CITY OF BUCKLIN, KANSAS
MUNICIPALITY

REGULATORY BASIS FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022

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MUNICIPALITY

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FOR THE YEAR ENDED DECEMBER 31, 2022

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LEWIS, HOOPER & DICK LLC
certified public accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council Members
City of Bucklin, Kansas

Report on the Audit of the Financial Statement

Opinions

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

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

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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City as of December 31, 2022, or changes in net position and cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *KMAAG*. 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 audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *KMAAG*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Kansas' regulatory basis of accounting and budget laws. 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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the *KMAAG* to demonstrate compliance with the State of Kansas' regulatory basis of accounting and budget laws; 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.

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 and the *KMAAG* 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 and the *KMAAG*, 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 regulatory basis fund summary statement of receipts, expenditures and unencumbered cash (the financial statement) as a whole. The regulatory basis summary of expenditures - actual and budget, and the regulatory basis individual fund schedules of receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented under the provisions of the *KMAAG*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 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 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 March 24, 2022, which contained an unmodified opinion on the financial statement. The 2021 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/municipal-audits. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2022, (Schedules 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the 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 financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 financial statement or to the 2021 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 financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the financial statement. The other information comprises the other information section (Graphs 1 through 3 as listed in the table of contents) but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lewis, Hooper & Dick, LLC

LEWIS, HOOPER & DICK, LLC

March 13, 2023

CITY OF BUCKLIN, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Unencumbered Cash 1/1/22	Receipts	Expenditures	Unencumbered Cash 12/31/22	Add Payables and Encumbrances	Treasurer's Cash 12/31/22
General	$ 364,141	$ 601,824	$ 610,769	$ 355,196	$ 10,535	$ 365,731
Special Purpose Funds:						
Special Highway	4,352	19,909	10,073	14,188	-	14,188
Library	3,904	75,686	71,355	8,235	-	8,235
Library Employee Benefit	535	4,717	3,863	1,389	-	1,389
Equipment Reserve	17,843	23,542	41,385	-	-	-
Capital Improvement Reserve	63,096	-	-	63,096	-	63,096
Police	26,675	28,010	3,967	50,718	-	50,718
Fire	21,785	19,636	17,567	23,854	-	23,854
Fire Equipment Reserve	14,766	7,250	-	22,016	-	22,016
ARPA	51,108	58,831	25,991	83,948	-	83,948
Total special purpose funds	204,064	237,581	174,201	267,444	-	267,444
Bond and Interest	6,194	120,122	110,041	16,275	-	16,275
Capital Project	-	105,526	60,290	45,236	37,164	82,400
Business Funds:						
Water Utility:						
General	16,494	197,892	187,842	26,544	1,585	28,129
Customer Deposits	2,600	1,750	2,800	1,550	-	1,550
Water Depreciation Reserve	90,010	229	12,500	77,739	-	77,739
Sewer Utility:						
General	25,929	86,405	70,887	41,447	96	41,543
Sewer Depreciation Reserve	138,865	15,119	-	153,984	-	153,984
Total business funds	273,898	301,395	274,029	301,264	1,681	302,945
Total Reporting Entity (memorandum only)	$ 848,297	$ 1,366,448	$ 1,229,330	$ 985,415	$ 49,380	$ 1,034,795

Composition of cash:	
The Farmers State Bank	$ 150,317
GNBank	453,236
Deposits in transit	1,546
Outstanding checks	(6,701)
Total cash in bank	598,398
Certificates of deposits	436,247
Petty cash	150
Total cash	$ 1,034,795

The accompanying Notes to the Financial Statement are an integral part of this statement.

CITY OF BUCKLIN, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2022

1. Summary of significant accounting policies

The City of Bucklin, Kansas (the City), was incorporated under the provisions of the State of Kansas. The City operates under a mayor-council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities.

A. Financial reporting entity

The City is governed by an elected five-member council and a mayor. This financial statement presents the City of Bucklin (the municipality) only. The organizations, functions or activities discussed below are related municipal entities of the City's reporting entity because of the significance of their operational or financial relationships with the City; however, they are not included in the City's financial statement.

The Bucklin Public Library has its own Board of Directors, who operates independently from the City even though appointed by the City Council. The Library is a separate, legal municipality that prepares its own budget. The taxes budgeted by the Library are appropriated by the City and are required to be distributed to the Library. The Board of Directors is responsible for the management and fiscal accountability of the Library. The financial statements of the Bucklin Public Library are available through the Library.

The Bucklin Housing Authority has its own Board of Directors, who operates independently from the City even though appointed by the City Council. The Board of Directors is responsible for the management and fiscal accountability of the Housing Authority. The financial statements of the Bucklin Housing Authority are available through the Housing Authority's Board of Directors.

In addition to the above related municipal entities, the City is a participating member in a jointly governed organization that operates the Bucklin Cemetery District. The District is an independent taxing entity with a Board consisting of members from each participating municipality. No one municipality has control of the District's Board.

B. Regulatory basis of accounting and departure from accounting principles generally accepted in the United States of America

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

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

1. Summary of significant accounting policies (continued)

C. 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 fund types are used by the City:

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

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

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

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

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

Trust funds – used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e., pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc...).

Agency funds – used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e., payroll clearing fund, etc...).

D. Cash and investments

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City (except for investments in the Kansas Municipal Investment Pool). Cash includes amounts in demand deposits, time deposits and certificates of deposit. Investments of the pooled accounts consist primarily of investments with the Kansas Municipal Investment Pool and U.S. government securities carried at cost, which approximates market. Interest income earned, unless specifically designated, is allocated to the general fund.

E. Property taxes and special assessments

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the counties. The County Appraiser annually determines assessed valuations based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities within the County.

1. Summary of significant accounting policies (continued)

E. Property taxes and special assessments (continued)
Taxes are assessed on a calendar year basis, are levied 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 the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. One-half of the property taxes are due December 20th and distributed to the City by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the City by June 5th. The City Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

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 received prior to or after the issuance of general obligation bonds are recorded as receipts in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Bond and Interest Fund to finance delinquent special assessments receivable.

F. Interfund transactions and reimbursements
Quasi-external transactions (i.e., transactions that would be treated as receipts or expenditures if they involved organizations external to the governmental unit, such as internal service fund billings to departments) are accounted for as receipts or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

G. Memorandum totals
Totals on the financial statement are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. No consolidated financial information is presented nor are all required disclosures presented for these amounts.

2. Stewardship, compliance and accountability

A. 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.

2. Stewardship, compliance and accountability (continued)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 budget amendments for the year ended December 31, 2022.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

ARPA

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

B. Compliance with finance - related legal and contractual provisions
References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Kansas Department of Administration's Chief Financial Officer and interpretation by the County Attorney and the legal representative of the City.

There are no known material violations of finance-related legal and contractual provisions including Kansas statutes, regulations, contracts, debt covenants, or other agreements for the year ended December 31, 2022.

3. Detailed notes on all funds

A. Deposits and investments

A reconciliation of cash and investments as shown in the composition of cash on the summary statement of receipts, expenditures and unencumbered cash on Statement 1 is as follows:

Cash on hand	$ 150
Carrying amount of deposits	1,034,645
Total cash	$ 1,034,795

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka except during designated "peak periods" when required coverage is 50%. The City does not use designated "peak periods". All deposits were legally secured at December 31, 2022.

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3. Detailed notes on all funds (continued)

A. Deposits and investments (continued)

Custodial credit risk – deposits (continued)
At December 31, 2022, the City's carrying amount of deposits was $1,034,645 and the bank balance was $1,039,800. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $608,955 was covered by federal depository insurance and $430,845 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City's cash deposits by financial institution and category of coverage at year end are as follows:

	GNBank	The Farmers State Bank
FDIC coverage	$ 358,955	$ 250,000
Pledged securities at market value	364,502	289,999
Total coverage	$ 723,457	$ 539,999
Funds on deposit	$ 534,682	$ 505,118
Funds at risk	$ -	$ -

Custodial credit risk - investments
Custodial credit risk for an investment is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments of this type at December 31, 2022.

B. Capital projects in process
Capital project authorizations with approved change orders compared to expenditures from inception to December 31, 2022, are as follows:

	Project Authorization	Expenditures to Date	Committed
Main Street project	$ 82,400	$ 51,480	$ 30,920
Pool pump house upgrade	9,317	4,567	4,750

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3. Detailed notes on all funds (continued)

C. Long-term debt

Changes in long-term debt for the City for the year ended December 31, 2022, were as follows:

	Date of Issue	Maximum Rate	Date of Final Maturity	Amount of Issue	Balance 1/1/22	Additions	Reductions/ Payments	Balance 12/31/22	Interest Paid
General obligation bonds payable:									
Series A, 2018	05/09/18	4.000%	10/04/43	$ 1,630,000	$ 1,485,000	$ -	$ 50,000	$ 1,435,000	$ 51,428
Series B, 2018	05/09/18	4.250%	10/01/37	105,000	85,000	-	5,000	80,000	3,613
Total general obligation bonds payable				1,735,000	1,570,000	-	55,000	1,515,000	
Finance leases payable:									
John Deere Loader Backhoe	12/26/17	3.50%	03/15/24	91,181	40,385	-	12,994	27,391	1,436
Street Sweeper	05/28/19	4.00%	09/11/24	120,000	45,649	-	25,129	20,520	1,826
Total finance leases payable				211,181	86,034	-	38,123	47,911	
Total long-term debt				$ 1,946,181	$ 1,656,034	$ -	$ 93,123	$ 1,562,911	$ 58,303

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

	Year									
	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043	Total
Principal:										
General obligation bonds payable	$ 55,000	$ 55,000	$ 55,000	$ 60,000	$ 60,000	$ 260,000	$ 450,000	$ 335,000	$ 185,000	$ 1,515,000
Finance leases payable	33,975	13,936	-	-	-	-	-	-	-	47,911
Total principal	88,975	68,936	55,000	60,000	60,000	260,000	450,000	335,000	185,000	1,562,911
Interest:										
General obligation bonds payable	53,203	51,366	49,528	47,733	45,953	200,079	139,162	61,853	1,900	650,777
Finance leases payable	1,795	496	-	-	-	-	-	-	-	2,291
Total interest	54,998	51,862	49,528	47,733	45,953	200,079	139,162	61,853	1,900	653,068
Total principal and interest	$ 143,973	$ 120,798	$ 104,528	$ 107,733	$ 105,953	$ 460,079	$ 589,162	$ 396,853	$ 186,900	$ 2,215,979

Legal debt margin

The debt limit per K.S.A. 10-308 is thirty percent of the assessed tangible valuation of the City given by the County Assessor to the County Clerk on the preceding August 25th each year. The amount of debt outstanding does not exceed the statutory limit.

D. Interfund transfers

Interfund operating transfers are as follows:

From	To	Statutory Authority	
General	Equipment Reserve	12-1117	$ 23,542
General	Capital Project	12-1117	105,526
Fire	Fire Equipment Reserve	12-1117	7,250
Water Utility	Bond and Interest	12-825d	97,500
Water Depreciation Reserve	Bond and Interest	12-825d	12,500
Sewer Utility	Sewer Depreciation Reserve	12-825d	15,000
Total			$ 261,318

4. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

B. Post-employment health care benefits

Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Death and Disability Other Post Employment Benefits

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

C. Compensated absences

The City's policy is to recognize the costs of compensated absences when actually paid.

The City's policy regarding sick leave pay permits employees to accumulate leave days at a maximum rate of 12 days per year, with accumulation up to 30 days. Accumulated sick leave pay is paid at termination of employment.

The City's policy regarding vacation leave pay permits full-time employees to accumulate vacation days at the maximum rate of 15 days per year. On January of each year, vacation days will restart. Accumulated vacation leave pay is paid at termination of employment.

D. Defined benefit pension plan

Plan description: The City participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive 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.

4. Other information (continued)

D. Defined benefit pension plan (continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were $15,221 for the year ended December 31, 2022.

Net pension liability: At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was $148,308. 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 or can be obtained as described above.

E. Commitments and contingencies

Contingencies

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

F. Subsequent events

Subsequent to December 31, 2022, the City entered into agreements for improvements totaling $45,272.

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

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

Funds	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over (Under)
General	$ 612,181	$ 610,769	$ (1,412)
Special Purpose Funds:			
Special Highway	61,730	10,073	(51,657)
Library	71,355	71,355	-
Library Employee Benefits	3,863	3,863	-
Equipment Reserve	41,385	41,385	-
Capital Improvement Reserve	63,096	-	(63,096)
Police	30,715	3,967	(26,748)
Fire	22,975	17,567	(5,408)
Fire Equipment Reserve	22,016	-	(22,016)
Bond and Interest	121,866	110,041	(11,825)
Business Funds:			
Water Utility:			
General	188,275	187,842	(433)
Customer Deposits	13,456	2,800	(10,656)
Water Depreciation Reserve	116,670	12,500	(104,170)
Sewer Utility:			
General	83,165	70,887	(12,278)
Sewer Depreciation Reserve	153,307	-	(153,307)

CITY OF BUCKLIN, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
Administration:				
Taxes	$ 419,025	$ 443,750	$ 337,499	$ 106,251
Franchises	52,418	58,651	26,500	32,151
Licenses and permits	747	2,753	600	2,153
Interest on investments	3,473	2,304	3,000	(696)
Miscellaneous	59,221	8,630	3,500	5,130
Total administration	534,884	516,088	371,099	144,989
Parks and pool	3,226	3,169	220	2,949
Refuse fees	82,193	82,496	85,000	(2,504)
Police and police court	357	71	-	71
Total receipts	620,660	601,824	$ 456,319	$ 145,505
Expenditures:				
General administration:				
Salaries	102,463	92,688	$ 182,100	$ (89,412)
Contractual	117,929	134,065	95,000	39,065
Commodities	38,920	14,478	50,000	(35,522)
Capital outlay	32,896	-	2,500	(2,500)
Total general administration	292,208	241,231	329,600	(88,369)
Streets:				
Salaries	45,306	34,612	24,693	9,919
Contractual	2,325	1,800	1,500	300
Commodities	13,007	8,155	32,362	(24,207)
Capital outlay	-	-	5,000	(5,000)
Total streets	60,638	44,567	63,555	(18,988)
Parks:				
Salaries	61,980	67,869	30,845	37,024
Contractual	5,958	6,202	4,000	2,202
Commodities	13,301	14,969	10,000	4,969
Capital outlay	-	-	5,000	(5,000)
Total parks	81,239	89,040	49,845	39,195

(continued)

CITY OF BUCKLIN, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
(continued)				
Expenditures (continued):				
Street lighting:				
Contractual	$ 22,981	$ 23,182	$ 30,200	$ (7,018)
Refuse utility:				
Contractual	90,371	83,681	85,000	(1,319)
Capital outlay:				
Capital outlay	-	-	30,442	(30,442)
Operating transfers out:				
Equipment Reserve	15,000	23,542	23,539	3
Capital Project	-	105,526	-	105,526
Total operating transfers out	15,000	129,068	23,539	105,529
Total expenditures	562,437	610,769	$ 612,181	$ (1,412)
Receipts over (under) expenditures	58,223	(8,945)		
Unencumbered cash, beginning of year	305,918	364,141		
Unencumbered cash, end of year	$ 364,141	$ 355,196		

CITY OF BUCKLIN, 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
State of Kansas - gas tax	$ 22,137	$ 19,909	$ 19,830	$ 79
Expenditures:				
Commodities	39,755	10,073	$ 61,730	$ (51,657)
Receipts over (under) expenditures	(17,618)	9,836		
Unencumbered cash, beginning of year	21,970	4,352		
Unencumbered cash, end of year	$ 4,352	$ 14,188		

CITY OF BUCKLIN, KANSAS
Library 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Taxes	$ 75,431	$ 75,686	$ 72,122	$ 3,564
Expenditures:				
Distribution to treasurer	71,527	71,355	$ 66,796	$ 4,559
Miscellaneous	-	-	4,559	(4,559)
Total expenditures	71,527	71,355	$ 71,355	$ -
Receipts over expenditures	3,904	4,331		
Unencumbered cash, beginning of year	-	3,904		
Unencumbered cash, end of year	$ 3,904	$ 8,235		

CITY OF BUCKLIN, KANSAS
Library 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Taxes	$ 8,959	$ 4,717	$ 4,026	$ 691
Expenditures:				
Distribution to treasurer	8,692	3,863	$ 3,863	$ -
Receipts over expenditures	267	854		
Unencumbered cash, beginning of year	268	535		
Unencumbered cash, end of year	$ 535	$ 1,389		

CITY OF BUCKLIN, KANSAS
Equipment Reserve 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from General	$ 15,000	$ 23,542	$ 23,539	$ 3
Transfer from Sewer Utility	40,000	-	-	-
Total cash receipts	55,000	23,542	$ 23,539	$ 3
Expenditures:				
Equipment	41,388	41,385	$ 41,385	$ -
Receipts over (under) expenditures	13,612	(17,843)		
Unencumbered cash, beginning of year	4,231	17,843		
Unencumbered cash, end of year	$ 17,843	$ -		

CITY OF BUCKLIN, KANSAS
Capital Improvement Reserve 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from General	$ -	$ -	$ -	$ -
Expenditures:				
Capital outlay	-	-	$ 63,096	$ (63,096)
Receipts over expenditures	-	-		
Unencumbered cash, beginning of year	63,096	63,096		
Unencumbered cash, end of year	$ 63,096	$ 63,096		

CITY OF BUCKLIN, KANSAS
Police 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
Taxes	$ 29,385	$ 27,700	$ 26,142	$ 1,558
Police and police court	1,337	310	2,000	(1,690)
Total receipts	30,722	28,010	$ 28,142	$ (132)
Expenditures:				
Salaries	1,811	-	$ 11,135	$ (11,135)
Contractual	4,334	3,836	15,000	(11,164)
Commodities	192	131	4,580	(4,449)
Capital outlay	2,752	-	-	-
Total expenditures	9,089	3,967	$ 30,715	$ (26,748)
Receipts over expenditures	21,633	24,043		
Unencumbered cash, beginning of year	5,042	26,675		
Unencumbered cash, end of year	$ 26,675	$ 50,718		

CITY OF BUCKLIN, KANSAS
Fire 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Taxes	$ 21,772	$ 18,568	$ 17,200	$ 1,368
Miscellaneous	2,623	1,068	-	1,068
Total receipts	24,395	19,636	$ 17,200	$ 2,436
Expenditures:				
Salaries	2,153	2,530	$ -	$ 2,530
Commodities	1,553	1,609	4,000	(2,391)
Capital outlay	1,541	6,178	11,725	(5,547)
Transfer to Fire Equipment Reserve	7,250	7,250	7,250	-
Total expenditures	12,497	17,567	$ 22,975	$ (5,408)
Receipts over expenditures	11,898	2,069		
Unencumbered cash, beginning of year	9,887	21,785		
Unencumbered cash, end of year	$ 21,785	$ 23,854		

CITY OF BUCKLIN, KANSAS
Fire Equipment Reserve 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from Fire	$ 7,250	$ 7,250	$ 7,250	$ -
Expenditures:				
Equipment	-	-	$ 22,016	$ (22,016)
Receipts over expenditures	7,250	7,250		
Unencumbered cash, beginning of year	7,516	14,766		
Unencumbered cash, end of year	$ 14,766	$ 22,016		

CITY OF BUCKLIN, KANSAS
ARPA Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
With Comparative Actual Totals for the Prior Year Ended December 31, 2021

	Prior Year Actual	Current Year Actual
Receipts:		
Intergovernmental revenue	$ 58,831	$ 58,831
Expenditures:		
Commodities	7,723	25,991
Receipts over expenditures	51,108	32,840
Unencumbered cash, beginning of year	-	51,108
Unencumbered cash, end of year	$ 51,108	$ 83,948

CITY OF BUCKLIN, KANSAS
Bond and Interest 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Special assessment	$ 8,072	$ 10,122	$ 6,922	$ 3,200
Transfer from Water Utility	82,500	97,500	110,000	(12,500)
Transfer from Water Depreciation Reserve	27,500	12,500	-	12,500
Total receipts	118,072	120,122	$ 116,922	$ 3,200
Expenditures:				
Principal	55,000	55,000	$ 55,000	$ -
Interest	56,878	55,041	55,041	-
Fiscal fees	-	-	100	(100)
Cash basis reserve	-	-	11,725	(11,725)
Total expenditures	111,878	110,041	$ 121,866	$ (11,825)
Receipts over expenditures	6,194	10,081		
Unencumbered cash, beginning of year	-	6,194		
Unencumbered cash, end of year	$ 6,194	$ 16,275		

CITY OF BUCKLIN, KANSAS
Capital Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
With Comparative Actual Totals for the Prior Year Ended December 31, 2021

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from General	$ -	$ 105,526
Total receipts	-	105,526
Expenditures:		
Capital outlay	-	60,290
Receipts over expenditures	-	45,236
Unencumbered cash, beginning of year	-	-
Unencumbered cash, end of year	$ -	$ 45,236

CITY OF BUCKLIN, KANSAS
Water Utility 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Charges for services	$ 175,310	$ 197,892	$ 185,000	$ 12,892
Expenditures:				
Production and transmission	80,372	90,342	$ 78,275	$ 12,067
Transfer to Bond and Interest	82,500	97,500	110,000	(12,500)
Total expenditures	162,872	187,842	$ 188,275	$ (433)
Receipts over expenditures	12,438	10,050		
Unencumbered cash, beginning of year	4,056	16,494		
Unencumbered cash, end of year	$ 16,494	$ 26,544		

CITY OF BUCKLIN, KANSAS
Customer Deposits 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Customer deposits	$ 1,700	$ 1,750	$ 1,500	$ 250
Expenditures:				
Customer deposit refunds	9,619	2,800	$ 13,456	$ (10,656)
Receipts under expenditures	(7,919)	(1,050)		
Unencumbered cash, beginning of year	10,519	2,600		
Unencumbered cash, end of year	$ 2,600	$ 1,550		

CITY OF BUCKLIN, KANSAS
Water Depreciation Reserve 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Interest on investments	$ 840	$ 229	$ -	$ 229
Expenditures:				
Capital outlay	-	-	$ 116,670	$ (116,670)
Transfer to Bond and Interest	27,500	12,500	-	12,500
Total expenditures	27,500	12,500	$ 116,670	$ (104,170)
Receipts under expenditures	(26,660)	(12,271)		
Unencumbered cash, beginning of year	116,670	90,010		
Unencumbered cash, end of year	$ 90,010	$ 77,739		

CITY OF BUCKLIN, KANSAS
Sewer Utility 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

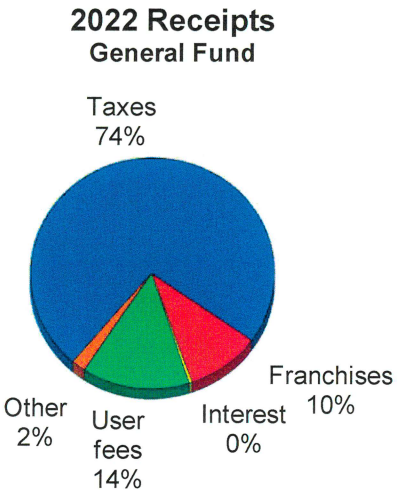
		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Charges for services	$ 86,133	$ 86,405	$ 83,000	$ 3,405
Expenditures:				
Operations	39,162	55,887	$ 68,165	$ (12,278)
Transfer to Equipment Reserve	40,000	-	-	-
Transfer to Sewer Depreciation Reserve	15,000	15,000	15,000	-
Total expenditures	94,162	70,887	$ 83,165	$ (12,278)
Receipts over (under) expenditures	(8,029)	15,518		
Unencumbered cash, beginning of year	33,958	25,929		
Unencumbered cash, end of year	$ 25,929	$ 41,447		

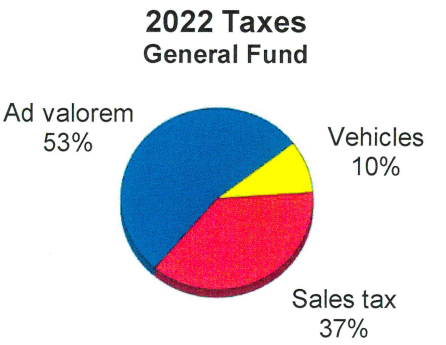
CITY OF BUCKLIN, KANSAS
Sewer Depreciation Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
With Comparative Actual Totals for the Prior Year Ended December 31, 2021

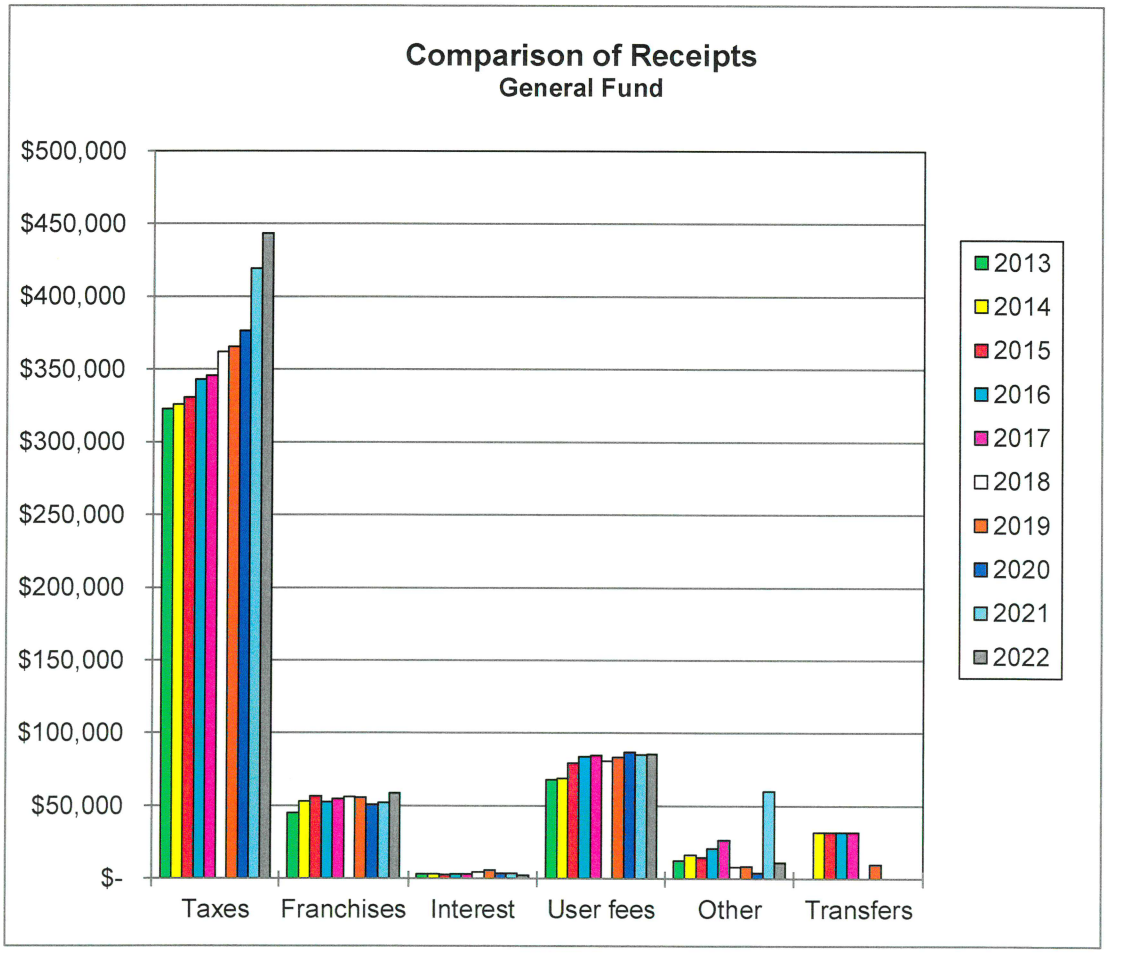
		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Interest on investments	$ 558	$ 119	$ -	$ 119
Transfer from Sewer Utility	15,000	15,000	15,000	-
Total receipts	15,558	15,119	$ 15,000	$ 119
Expenditures:				
Capital outlay	-	-	$ 153,307	$ (153,307)
Receipts over expenditures	15,558	15,119		
Unencumbered cash, beginning of year	123,307	138,865		
Unencumbered cash, end of year	$ 138,865	$ 153,984		

OTHER INFORMATION

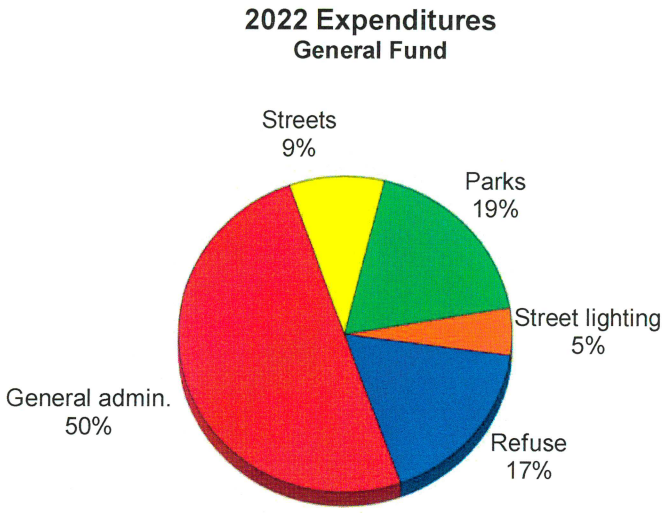
CITY OF BUCKLIN, KANSAS
Receipts - General Fund
Regulatory Basis
For the Year Ended December 31

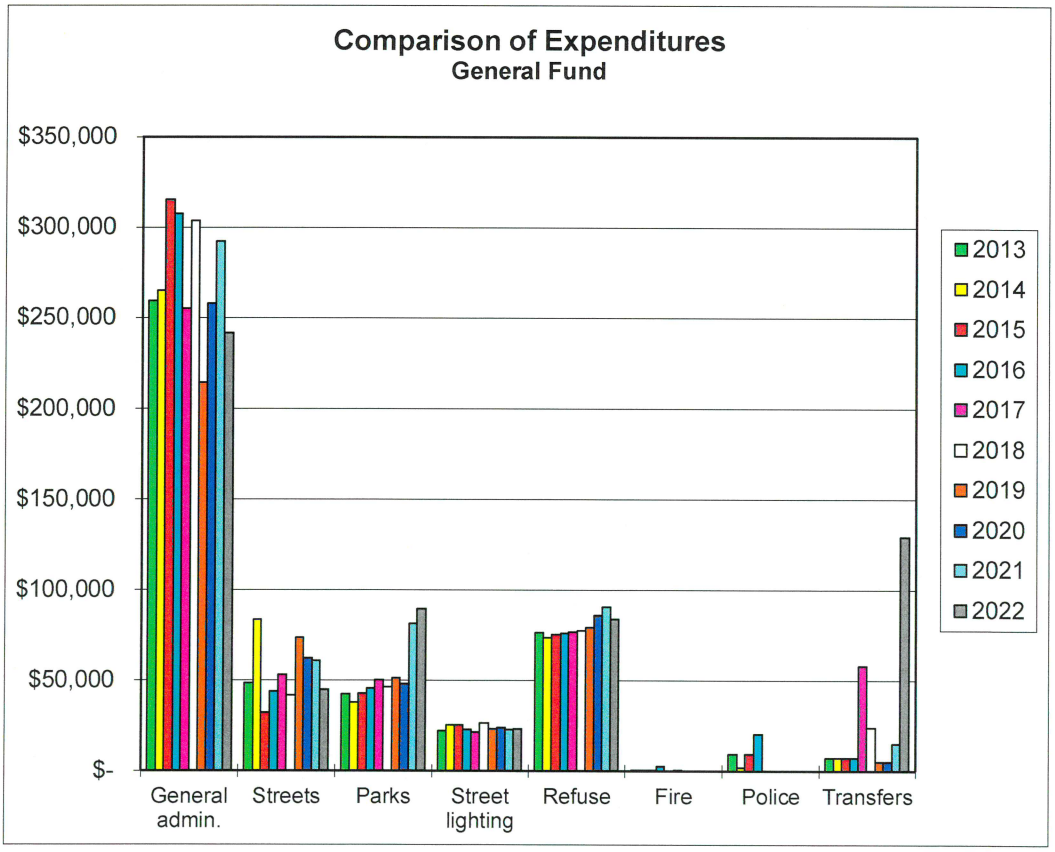






CITY OF BUCKLIN, KANSAS
Expenditures - General Fund
Regulatory Basis
For the Year Ended December 31





CITY OF BUCKLIN, KANSAS
Comparison of Receipts and Expenditures - General Fund
Regulatory Basis
For the Year Ended December 31

