The City of Strong City
Chase County, Kansas

Independent Auditors' Report and
Regulatory Basis Financial Statement
Year Ended December 31, 2023

Cindy Jensen, CPA
218 W. Main St.
Council Grove, Ks. 66846
(620) 767-5064

The City of Strong City
Chase County, Kansas

Regulatory Basis Financial Statement
Year Ended December 31, 2023

Table of Contents

	Page No.
Independent Auditors' Report	1-2
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statement	4-10
Regulatory – Required Supplementary Information:	
Schedule 1 – Summary of Expenditures – Actual and Budget	11
Schedule 2 – Schedule of Receipts and Expenditures	
General Fund	12
Special Purpose Funds	
Special Highway Fund	13
Tourism Fund	14
Special Parks & Recreation	15
Equipment Reserve	16
Short Lived Assets-Water	17
Short Lived Assets-Sewer	18
Depot Donations	19
ARPA Fund	20
Debt Reserve	21
FEMA/KDEM	22
Capital Project Funds	
Sewer Project	23
Business Fund	
Sewer Fund	24
Water Fund	25
Schedule 3 - Schedule of Receipts & Disbursements-Agency Funds	26

Cindy Jensen
Certified Public Accountant

218 W Main **620-767-5064**
Council Grove, KS 66846 **c.jensen@tctelco.net**

Independent Auditors' Report

To the City Council
Strong City, Kansas

Adverse and Unmodified Opinions
I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Strong City, Kansas, a municipality, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles
In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion and Unmodified Opinions section of my report, the 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 Strong City, Kansas, as of December 31, 2023, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Strong City, 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 Opinion and Unmodified Opinions
I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. I am required to be independent of the City of Strong City, Kansas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my 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 Strong City, 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 to meet the financial reporting requirements of the State of Kansas; 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 of Strong 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 Responsibility for the Audit of the Financial Statement
My 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 my 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 *Government Auditing Standards* 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 *Government Auditing Standards*, 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 of Strong 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 of Strong City's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Regulatory – Required Supplementary Information and Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the 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 schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement but 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. This 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 my 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.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Strong City, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued my report dated November 1, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and my report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits. 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 analysis and are 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 has been 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 my 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.

Cindy Jensen CPA

Cindy Jensen, CPA
September 27, 2024

City of Strong City
Chase County, Kansas

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

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	$ 11,898	$ 0	$ 470,827	$ 448,113	$ 34,612	$ 9,522	$ 44,134
Special Purpose Funds							
Special Highway	4,295	0	10,555	8,013	6,837	0	6,837
Tourism	7,091	0	0	500	6,591	0	6,591
Special Parks & Recreation	(63,209)	0	167,975	101,431	3,335	54	3,389
Equipment Reserve	7,285	0	5,600	2,212	10,673	0	10,673
Short Lived Assets-Water	19,865	0	12,756	20,139	12,482	266	12,748
Short Lived Assets-Sewer	3,467	0	2,667	4,740	1,394	0	1,394
Depot Donations	283	0	5	0	288	0	288
ARPA	69,437	0	0	13,200	56,237	1,650	57,887
Debt Reserve	71,830	0	78,360	78,356	71,834	0	71,834
FEMA	183,991	0	0	183,991	0	0	0
Capital Project Fund							
Sewer Project	11,220	0	1	0	11,221	0	11,221
Business Fund							
Sewer Fund	22,639	0	130,777	113,903	39,513	726	40,239
Utility-Water & Trash	86,183	0	320,230	325,228	81,185	18,215	99,400
Total Reporting Entity	$ 436,275	$ 0	$ 1,199,753	$ 1,299,826	$ 336,202	$ 30,433	$ 366,635

Composition of Cash Balance:	
Checking	$ 292,227
Certificates of Deposit	80,834
Petty Cash	250
Total Cash Balance	373,311
Less: Agency Funds	(6,676)
Total Reporting Entity	$ 366,635

The accompanying notes are an integral part of this statement

The City of Strong City
Chase County, Kansas

Notes to the Financial Statement
December 31, 2023

Note 1 – Summary of Significant Accounting Policies

The City has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the City's accounting policies are described below.

Financial Reporting Entity

The City of Strong City is a governmental entity governed by an elected five-member council and mayor. The City's major operations include public safety, streets and highways, parks and recreation, and general administrative services. The City also operates two major business activities: a sewer system and a water system. The City also contracts for solid waste collection. The City's financial statement does not include any related municipal entities.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

General Fund – The chief operating fund of the City. It is used to account for all financial 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 projects and tax levies for long-term debt) that are intended for specified purposes.

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

Business Funds – these are financed in whole or in part by fees charged to users of the goods or services. Business funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of receipts, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Agency Funds – funds used to report assets held by the City in a purely custodial capacity.

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

Note 1 – Summary of Significant Accounting Policies (Cont.)

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 & 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue rate hearing this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The City amended its' Special Parks fund increasing its' budget authority from $183,511 to $286,000.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 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 and certain other special purpose funds as noted in the presentation of the appropriate Schedule 2. 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 by the governing body.

Note 2 – Stewardship, Compliance, and Accountability

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, and interpretation by the County Attorney and legal representatives of the Municipality.

K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of monies in that fund. The Special Parks fund contained a negative balance at the beginning of the year due to a prior year encumbrance for the Splash Pad.

Note 2 – Stewardship, Compliance, and Accountability (Cont)

Compliance with Finance-Related Legal and Contractual Obligations (Cont)

K.S.A. 79-2935 requires that the City expenditures do not exceed their adopted budget. The Special Parks & Recreation fund exceeded its' budget.

K.S.A. 10-130 requires that the City remit payments to the state fiscal agent at least 20 days prior to the day of maturity of bonds or interest due. The City remitted payments within the 20 day period prior to the maturity date.

Management is not aware of any other regulatory violations for the period covered by this audit.

Note 3 – Cash and Deposits

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 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.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the City's deposits may not be entirely 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 of Topeka, except during designated "peak periods" when required coverage is 50%.

The City maintains a cash pool that is available for use by all funds. At year-end, the carrying amount of the City's deposits, excluding petty cash, was $373,061. The bank balance was $384,444. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance $342,056 was covered by federal depository insurance and $42,388 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City held no investments on December 31, 2023.

Note 4 – Property Taxes

The City certifies its' budget to the County Clerk annually. Using this certified budget and those of other political subdivisions within the county, the County Clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20th of the same year, and the second installment is due May 10th of the subsequent year. The County Treasurer collects and distributes the property taxes. In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations.

Note 5 – Defined Benefit Pension Plan

Plan Description

The City of Strong City, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas St. 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 contributions 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, 2, and 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 rate for KPERS 1, KPERS 2, and KPERS 3 to 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 $20,866 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $201,189. 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 these financial statements.

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

Note 6 – 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; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

The City participates in Federal and State programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed

Note 6 – Risk Management (Cont)

due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. Any disallowed claim resulting from such audit could become a liability of the City. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the City at December 31, 2023

Note 7 – Other Post-Employment Benefits

Compensated Absences

Vacation for full time employees is based on years of employment. Amounts earned range from 6.67 hours per month for an employee with up to 2 years of service, to 15 hours per month for an employee with 6 or more years of service. Part time employees working at least 20 hours per week earn vacation at the rate of 1.67 hours per month. Seasonal and temporary employees do not earn vacation. The maximum hours of accumulation is 160. Upon separation of service, an employee is compensated for all earned but unused hours. Amounts paid for compensated absences are charged to the same respective fund as wages. No provision has been made in this financial statement for accumulated leave.

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.

Note 8 – Long-Term Debt

General Obligation Bonds

The City issued General Obligation bonds Series 2015A in the amount of $591,770 to pay off the temporary water project notes. USDA-Rural Development purchased the bonds at the intermediate rate of 2.75%. USDA-RD approved an additional loan of $59,000 to cover project expenditures. The City issued General Obligation bonds Series 2015B in the amount of $59,000 also with an interest rate of 2.75%.

In 2021, the City issued General Obligation bonds Series 2021A in the amount of $2,240,000 to pay off the temporary sewer project financing. USDA-Rural Development purchased the bonds at a rate of 1.75%.

Capital Leases

The City entered into a lease agreement with Cottonwood Valley Bank for the purchase of a 2015 Chevrolet C2500 on October 19, 2020 for $32,121. Four annual payments of $8,850 were scheduled beginning October 19, 2021. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease are made from the Equipment, sewer and water funds.

Note 8 – Long-Term Debt (Cont)

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

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
General Obligation Bonds									
Series 2015A	2.75%	4/28/2015	591,770	5/1/2055	$ 528,625	$ 0	$ 10,040	$ 518,585	$ 14,537
Series 2015B	2.75%	4/28/2015	59,000	5/1/2055	52,704	0	1,001	51,703	1,449
Series 2021A	1.75%	3/25/2021	2,240,000	3/25/2061	2,200,844	0	39,841	2,161,003	38,515
Finance Leases:									
CVB-2015 Chevy	3.95%	10/19/2020	32,121	10/10/2024	16,690	0	8,182	8,508	668
					0	0	0	0	0
Total contractual indebtedness					$ 2,798,863	$ 0	$ 59,064	$ 2,739,799	$ 55,169

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

	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2048	2049-2053	2054-2058	2059-2061	Total
Principal													
General Obligation Bonds													
Series 2015A	$ 10,316	$ 10,600	$ 10,891	$ 11,191	$ 11,498	$ 62,413	$ 71,480	$ 81,864	$ 93,757	$ 107,377	$ 47,198	$ 0	$ 518,585
Series 2015B	1,028	1,057	1,086	1,115	1,146	6,223	7,127	8,162	9,348	10,706	4,705	0	51,703
Series 2021A	40,435	41,246	41,968	42,702	43,354	228,826	249,569	272,193	296,822	323,792	353,147	226,949	2,161,003
Finance Leases													
CVB-2015 Chevy	8,508	0	0	0	0	0	0	0	0	0	0	0	8,508
Total Principal	60,287	52,903	53,945	55,008	55,998	297,462	328,176	362,219	399,927	441,875	405,050	226,949	2,739,799
Interest													
General Obligation Bonds													
Series 2015A	14,261	13,977	13,686	13,386	13,079	60,473	51,406	41,022	29,129	15,508	1,955	0	267,882
Series 2015B	1,422	1,393	1,364	1,335	1,304	6,028	5,125	4,089	2,904	1,546	198	0	26,708
Series 2021A	37,818	37,110	36,388	35,654	34,906	162,867	142,133	119,519	94,854	67,953	38,613	7,987	815,802
Finance Leases													0
CVB-2015 Chevy	342	0	0	0	0	0	0	0	0	0	0	0	342
Total Interest	53,843	52,480	51,438	50,375	49,289	229,368	198,664	164,630	126,887	85,007	40,766	7,987	1,110,734
Total Indebtedness	$ 114,130	$ 105,383	$ 105,383	$ 105,383	$ 105,287	$ 526,830	$ 526,840	$ 526,849	$ 526,814	$ 526,882	$ 445,816	$ 234,936	$ 3,850,533

Note 9 – American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed by the President. ARPA is a $1.9 trillion economic stimulus plan which allocates to the State of Kansas $5 billion in funds. Included in those funds are $69,437 of funds available to Strong City. To date, the City has received all funds. The City's uses of these funds are currently being planned based on federal guidance.

Note 10 – Public Wholesale Water Supply District No. 26

Public Wholesale Water Supply District No. 26 was formed on May 31, 2011 for the purpose of providing water to its members. Members of the District are: The City of Strong City, the City of Cottonwood Falls, and Chase County Rural Water District No. 1. The City's minimum commitment is to purchase 1,100,000 gallons per month. The contract extends 40 years from the date of initial delivery of water, which was in March 2016.

The City entered into a contract with the PWWSD#26 to provide clerical services. PWWSD#26 agrees to reimburse the City based on the hourly rate of the employee, including leave, benefits and employer payroll taxes plus an additional 10%. The term of the agreement is for one year and continues indefinitely until either party gives written notice.

The City entered into a contract with PWWSD#26 to provide water system operator services. The City agrees to operate the plant on Monday through Friday. The City of Cottonwood Falls will operate the plant when Strong City personnel are absent and shall alternate holiday and weekend duties with Strong City personnel. PWWSD#26 agrees to reimburse the City based on the hourly rate of the employee, including leave, benefits, and employer payroll taxes plus an additional 10%. The term of the agreement is for one year and continues indefinitely until either party gives written notice.

The City entered into a contract with PWWSD#26 to lease the City's existing water wells and water rights. PWWSD#26 will pay the City $100 annually for a term of 40 years or as long as the lessee produces potable water in sufficient quantities, whichever occurs first.

Note 11 – Transfers

Transferred From:	Transferred To:	Authority	Amount
Utility-Water	Short Lived Asset-Water	USDA LOC	12,756
Sewer	Short Lived Asset-Sewer	USDA LOC	2,667
Sewer	Debt Reserve	Res 03/24/2021	78,360
General	Equipment Reserve	12-1,117	3,600
Utility-Water	Equipment Reserve	12-1,117	2,000

Note 12 – Capital Projects

The City started and completed its' SplashPad project during 2023 at a cost of $232,500.

In 2024, the City is planning its' Cottonwood Street Streetscape project. The estimated cost of the project is $1,136,219. The Kansas Department of Transportation (KDOT) will perform the project. The City will be required to pay KDOT 20% of the project costs up front plus design fees. The City is in the process of issuing bonds in the amount of $325,000 to assist in covering these costs.

Note 13 – Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date that the financial statement was available to be issued.

Regulatory – Required Supplementary Information

City of Strong City
Chase County, Kansas

Schedule 1

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

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 569,750	$ 0	$ 569,750	$ 448,113	$ (121,637)
Special Purpose Funds					
Special Highway	17,088	0	17,088	8,013	(9,075)
Tourism	6,991	0	6,991	500	(6,491)
Special Parks & Recreation	286,000	0	286,000	101,431	(184,569)
Depot Donations	0	0	0	0	0
Business Fund					
Sewer	183,105	0	183,105	113,903	(69,202)
Utility-Water & Trash	401,165	0	401,165	325,228	(75,937)

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

GENERAL FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Chase County	$ 141,566	$ 149,412	$ 147,224	$ 2,188
Liquor Tax	1,391	1,406	1,000	406
Franchise Tax	31,721	32,357	33,000	(643)
Sales Tax	126,211	118,000	118,000	0
Licenses & Permits	726	822	1,000	(178)
Municipal Court	0	907	0	907
Housing	4,187	5,580	4,000	1,580
Interest	614	2,390	100	2,290
SRTS donations	86,000	15,000	0	15,000
Other	16,651	144,953	36,400	108,553
Transfers In	0	0	0	0
Total Receipts	409,067	470,827	340,724	130,103
Expenditures				
General Government				
Personal Services	143,909	151,348	149,350	1,998
Commodities	20,715	27,246	41,000	(13,754)
Contractual	100,295	118,184	99,800	18,384
Capital Outlay	1,533	5,532	20,000	(14,468)
Police & Fire	0	9,578	0	9,578
Streets & Highway	913	30,830	100,000	(69,170)
Parks & Recreation	10,855	2,602	5,000	(2,398)
Economic Development	0	0	5,000	(5,000)
Sidewalks/Handicap Parking	105,152	94,482	125,000	(30,518)
Chamber of Commerce	3,000	3,000	3,000	0
Other	15,327	1,711	18,000	(16,289)
Transfers out	0	3,600	3,600	0
Total Expenditures	401,699	448,113	569,750	(121,637)
Receipts Over (Under) Expenditures	7,368	22,714	$ (229,026)	$ 251,740
Unencumbered Cash, January 1	4,530	11,898		
Unencumbered Cash, December 31	$ 11,898	$ 34,612		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

SPECIAL HIGHWAY

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
State of Kansas Gas Tax	$ 11,414	$ 10,555	$ 12,650	$ (2,095)
Other	0	0	0	0
Total Receipts	11,414	10,555	12,650	(2,095)
Expenditures				
Streets & highways	13,440	8,013	17,088	(9,075)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	13,440	8,013	17,088	(9,075)
Receipts Over (Under) Expenditures	(2,026)	2,542	$ (4,438)	$ 6,980
Unencumbered Cash, January 1	6,321	4,295		
Unencumbered Cash, December 31	$ 4,295	$ 6,837		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

TOURISM

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Guest Tax	$ 0	$ 0	$ 200	$ (200)
Other Receipts	0	0	0	0
Total Receipts	0	0	200	(200)
Expenditures				
Economic Development	0	500	6,991	(6,491)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	0	500	6,991	(6,491)
Receipts Over (Under) Expenditures	0	(500)	$ (6,791)	$ 6,291
Unencumbered Cash, January 1	7,091	7,091		
Unencumbered Cash, December 31	$ 7,091	$ 6,591		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

SPECIAL PARKS & RECREATION

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Liquor Tax	$ 1,391	$ 1,406	$ 1,840	$ (434)
Donations, Grants, and Fundraisers	25,560	166,569	169,000	(2,431)
Total Receipts	26,951	167,975	170,840	(2,865)
Expenditures				
Parks & Recreation	184,075	101,431	286,000	(184,569)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	184,075	101,431	286,000	(184,569)
Receipts Over (Under) Expenditures	(157,124)	66,544	$ (115,160)	$ 181,704
Unencumbered Cash, January 1	93,915	(63,209)		
Unencumbered Cash, December 31	$ (63,209)	$ 3,335		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

EQUIPMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 0	$ 5,600
Other Receipts	0	0
Total Receipts	0	5,600
Expenditures		
Equipment	13,851	2,212
Other	0	0
Total Expenditures	13,851	2,212
Receipts Over (Under) Expenditures	(13,851)	3,388
Unencumbered Cash, January 1	21,136	7,285
Unencumbered Cash, December 31	$ 7,285	$ 10,673

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

SHORT LIVED ASSET-WATER

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 12,756	$ 12,756
Sale of Equipment	0	0
Total Receipts	12,756	12,756
Expenditures		
Equipment	30,646	20,139
Receipts Over (Under) Expenditures	(17,890)	(7,383)
Unencumbered Cash, January 1	37,755	19,865
Unencumbered Cash, December 31	$ 19,865	$ 12,482

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

SHORT LIVED ASSET - SEWER

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 2,667	$ 2,667
Other	0	0
Total Receipts	2,667	2,667
Expenditures		
Equipment	0	4,740
Receipts Over (Under) Expenditures	2,667	(2,073)
Unencumbered Cash, January 1	800	3,467
Unencumbered Cash, December 31	$ 3,467	$ 1,394

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

DEPOT

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Donations	$ 0	$ 5	$ 0	$ 5
Other	0	0	0	0
Total Receipts	0	5	0	5
Expenditures				
Depot	0	0	0	0
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	0	0	0	0
Receipts Over (Under) Expenditures	0	5	$ 0	$ 5
Unencumbered Cash, January 1	283	283		
Unencumbered Cash, December 31	$ 283	$ 288		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2I

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

ARPA

	Prior Year Actual	Current Year Actual
Receipts		
ARPA receipts	$ 34,718	$ 0
Other	0	0
Total Receipts	34,718	0
Expenditures		
ARPA expenditures	0	13,200
Receipts Over (Under) Expenditures	34,718	(13,200)
Unencumbered Cash, January 1	34,719	69,437
Unencumbered Cash, December 31	$ 69,437	$ 56,237

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

DEBT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 78,360	$ 78,360
Other	0	0
Total Receipts	78,360	78,360
Expenditures		
Debt payments	64,966	78,356
Receipts Over (Under) Expenditures	13,394	4
Unencumbered Cash, January 1	58,436	71,830
Unencumbered Cash, December 31	$ 71,830	$ 71,834

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2K

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

FEMA/KDEM

	Prior Year Actual	Current Year Actual
Receipts		
FEMA and KDEM proceeds	$ 361,224	$ 0
Other	0	0
Total Receipts	361,224	0
Expenditures		
Disasters	177,233	183,991
Other	0	0
Total Expenditures	177,233	183,991
Receipts Over (Under) Expenditures	183,991	(183,991)
Unencumbered Cash, January 1	0	183,991
Unencumbered Cash, December 31	$ 183,991	$ 0

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2L

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

SEWER PROJECT

	Prior Year Actual	Current Year Actual
Receipts		
USDA loan & grant	$ 22,105	$ 0
KDHE Loan-Temporary Financing	0	0
CDBG-Grant	0	0
Other	0	1
Total Receipts	22,105	1
Expenditures		
Sewer project-federal expenditures	11,146	0
KDHE loan principal	0	0
Other	0	0
Total Expenditures	11,146	0
Receipts Over (Under) Expenditures	10,959	1
Unencumbered Cash, January 1	261	11,220
Unencumbered Cash, December 31	$ 11,220	$ 11,221

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2M

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

SEWER

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Sewer Receipts	$ 129,446	$ 130,777	$ 130,000	$ 777
Other Receipts	2,932	0	6,000	(6,000)
Total Receipts	132,378	130,777	136,000	(5,223)
Expenditures				
Personal Service	18,109	10,522	27,500	(16,978)
Commodities	4,807	21	10,000	(9,979)
Contractual	22,208	19,808	26,500	(6,692)
Debt Payments	13,390	2,213	0	2,213
Capital Outlay	1,000	303	10,549	(10,246)
Other	25,255	9	30,200	(30,191)
Transfers out	81,027	81,027	78,356	2,671
Total Expenditures	165,796	113,903	183,105	(69,202)
Receipts Over (Under) Expenditures	(33,418)	16,874	$ (47,105)	$ 63,979
Unencumbered Cash, January 1	56,057	22,639		
Unencumbered Cash, December 31	$ 22,639	$ 39,513		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2N

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
With Comparative Actual Totals for the Prior Year Ended December 31, 2022

UTILITY-WATER & TRASH

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Water Receipts	$ 171,054	$ 177,088	$ 190,000	$ (12,912)
Trash Receipts	61,632	60,591	63,000	(2,409)
Other Receipts	69,599	82,551	56,000	26,551
Transfers In	0	0	0	0
Total Receipts	302,285	320,230	309,000	11,230
Expenditures				
Personal Service	79,383	100,580	83,000	17,580
Commodities	7,276	12,151	15,000	(2,849)
Water Purchased	81,988	85,873	85,000	873
Contractual	76,501	76,658	96,402	(19,744)
Debt Payments	27,027	31,453	27,007	4,446
Capital Outlay	540	607	10,000	(9,393)
Other	6,176	3,150	70,000	(66,850)
Transfers out	12,756	14,756	14,756	0
Total Expenditures	291,647	325,228	401,165	(75,937)
Receipts Over (Under) Expenditures	10,638	(4,998)	$ (92,165)	$ 87,167
Unencumbered Cash, January 1	75,545	86,183		
Unencumbered Cash, December 31	$ 86,183	$ 81,185		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 3

Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

AGENCY FUNDS

Fund	Cash Balance Jan 1	Cash Receipts	Cash Disbursements	Cash Balance Dec 31
Payroll Clearing	$ 6,180	$ 108,289	$ 107,793	$ 6,676
Other	0	0	0	0
Total	$ 6,180	$ 108,289	$ 107,793	$ 6,676

See accompanying auditors' report.