansas Water Pollution Control 1750-01	14,139,500.00	-	-	-	-	-	-	-	(2,748,134.22)	11,391,365.78
Kansas Water Pollution Control 3000-01	2,219,300.00	-	-	-	-	-	-	-	(835,017.52)	1,384,282.48
Finance Lease										
2023 COP	1,785,000.00	60,000.00	55,000.00	55,000.00	145,000.00	780,000.00	935,000.00	1,010,000.00	-	4,825,000.00
Total Principal Payments	18,811,664.54	762,398.74	753,309.22	524,952.51	401,931.98	1,043,861.55	935,000.00	1,010,000.00	(3,583,151.74)	20,659,966.80
Interest										
General Obligation Bonds										
Series 2016 A - Flood Refunding	21,300.00	17,250.00	13,050.00	8,850.00	4,500.00	-	-	-	-	64,950.00
Series 2017 A	25,050.00	19,050.00	12,900.00	6,600.00	6,600.00	-	-	-	-	70,200.00
Series 2021 A - Refunding Bonds	5,880.00	4,235.00	2,280.00	-	-	-	-	-	-	12,395.00
Series 2020 A - Fire Station	4,107.50	3,652.50	3,232.50	2,690.00	2,095.00	2,265.00	-	-	-	18,042.50
State Low Interest Utility Loan	6,987.36	12,603.00	10,730.98	8,805.97	6,826.50	8,034.54	-	-	-	53,988.35
GRDA Repayment	1,327.34	556.74	7.28	-	-	-	-	-	-	1,891.36
Revolving Loans										
Kansas Water Pollution Control 1750-01	220,678.68	-	-	-	-	-	-	-	-	220,678.68
Kansas Water Pollution Control 3000-01	18,089.35	-	-	-	-	-	-	-	-	18,089.35
Finance Lease										
2023 COP	232,442.50	140,515.00	138,265.00	136,202.50	134,140.00	582,085.00	397,655.00	140,795.00	-	1,902,100.00
Total Interest Payments	535,862.73	197,862.24	180,465.76	163,148.47	154,161.50	592,384.54	397,655.00	140,795.00	-	2,362,335.24
Total Principal and Interest	$ 19,347,527.27	$ 960,260.98	$ 933,774.98	$ 688,100.98	$ 556,093.48	$ 1,636,246.09	$ 1,332,655.00	$ 1,150,795.00	$ (3,583,151.74)	$ 23,022,302.04

6. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to construct, furnish, and equip a solar facility for the City. Payments are made annually, including interest rates ranging from of 3.75-5.15%. Final maturity of the lease is December 1, 2042. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2024	$2,017,442.50
2025	200,515.00
2026	193,265.00
2027	191,202.50
2028	279,140.00
2029-2033	1,362,085.00
2034-2038	1,332,655.00
2039-2042	1,150,795.00
	6,727,100.00
Less imputed interest	(1,902,100.00)
Net Present Value of Minimum Lease Payments	4,825,000.00
Less: Current Maturities	(1,785,000.00)
Long-Term Finance Lease Obligations	$3,040,000.00

7. DEFINED BENEFIT 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 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 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $134,054.74 for the year ended December 31, 2023.

7. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

At December 31, 2023, The City's proportionate share of the collective net pension liability reported by KPERS was $1,467,799.00. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government 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 these financial statements.

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. There is no cost to the City under this program.

Compensated Absences

Regular full time employees shall receive 10 days of vacation leave on the first day of the month following the first completed year of continuous service. After one year continuous service an employee shall receive vacation leave beginning on the first day of the month following the employee's anniversary date of employment as follows:

Years of Employment	Accrued Vacation Time	Hours Accrued Per Month
1 - 7	10 days per year	6.67
8 - 14	15 days per year	10
15 – 19	20 days per year	13.33
20 – 29	25 days per year	16.67
30 and Over	30 days per year	20

Vacation leave may be carried over into the following calendar year in amounts not to exceed 110% of annual earning amounts.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Regular full time employees may accrue no more than 480 hours of sick leave. Employees who were employed with the City prior to January 1, 2007 and have accumulated more than 480 hours of sick leave as of December 31, 2006, will maintain the excess leave as "banked leave". All banked leave must be used before any other accumulated sick leave. Employees who have accumulated more than 480 hours of sick leave prior to January 1, 2007 will not accrue additional sick leave until they drop below the 480 hour cap of accumulated leave.

Employees who accumulate at least 240 hours of sick leave are entitled to sell back any of the sick leave accumulated during that calendar year in excess of 240 hours. In exchange for eight hours of sick leave, the City will make a lump sum payment to the employee in the amount of $50.00. Employees with 30 years of service time upon retirement will be paid out for 480 hours of banked sick time.

The City accrues a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and, is material.

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees of $51,916.86 and estimated a liability for sick leave, which has been earned, but not taken by City employees of $35,632.69.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

10. ECONOMIC DEPENDENCY

Currently, the City purchases its water from Public Wholesale Water Supply District No. 23. To continue serving its patrons, the City is dependent upon Public Wholesale Water Supply District No. 23 to provide adequate, reasonably priced water. All water sales are made to residents in the area of the City. Accordingly, the City's operations are dependent upon the ability to purchase water from Public Wholesale Water Supply District No. 23.

11. COMMITMENTS AND CONTINGENCIES

The City has entered into an agreement with the Public Wholesale Water Supply District No. 23 for the purchase of water until September 2040.

12. RENTAL ACTIVITIES

The City rents various buildings, land, and farm and hay meadows. Rent collected during the year ended December 31, 2023 was $8,350.00. Under the current agreements, the there was no future minimum rental income.

13. CAPITAL PROJECTS

The following is a summary of capital project authorizations and expenditures to date:

PROJECT NAME	AUTHORIZED	EXPENDED THRU 12/31/23	ESTIMATED COMPLETION
Collection System Improvements	$ 13,668,000.00	$ 11,257,668.29	2024
Wastewater Treatment Facility	2,819,400.00	1,738,781.69	2024

14. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
1 Cent Swimming Pool Sales Tax	General	K.S.A. 12-197	$ 65,000.00
Electric Utility	General	K.S.A. 12-825d	602,779.58
Electric Utility	Bond and Interest	K.S.A. 12-825d	282,863.46
Sewer Utility	Capital Improvement Reserve	K.S.A. 12-825d	480,000.00
Sewer Utility	Bond and Interest	K.S.A. 12-825d	27.30
Sewer Utility	Water Utility	K.S.A. 12-825d	13,122.49
½ Cent Infrastructure Sales Tax	Sewer Utility	K.S.A. 12-197	89,125.98

15. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statement. Additionally there are no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF FREDONIA, KANSAS

Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 2,113,253.00	$ 40,458.80	$ 2,153,711.80	$ 1,610,723.56	$ (542,988.24)
Special Purpose Funds:					
Industrial Development	74,176.00	49,125.00	123,301.00	93,684.69	(29,616.31)
Library	111,700.00	-	111,700.00	110,478.71	(1,221.29)
Special Parks and Recreation	20,000.00	50,000.00	70,000.00	29,198.82	(40,801.18)
Special Highway	67,000.00	-	67,000.00	66,313.38	(686.62)
Tourism	8,000.00	-	8,000.00	7,019.07	(980.93)
1/2 Cent Infrastructure Sales Tax	334,500.00	-	334,500.00	334,500.00	-
1 Cent Swimming Pool Sales Tax	405,000.00	-	405,000.00	370,943.93	(34,056.07)
Bond and Interest Fund:					
Bond and Interest	459,423.00	-	459,423.00	420,628.75	(38,794.25)
Business Funds:					
Water Utility	1,210,702.00	4,263.31	1,214,965.31	1,170,250.24	(44,715.07)
Electric Utility	4,133,689.00	-	4,133,689.00	4,133,689.00	-
Sewer Utility	801,000.00	-	801,000.00	801,000.00	-
Solid Waste Utility	293,000.00	-	293,000.00	289,575.38	(3,424.62)

CITY OF FREDONIA, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 452,428.88	$ 460,637.76	$ 488,987.00	$ (28,349.24)
Delinquent Tax	21,085.25	40,921.51	20,000.00	20,921.51
Motor Vehicle Tax	74,238.73	78,958.47	74,243.00	4,715.47
Recreational Vehicle Tax	1,092.36	677.13	1,572.00	(894.87)
16/20M Truck Tax	1,181.29	1,027.56	2,554.00	(1,526.44)
Commercial Vehicle Tax	12,512.29	9,354.28	9,601.00	(246.72)
Neighborhood Revitalization	(8,203.98)	(9,901.97)	(9,682.00)	(219.97)
Franchise Taxes	69,852.54	97,873.11	60,000.00	37,873.11
Special Assessments	2,374.20	1,743.28	-	1,743.28
Intergovernmental				
Local Alcoholic Liquor Tax	2,767.39	3,946.20	3,404.00	542.20
Licenses and Permits				
Licenses, Permits & Fees	5,493.00	8,365.00	5,000.00	3,365.00
Charges for Services				
Reconnect Fees	3,000.00	-	7,000.00	(7,000.00)
Animal Tags/Pound Fees	2,351.00	3,066.00	5,000.00	(1,934.00)
Cemetery Fees	8,600.00	13,140.71	13,000.00	140.71
Fines, Forfeitures and Penalties				
Fines	37,520.82	39,977.34	41,000.00	(1,022.66)
Use of Money and Property				
Rental Receipts	10,400.00	4,350.00	-	4,350.00
Interest Income	8,076.50	12,190.94	3,000.00	9,190.94
Sale of Assets	8,460.00	-	-	-
Other Receipts				
Donations	2,172.50	11,647.48	7,000.00	4,647.48
Miscellaneous	236.00	750.00	-	750.00
Reimbursed Expense	42,248.62	40,458.80	40,000.00	458.80
Operating Transfers from:				
1 Cent Swimming Pool Sales Tax Fund	114,000.00	65,000.00	65,000.00	-
Electric Utility Fund	650,000.00	602,779.58	650,000.00	(47,220.42)
Water Utility Fund	21,098.33	-	40,000.00	(40,000.00)
Sewer Utility Fund	20,000.00	-	-	-
Total Receipts	1,562,985.72	1,486,963.18	$ 1,526,679.00	$ (39,715.82)
Expenditures				
Administration Department				
Personal Services	46,638.54	43,510.94	$ 48,050.00	$ (4,539.06)
Contractual Services	43,968.43	49,763.99	35,650.00	14,113.99
Commodities	6,796.01	11,726.22	4,300.00	7,426.22
Capital Outlay	1,499.00	750.00	-	750.00

CITY OF FREDONIA, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Police Department				
Personal Services	$ 514,183.65	$ 501,690.62	$ 527,700.00	$ (26,009.38)
Contractual Services	40,363.56	48,366.32	37,700.00	10,666.32
Commodities	30,736.23	48,312.14	36,600.00	11,712.14
Capital Outlay	-	31,545.12	-	31,545.12
Street Department				
Personal Services	233,908.61	264,570.25	299,650.00	(35,079.75)
Contractual Services	29,501.47	34,071.24	29,750.00	4,321.24
Commodities	54,334.05	54,605.57	42,500.00	12,105.57
Capital Outlay	-	-	1,100.00	(1,100.00)
Parks Department				
Personal Services	112,510.81	93,923.26	104,300.00	(10,376.74)
Contractual Services	8,673.42	14,859.31	13,700.00	1,159.31
Commodities	19,444.93	35,456.25	25,000.00	10,456.25
Capital Outlay	-	-	15,000.00	(15,000.00)
Fire Department				
Personal Services	27,162.71	31,623.61	37,350.00	(5,726.39)
Contractual Services	28,255.97	22,931.53	33,650.00	(10,718.47)
Commodities	13,714.96	19,114.38	7,500.00	11,614.38
Capital Outlay	-	-	1,500.00	(1,500.00)
Code Enforcement Department				
Personal Services	42,201.72	43,104.23	35,300.00	7,804.23
Contractual Services	2,327.94	8,185.26	7,200.00	985.26
Commodities	4,683.79	9,973.05	5,500.00	4,473.05
Capital Outlay	8,675.00	23,978.70	10,000.00	13,978.70
Municipal Court Department				
Personal Services	35,260.93	32,335.15	38,800.00	(6,464.85)
Contractual Services	14,914.92	17,435.01	32,400.00	(14,964.99)
Commodities	2,225.89	2,511.06	2,800.00	(288.94)
Cemetery Department				
Personal Services	102,002.05	115,907.94	116,050.00	(142.06)
Contractual Services	10,066.77	11,352.48	9,200.00	2,152.48
Commodities	8,113.48	9,436.59	5,750.00	3,686.59
Capital Outlay	-	15,415.25	16,000.00	(584.75)
Other Expenditures				
Contractual Services	-	-	15,000.00	(15,000.00)

CITY OF FREDONIA, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Airport				
Contractual Services	$ 8,208.32	$ 5,658.68	$ -	$ 5,658.68
Arts Council				
Contractual Services	2,000.00	2,000.00	-	2,000.00
Animal Pound				
Contractual Services	5,466.27	6,609.41	-	6,609.41
Cash Forward	-	-	518,253.00	(518,253.00)
Total Certified Budget			2,113,253.00	(502,529.44)
Adjustments for Qualifying Budget Credits			40,458.80	(40,458.80)
Total Expenditures	1,457,839.43	1,610,723.56	$ 2,153,711.80	$ (542,988.24)
Receipts Over(Under) Expenditures	105,146.29	(123,760.38)		
Unencumbered Cash, Beginning	556,443.04	661,589.33		
Unencumbered Cash, Ending	$ 661,589.33	$ 537,828.95		

CITY OF FREDONIA, KANSAS
INDUSTRIAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 26,065.78	$ 27,064.15	$ 28,724.00	$ (1,659.85)
Delinquent Tax	1,336.06	2,464.40	1,400.00	1,064.40
Motor Vehicle Tax	4,276.05	4,731.41	4,463.00	268.41
Recreational Vehicle Tax	62.92	40.59	95.00	(54.41)
Commercial Vehicle Tax	720.67	560.53	577.00	(16.47)
16/20M Truck Tax	70.79	59.19	154.00	(94.81)
Neighborhood Revitalization	(472.65)	(581.78)	(582.00)	0.22
Intergovernmental				
State Grant	-	49,125.00	-	49,125.00
Use of Money and Property				
Rental Receipts	3,550.00	4,000.00	-	4,000.00
Other Receipts				
Miscellaneous	-	5,400.00	4,414.00	986.00
Total Receipts	35,609.62	92,863.49	$ 39,245.00	$ 53,618.49
Expenditures				
General Government				
Contractual Services	36,972.29	57,959.72	$ 36,000.00	$ 21,959.72
Commodities	326.17	35,724.97	2,000.00	33,724.97
Cash Forward	-	-	36,176.00	(36,176.00)
Total Certified Budget			74,176.00	19,508.69
Adjustments for Qualifying Budget Credits			49,125.00	(49,125.00)
Total Expenditures	37,298.46	93,684.69	$ 123,301.00	$ (29,616.31)
Receipts Over(Under) Expenditures	(1,688.84)	(821.20)		
Unencumbered Cash, Beginning	34,706.46	33,017.62		
Unencumbered Cash, Ending	$ 33,017.62	$ 32,196.42		

CITY OF FREDONIA, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 83,889.54	$ 87,242.56	$ 92,613.00	$ (5,370.44)
Delinquent Tax	4,032.30	7,720.54	3,200.00	4,520.54
Motor Vehicle Tax	13,764.74	15,261.57	14,371.00	890.57
Recreational Vehicle Tax	202.53	130.85	305.00	(174.15)
16/20M Truck Tax	228.32	190.52	494.00	(303.48)
Commercial Vehicle Tax	2,319.97	1,808.06	1,858.00	(49.94)
Neighborhood Revitalization	(1,521.18)	(1,875.39)	(1,874.00)	(1.39)
Total Receipts	102,916.22	110,478.71	$ 110,967.00	$ (488.29)
Expenditures				
Culture and Recreation				
Library Appropriations	102,916.22	110,478.71	$ 111,700.00	$ (1,221.29)
Total Expenditures	102,916.22	110,478.71	$ 111,700.00	$ (1,221.29)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF FREDONIA, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	$ 2,767.39	$ 3,946.18	$ 3,404.00	$ 542.18
Intergovernmental				
Local Grants	-	50,000.00	-	50,000.00
Other Receipts				
Donations	-	-	16,596.00	(16,596.00)
Total Receipts	2,767.39	53,946.18	$ 20,000.00	$ 33,946.18
Expenditures				
Culture and Recreation				
Commodities	1,144.05	29,198.82	$ 20,000.00	$ 9,198.82
Total Certified Budget			20,000.00	9,198.82
Adjustments for Qualifying Budget Credits			50,000.00	(50,000.00)
Total Expenditures	1,144.05	29,198.82	$ 70,000.00	$ (40,801.18)
Receipts Over(Under) Expenditures	1,623.34	24,747.36		
Unencumbered Cash, Beginning	31,996.80	33,620.14		
Unencumbered Cash, Ending	$ 33,620.14	$ 58,367.50		

CITY OF FREDONIA, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	$ 58,031.16	$ 57,463.66	$ 61,860.00	$ (4,396.34)
Intergovernmental				
Federal Grant Proceeds	12,605.43	-	-	-
State Grant Proceeds	1,680.72	-	-	-
Other Receipts				
Miscellaneous	-	-	140.00	(140.00)
Total Receipts	72,317.31	57,463.66	$ 62,000.00	$ (4,536.34)
Expenditures				
General Government				
Commodities	-	66,313.38	$ -	$ 66,313.38
Capital Outlay	61,600.00	-	67,000.00	(67,000.00)
Total Expenditures	61,600.00	66,313.38	$ 67,000.00	$ (686.62)
Receipts Over(Under) Expenditures	10,717.31	(8,849.72)		
Unencumbered Cash, Beginning	60,778.33	71,495.64		
Unencumbered Cash, Ending	$ 71,495.64	$ 62,645.92		

CITY OF FREDONIA, KANSAS
TOURISM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Transient Guest Tax	$ 18,379.38	$ 16,720.22	$ 8,000.00	$ 8,720.22
Total Receipts	18,379.38	16,720.22	$ 8,000.00	$ 8,720.22
Expenditures				
General Government				
Contractual Services	1,336.82	6,108.07	$ 7,700.00	$ (1,591.93)
Commodities	-	-	300.00	(300.00)
Capital Outlay	904.00	911.00	-	911.00
Total Expenditures	2,240.82	7,019.07	$ 8,000.00	$ (980.93)
Receipts Over(Under) Expenditures	16,138.56	9,701.15		
Unencumbered Cash, Beginning	26,314.50	42,453.06		
Unencumbered Cash, Ending	$ 42,453.06	$ 52,154.21		

CITY OF FREDONIA, KANSAS
CAPITAL IMPROVEMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Sewer Utility Fund	$ -	$ 480,000.00
Total Receipts	-	480,000.00
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	480,000.00
Unencumbered Cash, Beginning	107,974.53	107,974.53
Unencumbered Cash, Ending	$ 107,974.53	$ 587,974.53

CITY OF FREDONIA, KANSAS
NEIGHBORHOOD REVITALIZATION FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	300.00	300.00
Unencumbered Cash, Ending	$ 300.00	$ 300.00

CITY OF FREDONIA, KANSAS
FIRE RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	10,099.87	10,099.87
Unencumbered Cash, Ending	$ 10,099.87	$ 10,099.87

CITY OF FREDONIA, KANSAS
1/2 CENT SALES TAX FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Reimbursed Expense	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	5,046.76	5,046.76
Unencumbered Cash, Ending	$ 5,046.76	$ 5,046.76

CITY OF FREDONIA, KANSAS
1/2 CENT INFRASTRUCTURE SALES TAX FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Sales Tax	$ 240,083.15	$ 255,012.58	$ 230,000.00	$ 25,012.58
Charges for Services				
Transfer Utility Fee	1,275.00	1,425.00	1,500.00	(75.00)
Use of Money and Property				
Revolving Loan Proceeds	96,273.90	-	-	-
Total Receipts	337,632.05	256,437.58	$ 231,500.00	$ 24,937.58
Expenditures				
Improvements				
Contractual Services	10,000.00	-	$ -	$ -
Capital Outlay	210,762.85	245,374.02	210,000.00	35,374.02
Operating Transfer to:				
Bond and Interest	-	-	24,500.00	(24,500.00)
Sewer Reserve Fund	5,000.00	-	-	-
Sewer Utility Fund	-	89,125.98	100,000.00	(10,874.02)
Total Expenditures	225,762.85	334,500.00	$ 334,500.00	$ -
Receipts Over(Under) Expenditures	111,869.20	(78,062.42)		
Unencumbered Cash, Beginning	485,147.13	597,016.33		
Unencumbered Cash, Ending	$ 597,016.33	$ 518,953.91		

CITY OF FREDONIA, KANSAS
1 CENT SWIMMING POOL SALES TAX FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Sales Tax	$ 480,166.39	$ 510,025.16	$ 471,000.00	$ 39,025.16
Total Receipts	480,166.39	510,025.16	$ 471,000.00	$ 39,025.16
Expenditures				
Improvements				
Contractual Services	1,110.44	540.17	$ -	$ 540.17
Commodities	29,959.93	25,923.13	32,880.00	(6,956.87)
Capital Outlay	7,565.10	32,159.38	59,800.00	(27,640.62)
Debt Service				
Principal	235,000.00	240,000.00	240,000.00	-
Interest	9,354.88	7,320.00	7,320.00	-
Postage and Commissions	-	1.25	-	1.25
Operating Transfers to				
General Fund	114,000.00	65,000.00	65,000.00	-
Total Expenditures	396,990.35	370,943.93	$ 405,000.00	$ (34,056.07)
Receipts Over(Under) Expenditures	83,176.04	139,081.23		
Unencumbered Cash, Beginning	286,824.80	370,000.84		
Unencumbered Cash, Ending	$ 370,000.84	$ 509,082.07		

CITY OF FREDONIA, KANSAS
CDBG-GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 426,615.70	$ 0.08
Total Receipts	426,615.70	0.08
Expenditures		
General Government		
Capital Outlay	233,399.83	6.00
Total Expenditures	233,399.83	6.00
Receipts Over(Under) Expenditures	193,215.87	(5.92)
Unencumbered Cash, Beginning	(181,195.62)	12,020.25
Unencumbered Cash, Ending	$ 12,020.25	$ 12,014.33

CITY OF FREDONIA, KANSAS
SEWER PROJECTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Revolving Loan Proceeds	$ 6,919,108.56	$ 599,276.40
Total Receipts	6,919,108.56	599,276.40
Expenditures		
General Government		
Capital Outlay	6,396,523.21	275,316.39
Total Expenditures	6,396,523.21	275,316.39
Receipts Over(Under) Expenditures	522,585.35	323,960.01
Unencumbered Cash, Beginning	(893,360.77)	(370,775.42)
Unencumbered Cash, Ending	$ (370,775.42)	$ (46,815.41)

CITY OF FREDONIA, KANSAS
WATER AND LIGHT METER REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 19,703.79	$ 69,411.29
Total Receipts	19,703.79	69,411.29
Expenditures		
Improvements		
Capital Outlay	210,500.05	60.00
Total Expenditures	210,500.05	60.00
Receipts Over(Under) Expenditures	(190,796.26)	69,351.29
Unencumbered Cash, Beginning	262,015.63	71,219.37
Unencumbered Cash, Ending	$ 71,219.37	$ 140,570.66

CITY OF FREDONIA, KANSAS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 78,155.80	$ 86,545.28	$ 91,871.00	$ (5,325.72)
Delinquent Tax	3,756.47	7,255.71	4,000.00	3,255.71
Motor Vehicle Tax	12,824.49	14,238.78	13,390.00	848.78
Recreational Vehicle Tax	188.68	122.17	284.00	(161.83)
16/20M Truck Tax	212.99	177.51	461.00	(283.49)
Commercial Vehicle Tax	2,161.45	1,686.90	1,731.00	(44.10)
Neighborhood Revitalization	(1,417.22)	(1,860.39)	(1,746.00)	(114.39)
Other Receipts				
Reimbursed Expense	2,258.75	-	-	-
Miscellaneous	-	-	490.00	(490.00)
Operating Transfers from:				
Electric Utility Fund	260,960.00	282,863.46	300,000.00	(17,136.54)
Water Utility Fund	40,000.00	-	-	-
1/2 cent Sales Tax Fund	-	-	24,500.00	(24,500.00)
Sewer Utility Fund	30,000.00	27.30	-	27.30
Total Receipts	429,101.41	391,056.72	$ 434,981.00	$ (43,924.28)
Expenditures				
Debt Service				
Principal	345,000.00	360,000.00	$ 360,000.00	$ -
Interest	70,407.50	60,627.50	60,700.00	(72.50)
Cash Forward	-	-	28,423.00	(28,423.00)
Postage and Commissions	-	1.25	10,300.00	(10,298.75)
Total Expenditures	415,407.50	420,628.75	$ 459,423.00	$ (38,794.25)
Receipts Over(Under) Expenditures	13,693.91	(29,572.03)		
Unencumbered Cash, Beginning	15,878.12	29,572.03		
Unencumbered Cash, Ending	$ 29,572.03	$ -		

CITY OF FREDONIA, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Charges	$ 975,587.09	$ 934,050.79	$ 934,022.00	$ 28.79
Connection Fee	10,779.27	17,010.41	18,558.00	(1,547.59)
Late Fees	45,026.59	43,487.05	39,812.00	3,675.05
Use of Money and Property				
Sale of Assets	5,400.00	-	-	-
Other Receipts				
Miscellaneous	-	2,701.87	10,694.00	(7,992.13)
Reimbursed Expense	23,693.05	4,263.31	-	4,263.31
Operating Transfer from				
Sewer Utility Fund	-	13,122.49	-	13,122.49
Total Receipts	1,060,486.00	1,014,635.92	$ 1,003,086.00	$ 11,549.92
Expenditures				
Production				
Personal Services	814.17	22,328.42	$ 219,122.00	$ (196,793.58)
Contractual Services	643,762.15	638,052.79	648,449.00	(10,396.21)
Commodities	3,452.43	1,989.90	187,404.00	(185,414.10)
Capital Outlay	-	18,306.00	71,105.00	(52,799.00)
Distribution				
Personal Services	94,514.93	87,520.12	-	87,520.12
Contractual Services	40,156.60	31,202.18	-	31,202.18
Commodities	90,168.91	155,532.69	-	155,532.69
Capital Outlay	36,460.34	74,903.00	-	74,903.00
Commercial				
Personal Services	161,379.03	116,784.41	-	116,784.41
Contractual Services	9,908.57	14,011.22	-	14,011.22
Commodities	2,310.12	3,166.79	-	3,166.79
Kansas User Tax	3,400.47	6,452.72	4,622.00	1,830.72
Operating Transfers to:				
General Fund	21,098.33	-	40,000.00	(40,000.00)
Bond and Interest Fund	40,000.00	-	40,000.00	(40,000.00)
Total Certified Budget			1,210,702.00	(40,451.76)
Adjustments for Qualifying Budget Credits			4,263.31	(4,263.31)
Total Expenditures	1,147,426.05	1,170,250.24	$ 1,214,965.31	$ (44,715.07)
Receipts Over(Under) Expenditures	(86,940.05)	(155,614.32)		
Unencumbered Cash, Beginning	242,554.37	155,614.32		
Unencumbered Cash, Ending	$ 155,614.32	$ -		

CITY OF FREDONIA, KANSAS
ELECTRIC UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Electric Charges	$ 2,994,897.47	$ 2,887,786.47	$ 2,898,068.00	$ (10,281.53)
Fuel Cost Adjustment	1,263,664.96	1,113,864.13	950,478.00	163,386.13
Connection Fees	9,639.31	9,084.36	9,689.00	(604.64)
Intergovernmental				
Sales Tax	1,495.04	1,542.82	-	1,542.82
Use of Money and Property				
Interest Income	1,097.76	1,473.51	-	1,473.51
Rental Fees	1,089.00	-	-	-
Other Receipts				
Miscellaneous	17,614.51	1,360.09	5,959.00	(4,598.91)
Reimbursed Expense	6,703.13	36,987.42	-	36,987.42
Total Receipts	4,296,201.18	4,052,098.80	$ 3,864,194.00	$ 187,904.80
Expenditures				
Production				
Personal Services	-	614.05	$ -	$ 614.05
Contractual Services	2,325,088.32	2,182,978.67	2,423,250.00	(240,271.33)
Commodities	70.00	2,009.66	-	2,009.66
Capital Outlay	-	3,461.70	-	3,461.70
Distribution				
Personal Services	220,364.22	221,327.32	441,560.00	(220,232.68)
Contractual Services	29,305.32	34,206.42	-	34,206.42
Commodities	89,786.41	87,790.75	182,779.00	(94,988.25)
Capital Outlay	633,867.87	283,535.03	70,000.00	213,535.03
Commercial				
Personal Services	154,978.40	227,395.08	-	227,395.08
Contractual Services	22,404.30	19,716.16	-	19,716.16
Commodities	2,195.77	8,969.25	-	8,969.25
Other Expenditures				
Miscellaneous	3,406.56	7,739.47	-	7,739.47
Cash Forward	-	-	1,016,100.00	(1,016,100.00)
Debt Service				
Principal	98,345.03	93,499.82	-	93,499.82
Interest	3,807.05	74,802.58	-	74,802.58
Operating Transfers to:				
General Fund	650,000.00	602,779.58	-	602,779.58
Bond and Interest Fund	260,960.00	282,863.46	-	282,863.46
Total Expenditures	4,494,579.25	4,133,689.00	$ 4,133,689.00	$ -
Receipts Over(Under) Expenditures	(198,378.07)	(81,590.20)		
Unencumbered Cash, Beginning	1,816,454.22	1,618,076.15		
Unencumbered Cash, Ending	$ 1,618,076.15	$ 1,536,485.95		

CITY OF FREDONIA, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Wastewater Charges	$ 506,215.10	$ 497,343.60	$ 540,000.00	$ (42,656.40)
Connection Fees	4,907.82	4,591.80	5,000.00	(408.20)
Other Receipts				
Reimbursed Expense	5,134.89	3,813.03	170,000.00	(166,186.97)
Operating Transfer from:				
1/2 Cent Infrastructure Sales Tax Fund	-	89,125.98	-	89,125.98
Electric Utility Fund	-	-	100,000.00	(100,000.00)
Total Receipts	516,257.81	594,874.41	$ 815,000.00	$ (220,125.59)
Expenditures				
Collection and Treatment				
Personal Services	87,834.16	90,365.08	$ 83,200.00	$ 7,165.08
Contractual Services	54,219.66	54,519.45	35,200.00	19,319.45
Commodities	32,015.26	44,352.72	17,500.00	26,852.72
Capital Outlay	5,250.00	-	-	-
Debt Service				
Principal	300.00	400.00	-	400.00
Interest	102,407.38	118,212.96	-	118,212.96
Other	-	-	665,100.00	(665,100.00)
Operating Transfers to:				
General Fund	20,000.00	-	-	-
Water Utility Fund	-	13,122.49	-	13,122.49
Bond and Interest Fund	30,000.00	27.30	-	27.30
Capital Improvement Reserve Fund	-	480,000.00	-	480,000.00
Sewer Utility Reserve Fund	12,500.00	-	-	-
Total Expenditures	344,526.46	801,000.00	$ 801,000.00	$ -
Receipts Over(Under) Expenditures	171,731.35	(206,125.59)		
Unencumbered Cash, Beginning	191,032.88	362,764.23		
Unencumbered Cash, Ending	$ 362,764.23	$ 156,638.64		

CITY OF FREDONIA, KANSAS
SOLID WASTE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Solid Waste Fees	$ 244,769.09	$ 241,764.36	$ 247,000.00	$ (5,235.64)
Recycling Fees	31,747.34	14,363.35	28,000.00	(13,636.65)
Other Receipts				
Miscellaneous	1,129.00	1,689.46	2,000.00	(310.54)
Reimbursed Expense	3,201.19	1,240.20	-	1,240.20
Total Receipts	280,846.62	259,057.37	$ 277,000.00	$ (17,942.63)
Expenditures				
Collections				
Personal Services	174,509.06	184,778.00	$ 180,600.00	$ 4,178.00
Contractual Services	41,916.08	43,377.17	42,600.00	777.17
Commodities	47,771.05	61,420.21	43,800.00	17,620.21
Capital Outlay	-	-	26,000.00	(26,000.00)
Total Expenditures	264,196.19	289,575.38	$ 293,000.00	$ (3,424.62)
Receipts Over(Under) Expenditures	16,650.43	(30,518.01)		
Unencumbered Cash, Beginning	75,213.84	91,864.27		
Unencumbered Cash, Ending	$ 91,864.27	$ 61,346.26		

CITY OF FREDONIA, KANSAS
WATER BOND RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	127,500.00	127,500.00
Unencumbered Cash, Ending	$ 127,500.00	$ 127,500.00

CITY OF FREDONIA, KANSAS
WATER MAINTENANCE RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	25,000.00	25,000.00
Unencumbered Cash, Ending	$ 25,000.00	$ 25,000.00

CITY OF FREDONIA, KANSAS
WATER CAPITAL RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 169,777.68	$ -
Total Receipts	169,777.68	-
Expenditures		
General Government		
Contractual Services	24,221.03	-
Total Expenditures	24,221.03	-
Receipts Over(Under) Expenditures	145,556.65	-
Unencumbered Cash, Beginning	169,777.68	315,334.33
Unencumbered Cash, Ending	$ 315,334.33	$ 315,334.33

CITY OF FREDONIA, KANSAS
WATER SECURITY DEPOSIT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	7,195.50	7,195.50
Unencumbered Cash, Ending	$ 7,195.50	$ 7,195.50

CITY OF FREDONIA, KANSAS
WATER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	50,000.00	50,000.00
Unencumbered Cash, Ending	$ 50,000.00	$ 50,000.00

CITY OF FREDONIA, KANSAS
ELECTRIC SECURITY DEPOSIT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	17,695.71	17,695.71
Unencumbered Cash, Ending	$ 17,695.71	$ 17,695.71

CITY OF FREDONIA, KANSAS
ELECTRIC CAPITAL RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Electric Utility Fund	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	414,018.38	414,018.38
Unencumbered Cash, Ending	$ 414,018.38	$ 414,018.38

CITY OF FREDONIA, KANSAS
SEWER RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	$ 39,190.06	$ -
State Grants	5,225.34	-
Operating Transfer from:		
Sewer Utility Fund	12,500.00	-
1/2 Cent Infrastructure Sales Tax Fund	5,000.00	-
Total Receipts	61,915.40	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	61,915.40	-
Unencumbered Cash, Beginning	201,144.63	263,060.03
Unencumbered Cash, Ending	$ 263,060.03	$ 263,060.03

CITY OF FREDONIA, KANSAS
AGENCY FUNDS
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Municipal Court Diversion	$ 4,967.20	$ 1,350.00	$ 4,610.86	$ 1,706.34
Health Insurance	9,504.90	19,700.00	16,725.25	12,479.65
Freedom Claims Account	77,199.74	72,439.06	60,841.72	88,797.08
Payroll Clearing	1,530.97	11,011.13	11,062.16	1,479.94
Sales Tax	75,278.55	686,697.22	716,262.43	45,713.34
Animal Shelter	11,867.76	10,679.37	12,249.27	10,297.86
Cultivate Fredonia	39,227.61	19,637.83	12,305.14	46,560.30
Municipal Court Bonds	17,007.14	6,535.00	7,865.00	15,677.14
Police Department Drug	1,778.68	1,150.00	-	2,928.68
National Night Out	2,250.04	343.00	2,073.45	519.59
Business Committee	2,343.58	3,420.00	2,658.45	3,105.13
Police K-9	-	14,426.00	12,759.64	1,666.36
Fire Insurance Proceeds	-	12,144.32	5,481.40	6,662.92
Fire Donations	10,565.87	-	300.00	10,265.87
Fredonia Fast Forward	23,407.14	10,492.55	24,326.50	9,573.19
	$ 276,929.18	$ 870,025.48	$ 889,521.27	$ 257,433.39

Jarred Gilmore Phillips

The Honorable Mayor and City Commissioners
City of Fredonia, Kansas

In planning and performing our audit of the financial statement of the City of Fredonia, Kansas as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Fredonia, Kansas' system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Fredonia, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Fredonia, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

In prior years, the auditor was considered the compensating control for preparation of the City's financial statement, including footnotes. However, professional standards do not allow the auditor to be a compensating internal control for the City. The new standard states the client must be able to accept responsibility and be able to identify a material misstatement when handed the financial statement, including footnotes. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Commissioners should continually be aware of the financial reporting of the City and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as receipt of cash, preparing the bank deposits, reconciling the bank account to the ledger book, and preparing cash payments. We would remind the City Commissioners that they are responsible for approval and the signing of checks, so they need to be diligent in his/her responsibilities. All disbursements approved should have original invoices attached and should be reviewed thoroughly before approval.

Bank Reconciliations

During our fieldwork, it was noted bank statements were not properly reconciled to the appropriate general ledger accounts. Not reconciling the bank accounts on a monthly basis means errors or other problems might not be recognized and resolved on a timely basis. This deficiency in the design and operation of the internal controls in this area could adversely affect the recording, processing, summarization, and reporting of financial data if actual cash bank balances are not reconciled to the cash balances in the general ledger at the end of each month and therefore, is considered to be a material weakness. We would like to point out the timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and cash disbursements.

This communication is intended solely for the information and use of management, the Mayor, City Commissioners, and others within City of Fredonia, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 8, 2024
Chanute, Kansas