City of Miltonvale, Kansas

Financial Statement
As of December 31, 2023
and For the Year Then Ended

With Report by Independent Auditor

SHIPLEY
CPA, LLC
Audit, Assurance, & Consulting Services

Table of Contents

	Page
Independent Auditor's Report	1 – 3
Financial Statements	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4
Notes to Financial Statement	5 – 12
Regulatory Required Supplementary Information	
Schedule 1	
Summary of Expenditures – Actual and Budget – Regulatory Basis	13
Schedule 2 - Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis	
General Fund	14
Special Purpose Funds	
Special Highway	15
Endowment	16
Endowment Reserve	17
Firemen's Reserve	18
Special Machinery/Road/Bridge	19
Business Funds	
Ambulance	20
Ambulance Reserve	21
Landfill	22
Landfill Reserve	23
Sewer	24
Sewer Reserve	25
Water	26
Water Reserve	27
Water Deposits	28
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with Government Auditing Standards	29

SHIPLEY CPA, LLC
Audit, Assurance, & Consulting Services

Russell Shipley CPA, CFE, CGFM, CGMA
Principal & Managing Director
(785) 760-4898
Russell@ShipleyCPA.com

PO Box 751193
Topeka, KS 66675

ShipleyCPA.com

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of
City of Miltonvale, 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 Miltonvale, Kansas (the City), as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In my opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of my report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

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

Basis for Adverse and Unmodified Opinions

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* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am required to be independent of the City, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I 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 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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 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*, I:

- 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 my 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.

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.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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.

***Other Reporting Required by* Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated March 26, 2024, on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
March 26, 2024

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General	$ 286,618	$ 339,022	$ 385,847	$ 239,793	$ 10	$ 239,803
Special Purpose Funds						
Special Highway	69,250	493,578	457,104	105,724	-	105,724
Endowment	5,367	1,600	-	6,967	-	6,967
Endowment Reserve	18,531	143	-	18,674	-	18,674
Firemen's Reserve	4,284	664	-	4,948	-	4,948
Special Machinery/Road/Bridge	17,679	137	-	17,816	-	17,816
Business Funds						
Ambulance	164,386	138,917	97,901	205,402	115	205,517
Ambulance Reserve	40,236	4,978	-	45,214	-	45,214
Landfill	18,926	77,961	84,420	12,467	-	12,467
Landfill Reserve	12,598	98	-	12,696	-	12,696
Sewer	85,947	111,957	128,048	69,856	104	69,960
Sewer Reserve	87,618	47,969	-	135,587	-	135,587
Water	38,701	126,966	135,198	30,469	-	30,469
Water Reserve	86,652	14,207	30,000	70,859	-	70,859
Water Deposits	13,793	-	1,400	12,393	-	12,393
Total Financial Reporting Entity	$ 950,586	$ 1,358,197	$ 1,319,918	$ 988,865	$ 229	$ 989,094

Composition of Cash	
Checking Accounts	$ 563,728
Saving Accounts	140,913
Certificates of Deposit	284,453
Total Reporting Entity	$ 989,094

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

City of Miltonvale, Kansas

Notes to the Financial Statement
December 31, 2023

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Miltonvale, Kansas (the City), is a municipal corporation governed by a five-member council form of government. This regulatory financial statement presents the City. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statement referred to above do not include the component units of the City.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds. 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 out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the City for the year 2023:

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 regulatory receipt sources that are intended for specified purposes.

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 fund etc.).

Basis of Accounting

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 regulatory basis of accounting.

Note 1 – Summary of Significant Accounting Policies (continued)

Reimbursed Expenses
The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

Note 2 – 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 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 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 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 following funds were amended in 2023: Special Highway, Water and Sewer funds.

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 revenues are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end. A legal operating budget is not required for the following special purpose and business funds: Endowment, Endowment Reserve, Firemen's Reserve, Special Machinery/Road/Bridge, Ambulance Reserve, Landfill Reserve, Sewer Reserve, Water Reserve and Water Deposits.

Note 2 – Budgetary Information (continued)

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

Note 3 – Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the Government'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 did not have a peak period pledge agreement during 2023, and therefore the City did not designate peak periods. All deposits were legally secured at December 31, 2023.

At December 31, 2023, the carrying amount of the City's deposits including certificates of deposit was $989,094 and the bank balance was $1,028,845. The bank balance was held by one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, $250,000 was covered by FDIC insurance and the remainder was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 4 – Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and 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 of the full amounts 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 taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 5 – Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Loans									
C20-3032-1	1.450%	4/6/22	$ 364,600	9/1/43	$ -	$ 28,750	$ -	$ 28,750	$ -
Sewer Interceptor C20 1726-01	2.22%	12/21/15	499,374	8/1/38	416,318	-	21,935	394,383	9,122
Total Contractual Indebtedness					$ 416,318	$ 28,750	$ 21,935	$ 423,133	$ 9,122

The City entered into a loan agreement, C20-3032-1, with the Kansas Department of Health and Environment (KDHE) effective April 26, 2022 to rehabilitate the City's wastewater lagoons, sanitary sewer collection system and lift station. Construction and the related loan drawdowns commenced in 2023. A request for additional loan funds was made in December 2023 to increase the loan amount from $364,600 to $853,999 with a potential principal forgiveness amount of $256,842.

Note 5 – Long–Term Debt (continued)

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

	Years							
	2024	2025	2026	2027	2028	2029-2033	2034-2038	Total
Principal								
KDHE Loan								
Sewer Interceptor C20 1726-01	22,425	22,926	23,438	23,961	24,496	130,929	146,208	394,383
Total Principal	22,425	22,926	23,438	23,961	24,496	130,929	146,208	394,383
Interest								
KDHE Loan								
Sewer Interceptor C20 1726-01	8,632	8,131	7,619	7,096	6,461	24,355	9,074	71,368
Total Interest	8,632	8,131	7,619	7,096	6,461	24,355	9,074	71,368
Total Principal & Interest	$ 31,057	$ 31,057	$ 31,057	$ 31,057	$ 30,957	$ 155,284	$ 155,282	$ 465,751

Note 6 – Interfund Transactions

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Water	Water Reserve	K.S.A. 12-825d	$ 13,615
Sewer	Sewer Reserve	12-631o	47,747
General	Special Highway	68-590	100,000
Ambulance	Ambulance Reserve	12-110d	3,270
Water Reserve	Water	n/a	30,000

Note 7 – Compensated Absences

The City maintains a policy of providing vacation and sick leave to its full-time employees granted in varying amounts depending on length of service and date of hire. Vacation days are vesting and accumulate but accumulation is subject to various limits. Sick leave is non-vesting and accumulates up to a maximum of 1,000 hours.

Note 8 – Capital Projects

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

Projects	Project Authorization	Expended as of December 31, 2023
Wastewater lagoons, sanitary sewer collection system and lift station project	$ 807,312	$ 102,970
KDOT project	730,408	729,408

Note 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

Note 10 – Defined Benefit Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Note 10 – 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 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% 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 $14,452 for KPERS 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 $121,574. 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 nonemployer 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 11 – 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 municipality is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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.

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 12 – Evaluation of Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date the financial statement was available for issue.

Regulatory Required
Supplementary Information

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

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General	$ 454,622	$ -	$ 454,622	$ 385,847	$ (68,775)
Special Purpose Fund					
Special Highway	780,000	-	780,000	457,104	(322,896)
Business Funds					
Ambulance	277,022	-	277,022	97,901	(179,121)
Landfill	84,907	-	84,907	84,420	(487)
Sewer	1,475,887	-	1,475,887	128,048	(1,347,839)
Water	152,417	-	152,417	135,198	(17,219)

General
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	$ 117,807	$ 123,790	$ (5,983)
Delinquent Tax	7,061	-	7,061
Motor Vehicle Tax	14,531	15,675	(1,144)
Recreational Vehicle Tax	388	395	(7)
Watercraft Tax	-	37	(37)
Commercial Vehicle Tax	429	551	(122)
16/20 M Vehicle Tax	124	140	(16)
Sales Tax - County	74,859	50,000	24,859
Sales Tax - City	75,739	55,000	20,739
Special Assessment Tax	200	1,500	(1,300)
Interest on Idle Funds	985	400	585
Franchise Fees	22,639	14,000	8,639
Licenses, Fees, Permits	149	250	(101)
Court Fines	1,827	-	1,827
Rentals	3,247	1,500	1,747
Insurance Dividends	5,266	-	5,266
Fitness Center Fees	2,720	2,000	720
Park and Pool Fees	1,391	1,000	391
Cemetery Fees	8,806	2,000	6,806
DCMR and DCMT	-	100,000	(100,000)
Miscellaneous	854	1,000	(146)
Total Receipts	339,022	$ 369,238	$ (30,216)

	Actual	Budget	Variance Over (Under)
Expenditures			
Personal Services	$ 117,358	$ 103,637	$ 13,721
Contractual	66,492	33,110	33,382
Commodities	16,716	57,575	(40,859)
Insurance/Capital Outlay	29,912	25,600	4,312
Miscellaneous	1,183	-	1,183
Payroll Taxes	41,620	41,200	420
Grants	-	100,000	(100,000)
Street Lights	-	15,000	(15,000)
Appropriations	-	19,000	(19,000)
Health Insurance	12,566	18,000	(5,434)
Transfers Out	100,000	-	100,000
Cash Forward	-	41,500	(41,500)
Total Expenditures	385,847	$ 454,622	$ (68,775)
Receipts Over (Under) Expenditures	(46,825)		
Unencumbered Cash, Beginning	286,618		
Unencumbered Cash, Ending	$ 239,793		

Special Highway
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
State of Kansas Gas Tax	$ 11,980	$ 13,280	$ (1,300)
KDOT Grant	381,598	600,000	(218,402)
Transfers In	100,000	100,000	-
Total Receipts	493,578	$ 713,280	$ (219,702)
Expenditures			
KDOT Project	457,104	$ 780,000	$ (322,896)
Total Expenditures	457,104	$ 780,000	$ (322,896)
Receipts Over (Under) Expenditures	36,474		
Unencumbered Cash, Beginning	69,250		
Unencumbered Cash, Ending	$ 105,724		

Endowment
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Cemetery Lots	$ 1,600
Total Receipts	1,600
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	1,600
Unencumbered Cash, Beginning	5,367
Unencumbered Cash, Ending	$ 6,967

Endowment Reserve
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Interest on Idle Funds	$ 143
Total Receipts	143
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	143
Unencumbered Cash, Beginning	18,531
Unencumbered Cash, Ending	$ 18,674

Firemen's Reserve
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Interest on Idle Funds	$ 30
Miscellaneous	634
Total Receipts	664
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	664
Unencumbered Cash, Beginning	4,284
Unencumbered Cash, Ending	$ 4,948

Special Machinery/Road/Bridge
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Interest on Idle Funds	$ 137
Total Receipts	137
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	137
Unencumbered Cash, Beginning	17,679
Unencumbered Cash, Ending	$ 17,816

Ambulance
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
Township	$ 83,956	$ 38,000	$ 45,956
Run Fees	24,873	25,000	(127)
Insurance Dividend	782	-	782
Donations	5,000	-	5,000
Reimbursements	4,005	-	4,005
Miscellaneous	5,611	-	5,611
Grants	14,690	100,000	(85,310)
Total Receipts	138,917	$ 163,000	$ (24,083)
Expenditures			
Personal Services	40,007	$ 42,894	$ (2,887)
Contractual	33,508	10,750	22,758
Commodities	4,360	16,500	(12,140)
Insurance	8,852	12,000	(3,148)
Capital Outlay	7,191	-	7,191
Transfer Out	3,270	-	3,270
Grants	-	100,000	(100,000)
Miscellaneous	713	-	713
Cash Forward	-	94,878	(94,878)
Total Expenditures	97,901	$ 277,022	$ (179,121)
Receipts Over (Under) Expenditures	41,016		
Unencumbered Cash, Beginning	164,386		
Unencumbered Cash, Ending	$ 205,402		

Ambulance Reserve
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Grants	$ 1,708
Transfers In	3,270
Total Receipts	4,978
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	4,978
Unencumbered Cash, Beginning	40,236
Unencumbered Cash, Ending	$ 45,214

Landfill
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
User Fees	$ 10,736	$ 6,600	$ 4,136
Trash Hauler Fees	32,597	33,000	(403)
Cloud County Solid Waste Fees	34,109	30,000	4,109
Sale of Scrap Metal	-	1,574	(1,574)
Miscellaneous	519	-	519
Total Receipts	77,961	$ 71,174	$ 6,787
Expenditures			
Personal Services	3,239	$ 3,600	$ (361)
Contractual, Commodities, Capital Outlay	9,009	4,660	4,349
Trash Hauler Fees	35,768	33,000	2,768
Cloud County Solid Waste Fees	36,404	30,000	6,404
Cash Forward	-	13,647	(13,647)
Total Expenditures	84,420	$ 84,907	$ (487)
Receipts Over (Under) Expenditures	(6,459)		
Unencumbered Cash, Beginning	18,926		
Unencumbered Cash, Ending	$ 12,467		

Landfill Reserve
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Interest on Idle Funds	$ 98
Total Receipts	98
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	98
Unencumbered Cash, Beginning	12,598
Unencumbered Cash, Ending	$ 12,696

Sewer
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
User Fees	$ 83,136	$ 80,000	$ 3,136
KDOC Grant	28,750	363,000	(334,250)
USDA Loan	-	917,000	(917,000)
Insurance Dividend	71	-	71
Transfer In	-	80,000	(80,000)
Total Receipts	111,957	$ 1,440,000	$ (1,328,043)
Expenditures			
Personal Services	29,947	$ 34,887	$ (4,940)
Contractual Services	5,764	6,500	(736)
Commodities	5,110	9,200	(4,090)
Insurance	-	-	-
Capital Outlay	39,229	10,000	29,229
CDBG Sewer Project	-	1,300,000	(1,300,000)
Engineering/ARPA Project	-	85,000	(85,000)
Miscellaneous	251	300	(49)
Transfers Out	47,747	30,000	17,747
Total Expenditures	128,048	$ 1,475,887	$ (1,347,839)
Receipts Over (Under) Expenditures	(16,091)		
Unencumbered Cash, Beginning	85,947		
Unencumbered Cash, Ending	$ 69,856		

Sewer Reserve
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Interest on Idle Funds	$ 222
Transfers In	47,747
Total Receipts	47,969
Expenditures	
Contractual Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	47,969
Unencumbered Cash, Beginning	87,618
Unencumbered Cash, Ending	$ 135,587

Water
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

	Actual	Budget	Variance Over (Under)
Receipts			
User Fees	$ 90,575	$ 85,000	$ 5,575
Meter Installs	4,700	4,000	700
Bulk Water	-	400	(400)
Insurance Dividend	924	924	-
Miscellaneous	767	800	(33)
Transfers In	30,000	50,000	(20,000)
Total Receipts	126,966	$ 141,124	$ (14,158)
Expenditures			
Personal Services	32,550	$ 35,187	$ (2,637)
Contractual	15,697	21,530	(5,833)
Commodities	8,080	11,400	(3,320)
KDHE Loan Payment	31,057	32,000	(943)
Insurance	5,480	5,500	(20)
Capital Outlay	28,719	31,800	(3,081)
Transfers Out	13,615	15,000	(1,385)
Total Expenditures	135,198	$ 152,417	$ (17,219)
Receipts Over (Under) Expenditures	(8,232)		
Unencumbered Cash, Beginning	38,701		
Unencumbered Cash, Ending	$ 30,469		

Water Reserve
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Interest on Idle Funds	$ 592
Transfers In	13,615
Total Receipts	14,207
Expenditures	
Transfers Out	30,000
Total Expenditures	30,000
Receipts Over (Under) Expenditures	(15,793)
Unencumbered Cash, Beginning	86,652
Unencumbered Cash, Ending	$ 70,859

Water Deposits
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2023

	Actual
Receipts	
Customer Deposits	$ -
Total Receipts	-
Expenditures	
Refunds to Customers	1,400
Total Expenditures	1,400
Receipts Over (Under) Expenditures	(1,400)
Unencumbered Cash, Beginning	13,793
Unencumbered Cash, Ending	$ 12,393

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and City Council of
City of Miltonvale, Kansas

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Miltonvale, Kansas (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statement, which collectively comprise City's basic financial statements, and have issued my report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, I do not express an opinion on the effectiveness of City's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
March 26, 2024