CITY OF OSWEGO, KANSAS

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

CITY OF OSWEGO, KANSAS

For the Year Ended December 31, 2023

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Oswego, Kansas

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

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the schedule of receipts and disbursements – agency funds – regulatory basis (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Oswego, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated April 1, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

May 30, 2024
Chanute, Kansas

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2023
General	$ 577,854.64	$ 1,131,402.01	$ 1,103,827.77	$ 605,428.88	$ 32,228.64	$ 637,657.52
Special Purpose Funds:						
Employee Benefits	41,081.56	213,612.52	224,000.25	30,693.83	1,186.38	31,880.21
Library	778.13	26,349.24	27,127.37	-	696.26	696.26
Sick Leave	41,542.22	-	-	41,542.22	-	41,542.22
Health Insurance Premium	11,972.89	89.75	-	12,062.64	-	12,062.64
Municipal Equipment	534,659.95	141,247.49	82,685.57	593,221.87	2,967.58	596,189.45
Capital Improvements	549,631.73	144,748.91	75,208.81	619,171.83	-	619,171.83
ARPA	99,693.61	981.91	90,307.00	10,368.52	-	10,368.52
City Sales Tax - Streets	400,958.56	177,369.13	334,887.28	243,440.41	-	243,440.41
City Sales Tax - Parks	99,798.51	57,998.92	26,539.31	131,258.12	-	131,258.12
City Sales Tax - 1/2 Cent	237,878.31	115,955.09	49,148.36	304,685.04	-	304,685.04
Industrial	22,803.12	564.82	-	23,367.94	-	23,367.94
Airport	43,493.65	29,373.56	25,502.21	47,365.00	241.92	47,606.92
Special Highway	56,881.22	56,840.39	27,150.16	86,571.45	147.91	86,719.36
Special Parks and Recreation	6,126.21	155.87	-	6,282.08	-	6,282.08
Oswego Golf Course	67,281.32	149,595.45	152,153.18	64,723.59	1,060.17	65,783.76
Capital Project Funds:						
Home Grant Revolving Loan	89,709.44	256.81	-	89,966.25	-	89,966.25
Neighborhood Revitalization Grant	107,770.98	318.38	-	108,089.36	-	108,089.36
Downtown Revitalization Grant	1,612.54	-	-	1,612.54	-	1,612.54
Business Funds:						
Electric Utility	2,289.72	-	-	2,289.72	-	2,289.72
Water Utility	1,010,507.21	848,019.90	876,531.45	981,995.66	13,852.24	995,847.90
Sewer Utility	151,939.48	300,458.60	223,871.91	228,526.17	920.47	229,446.64
Refuse Utility	148,667.23	224,594.64	235,698.11	137,563.76	8,471.84	146,035.60
Total Reporting Entity (Excluding Agency Funds)	$ 4,304,932.23	$ 3,619,933.39	$ 3,554,638.74	$ 4,370,226.88	$ 61,773.41	$ 4,432,000.29

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

CITY OF OSWEGO, KANSAS
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

	2023
Total Cash to be accounted for:	$ 4,432,000.29
Composition of Cash:	
Cash on Hand	$ 400.00
Commercial Bank	
Petty Cash	3,117.98
Senior Center Checking Account	20,083.30
Fire Department Savings Account	625.22
Labette Bank	
Operating Checking Account	453,572.60
ARPA Account	10,368.52
Certificates of Deposit	4,000,000.00
Total Primary Government	4,488,167.62
Less: Agency Funds Per Schedule 3	(56,167.33)
Total Reporting Entity	$ 4,432,000.29

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

CITY OF OSWEGO, KANSAS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oswego, Kansas (the City) was incorporated August 10, 1867, and operates as a second class city under the provisions of the Kansas Constitution, Article 12, Section 5 and K.S.A. 15-101 *et seq*. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, trash and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

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

Reporting Entity
The City of Oswego is a municipal corporation governed by an elected seven-member council. This financial statement presents the City of Oswego.

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

> Oswego Public Library – The City of Oswego Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Separately internal financial statement are available at the Oswego Public Library.

Regulatory Basis Fund Types
The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, regulatory receipts and expenditures. The various funds are grouped by type in the financial statement. The types of funds maintained by the City are as follows:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

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

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

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

Cash and Investments
The City pools idle cash from all funds for the purpose of increasing income through investment activities. Investments are stated at cost.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursed Expenses

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

Budgetary Information

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2023 there were no amendments.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Sick Leave Fund
Health Insurance Premium Fund
Municipal Equipment Fund
Capital Improvements Fund
ARPA Fund

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in compliance with the cash basis and budget laws of Kansas.

Management is not aware of any other statutory violations.

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 branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the bank 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 City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

3. DEPOSITS AND INVESTMENTS

Deposits - At December 31, 2023, the City's carrying amount of deposits was $4,487,767.62 and the bank balance was $4,557,738.76. The bank balance was held at two banks resulting in a concentration of credit risk. Of the bank balance, $285,656.52 was covered by federal depository insurance (FDIC) and $4,272,082.24 was collateralized by pledged securities held by the pledging financial institutions' agent in the City's name.

4. RIGHT TO USE CONTRACTS

The City has entered into contacts for various pieces of office equipment. Rent expense for the year ended December 31, 2023, was $9,784.14. Under the current agreements, the future minimum rental payments are as follows:

2024	$ 21,272.40
2025	21,272.40
2026	21,272.40
2027	21,272.40
2028	18,302.82
2029	2,640.00

5. FINANCE LEASES

The City has entered into a finance lease agreement dated February 12, 2021, to purchase a pumper truck. The amount of the purchase financed by the lease is $100,000.00. The City agreed to make annual payments of $21,290.26, which includes imputed interest at 2.12% for a period of five years.

2024	$ 21,290.26
2025	21,290.26
2026	21,287.27
Total Net Minimum Lease Payments	63,867.79
Less: Imputed Interest	(2,614.72)
Net Present Value of Finance Lease	61,253.07
Less: Current Maturities	(19,993.16)
Long-Term Finance Lease Obligations	$ 41,259.91

6. LONG-TERM DEBT

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

Issue	Interest Issue	Date of of Issue	Amount	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid with Utility Receipts									
Series 2012 A - Sewer	2.00 - 4.125%	March 1, 2012	$ 1,805,000.00	December 1, 2038	$ 60,000.00	$ -	$ 60,000.00	$ -	$ 1,650.00
Series 2012 B - Water	2.00 - 4.125%	March 1, 2012	1,555,000.00	December 1, 2038	50,000.00	-	50,000.00	-	1,375.00
Series 2021 - A - Refunding Bonds	2.00 - 3.00%	September 1, 2021	2,995,000.00	September 1, 2041	2,855,000.00	-	150,000.00	2,705,000.00	68,300.00
Series 2021 - B - Refunding Bonds	0.5 - 2.70%	September 1, 2021	2,300,000.00	September 1, 2038	2,290,000.00	-	20,000.00	2,270,000.00	48,936.50
Finance Leases									
Pumper Truck	2.12%	February 12, 2021	100,000.00	February 12, 2026	80,829.74	-	19,576.67	61,253.07	1,713.59
Total Contractual Indebtedness					$ 5,335,829.74	$ -	$ 299,576.67	$ 5,036,253.07	$ 121,975.09

6. LONG-TERM DEBT (Continued)

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

Issue	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2041	Total
Principal									
General Obligation Bonds									
Paid with Utility Receipts									
Series 2021-A Refunding	$ 160,000.00	$ 135,000.00	$ 125,000.00	$ 130,000.00	$ 135,000.00	$ 740,000.00	$ 780,000.00	$ 500,000.00	$ 2,705,000.00
Series 2021 - B Refunding	135,000.00	135,000.00	135,000.00	135,000.00	135,000.00	740,000.00	855,000.00	-	2,270,000.00
Finance Leases									
Pumper Truck	19,993.16	20,414.56	20,845.35	-	-	-	-	-	61,253.07
Total Principal Payments	314,993.16	290,414.56	280,845.35	265,000.00	270,000.00	1,480,000.00	1,635,000.00	500,000.00	5,036,253.07
Interest									
General Obligation Bonds									
Paid with Utility Receipts									
Series 2021-A Refunding	63,800.00	59,000.00	54,950.00	51,200.00	47,300.00	177,400.00	96,900.00	20,100.00	570,650.00
Series 2021 - B Refunding	48,816.50	47,736.50	46,251.50	44,483.00	42,431.00	171,268.00	70,740.00	-	471,726.50
Finance Leases									
Pumper Truck	1,297.10	875.70	441.92	-	-	-	-	-	2,614.72
Total Interest Payments	113,913.60	107,612.20	101,643.42	95,683.00	89,731.00	348,668.00	167,640.00	20,100.00	1,044,991.22
Total Principal and Interest	$ 428,906.76	$ 398,026.76	$ 382,488.77	$ 360,683.00	$ 359,731.00	$ 1,828,668.00	$ 1,802,640.00	$ 520,100.00	$ 6,081,244.29

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 6% of covered salary. 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, KPERS 3 and KP&F 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 KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $46,609.40 for KPERS and $55,321.24 for KP&F 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 $486,567.00 and $542,013.00 for KP&F. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

8. RISK MANAGEMENT

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

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

The City has established a Sick Leave Fund. The purpose of this fund is to provide for the cost for an extended leave of absence for its employees. The City is funding this as a self-funded disability plan. The Sick Leave Fund is funded by charges to other funds.

9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

Compensated Absences:
All full-time employees of the City with six months of employment are eligible for vacation benefits in varying annual amounts. Vacation may be carried over at a maximum of 96 hours at each anniversary date. In the event of termination, unused accrued vacation time is paid.

Sick leave accrues to all full-time employees at the rate of four hours of sick leave for each month of service for the first year and eight hours for each month of service thereafter. Sick leave amounts accrue to an unlimited amount. Unused leave at termination shall not be paid.

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

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

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees at December 31, 2023 of $29,967.33. The City has not estimated a liability for sick leave earned, but not taken, by City employees, inasmuch as the amount cannot be reasonably estimated because the obligations to these rights do not vest.

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

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

10. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
General	Capital Improvements	K.S.A. 12-1,118	$ 56,025.50
General	Municipal Equipment	K.S.A. 12-1,117	46,567.00
General	Oswego Golf Course	K.S.A. 79-2934	14,876.00
Special Highway	Municipal Equipment	K.S.A. 12-1,117	1,750.00
Airport	Capital Improvements	K.S.A. 12-1,118	6,000.00
City Sales Tax – Parks	Capital Improvements	K.S.A. 12-1,118	22,450.06
City Sales Tax – ½ Cent	Municipal Equipment	K.S.A. 12-1,117	21,290.26
Golf Course	Capital Improvements	K.S.A. 12-1,118	7,412.50
Water Utility	General	K.S.A. 12-825d	110,000.00
Water Utility	Municipal Equipment	K.S.A .12-1,117	7,250.00
Water Utility	Capital Improvements	K.S.A. 12-1,118	9,000.00
Sewer Utility	General	K.S.A. 12-825d	32,000.00
Sewer Utility	Municipal Equipment	K.S.A .12-1,117	7,000.00
Sewer Utility	Capital Improvements	K.S.A. 12-1,118	8,000.00
Refuse Utility	General	K.S.A. 12-825d	29,000.00
Refuse Utility	Municipal Equipment	K.S.A. 12-1,117	14,000.00
Refuse Utility	Capital Improvements	K.S.A. 12-1,118	5,000.00

11. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statement. The council did approve an asphalt rejuvenation project with Proseal in the amount of $74,236.40 to be paid using funds held in the City Sales Tax Fund – Street.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF OSWEGO, KANSAS

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 Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 1,592,931.00	$ -	$ 1,592,931.00	$ 1,103,827.77	$ (489,103.23)
Special Purpose Funds:					
Employee Benefits	227,849.00	-	227,849.00	224,000.25	(3,848.75)
Library	27,924.00	-	27,924.00	27,127.37	(796.63)
City Sales Tax - Streets	829,039.00	-	829,039.00	334,887.28	(494,151.72)
City Sales Tax - Parks	151,826.00	-	151,826.00	26,539.31	(125,286.69)
City Sales Tax - 1/2 Cent	351,327.00	-	351,327.00	49,148.36	(302,178.64)
Industrial	23,203.00	-	23,203.00	-	(23,203.00)
Airport	51,631.00	-	51,631.00	25,502.21	(26,128.79)
Special Highway	92,209.00	-	92,209.00	27,150.16	(65,058.84)
Special Parks	6,285.00	-	6,285.00	-	(6,285.00)
Oswego Golf Course	199,844.00	-	199,844.00	152,153.18	(47,690.82)
Business Funds:					
Electric Utility	2,290.00	-	2,290.00	-	(2,290.00)
Water Utility	1,776,674.00	-	1,776,674.00	876,531.45	(900,142.55)
Sewer Utility	409,850.00	-	409,850.00	223,871.91	(185,978.09)
Refuse Utility	368,410.00	-	368,410.00	235,698.11	(132,711.89)

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 355,569.33	$ 344,224.14	$ 361,072.00	$ (16,847.86)
Delinquent Tax	19,845.32	10,985.81	10,517.00	468.81
Motor Vehicle Tax	51,796.77	56,315.12	59,715.00	(3,399.88)
Recreational Vehicle Tax	361.58	315.87	460.00	(144.13)
16 & 20M Truck Tax	489.08	416.50	577.00	(160.50)
Commercial Vehicle Tax	513.07	1,904.33	1,129.00	775.33
Watercraft Tax	-	-	449.00	(449.00)
Sales Tax	230,781.96	229,849.73	216,769.00	13,080.73
Franchise Tax	145,463.03	139,092.67	142,694.00	(3,601.33)
Fuel Tax Credit	2,123.52	2,044.20	2,114.00	(69.80)
Special Assessments	2,010.00	3,202.88	1,120.00	2,082.88
Local Alcohol Liquor Tax	200.49	155.90	204.00	(48.10)
Neighborhood Revitalization	(5,358.77)	(8,471.00)	(8,986.00)	515.00
Intergovernmental				
State Grant	-	10,000.00	-	10,000.00
Charges for Services				
Licenses and Fees	2,276.00	2,663.50	2,143.00	520.50
Building Permits	380.00	190.00	320.00	(130.00)
Rural Fire Contracts	28,390.00	29,291.00	31,498.00	(2,207.00)
Camping Fees	8,895.00	8,647.00	10,670.00	(2,023.00)
Swimming Pool	13,419.53	22,482.00	15,703.00	6,779.00
Motor Vehicle Inspections	2,556.00	2,268.00	2,862.00	(594.00)
Fines, Forfeitures and Penalties				
Fines	47,743.75	41,351.00	59,932.00	(18,581.00)
Use of Money and Property				
Interest Income	1,057.10	20,823.68	640.00	20,183.68
Rental Income	14,657.50	15,276.28	13,390.00	1,886.28
Other Receipts				
Donations	7,239.57	6,464.17	1,500.00	4,964.17
Reimbursed Expense	14,069.13	20,231.56	2,000.00	18,231.56
Miscellaneous	2,594.98	677.67	500.00	177.67
Operating Transfers from:				
Water Utility Fund	110,000.00	110,000.00	110,000.00	(0.00)
Sewer Utility Fund	32,000.00	32,000.00	-	32,000.00
Refuse Utility Fund	29,000.00	29,000.00	29,000.00	-
Total Receipts	1,118,073.94	1,131,402.01	$ 1,067,992.00	$ 63,410.01

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
General Government				
Personal Services	$ 131,200.54	$ 140,116.98	$ 166,795.00	$ (26,678.02)
Contractual Services	99,615.35	102,092.33	111,890.00	(9,797.67)
Commodities	6,629.12	8,304.61	15,450.00	(7,145.39)
Capital Outlay	-	-	369,019.00	(369,019.00)
Police				
Personal Services	260,837.14	281,255.99	277,539.00	3,716.99
Contractual Services	33,639.25	39,039.05	39,840.00	(800.95)
Commodities	22,499.75	29,198.72	30,800.00	(1,601.28)
Fire				
Personal Services	14,925.23	14,716.87	21,000.00	(6,283.13)
Contractual Services	26,968.64	30,592.56	40,295.00	(9,702.44)
Commodities	7,156.50	4,874.90	3,200.00	1,674.90
Streets				
Personal Services	71,939.15	72,077.23	72,761.00	(683.77)
Contractual Services	72,354.58	69,006.34	84,945.00	(15,938.66)
Commodities	7,088.78	5,761.44	10,600.00	(4,838.56)
Parks				
Personal Services	166.23	119.46	13,591.00	(13,471.54)
Contractual Services	27,035.76	29,930.76	44,830.00	(14,899.24)
Commodities	10,928.55	12,385.41	16,460.00	(4,074.59)
Community Center				
Personal Services	2,061.53	2,711.65	2,825.00	(113.35)
Contractual Services	34,444.12	31,890.88	37,380.00	(5,489.12)
Commodities	1,224.11	929.37	2,000.00	(1,070.63)
Swimming Pool				
Personal Services	38,694.57	35,279.11	31,894.00	3,385.11
Contractual Services	6,937.81	7,949.24	11,615.00	(3,665.76)
Commodities	11,687.81	16,497.02	13,780.00	2,717.02
Senior Citizens				
Contractual Services	9,354.84	8,554.50	11,340.00	(2,785.50)
Municipal Court				
Personal Services	20,397.75	26,188.18	27,182.00	(993.82)
Contractual Services	12,470.16	14,240.12	18,440.00	(4,199.88)
Commodities	81.00	83.00	950.00	(867.00)

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Library				
Contractual Services	$ 7,828.61	$ -	$ 7,829.00	$ (7,829.00)
Noxious Weed				
Commodities	2,093.46	2,563.55	4,000.00	(1,436.45)
Debt Service				
Principal	-	-	15,000.00	(15,000.00)
Interest	-	-	1,350.00	(1,350.00)
Operating Transfers to:				
Municipal Equipment Fund	42,697.50	46,567.00	63,443.00	(16,876.00)
Oswego Golf Course Fund	14,876.00	14,876.00	-	14,876.00
Capital Improvements Fund	49,249.28	56,025.50	24,888.00	31,137.50
Total Expenditures	1,047,083.12	1,103,827.77	$ 1,592,931.00	$ (489,103.23)
Receipts Over(Under) Expenditures	70,990.82	27,574.24		
Unencumbered Cash, Beginning	506,863.82	577,854.64		
Unencumbered Cash, Ending	$ 577,854.64	$ 605,428.88		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 159,350.75	$ 170,309.19	$ 178,648.00	$ (8,338.81)
Delinquent Tax	9,342.32	5,140.63	5,203.00	(62.37)
Motor Vehicle Tax	24,455.95	25,288.96	26,762.00	(1,473.04)
Recreational Vehicle Tax	173.80	141.88	206.00	(64.12)
16 & 20M Truck Tax	250.84	196.01	259.00	(62.99)
Commercial Vehicle Tax	241.51	853.46	506.00	347.46
Watercraft Tax	-	-	202.00	(202.00)
Neighborhood Revitalization	(2,401.59)	(4,191.14)	(4,446.00)	254.86
Use of Money and Property				
Interest Income	147.41	5,488.08	-	5,488.08
Miscellaneous	12,300.59	10,385.45	-	10,385.45
Total Receipts	203,861.58	213,612.52	$ 207,340.00	$ 6,272.52
Expenditures				
Employee Benefits				
Personal Services	211,954.69	224,000.25	$ 227,849.00	$ (3,848.75)
Total Expenditures	211,954.69	224,000.25	$ 227,849.00	$ (3,848.75)
Receipts Over(Under) Expenditures	(8,093.11)	(10,387.73)		
Unencumbered Cash, Beginning	49,174.67	41,081.56		
Unencumbered Cash, Ending	$ 41,081.56	$ 30,693.83		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 21,234.51	$ 22,696.73	$ 23,806.00	$ (1,109.27)
Delinquent Tax	1,259.14	682.44	693.00	(10.56)
Motor Vehicle Tax	3,254.75	3,369.90	3,566.00	(196.10)
Recreational Vehicle Tax	22.98	18.88	27.00	(8.12)
16/20 M Vehicle Tax	32.39	26.13	34.00	(7.87)
Commercial Vehicle Tax	32.17	113.72	67.00	46.72
Watercraft Tax	-	-	27.00	(27.00)
Neighborhood Revitalization	(320.03)	(558.56)	(592.00)	33.44
Total Receipts	25,515.91	26,349.24	$ 27,628.00	$ (1,119.83)
Expenditures				
Culture and Recreation				
Appropriation to Library Board	25,511.00	27,127.37	$ 27,924.00	$ (796.63)
Total Expenditures	25,511.00	27,127.37	$ 27,924.00	$ (796.63)
Receipts Over(Under) Expenditures	4.91	(778.13)		
Unencumbered Cash, Beginning	773.22	778.13		
Unencumbered Cash, Ending	$ 778.13	$ -		

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 103.83	$ -
Total Receipts	103.83	-
Expenditures		
Employee Benefits		
Personal Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	103.83	-
Unencumbered Cash, Beginning	41,438.39	41,542.22
Unencumbered Cash, Ending	$ 41,542.22	$ 41,542.22

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ 89.75
Total Receipts	-	89.75
Expenditures		
Operating Transfer to		
Employee Benefit Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	89.75
Unencumbered Cash, Beginning	11,972.89	11,972.89
Unencumbered Cash, Ending	$ 11,972.89	$ 12,062.64

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 1,829.33	$ 12,121.58
Sale of Property	5,575.75	5,348.60
Other Receipts		
Donations	592.34	-
Reimbursed Expense	3,126.34	14,200.00
Miscellaneous	2,064.00	11,720.05
Operating Transfers from:		
General Fund	42,697.50	46,567.00
City Sales Tax Fund-1/2 Cent Fund	21,290.24	21,290.26
Special Highway Fund	3,750.00	1,750.00
Water Utility Fund	13,304.97	7,250.00
Sewer Utility Fund	6,250.00	7,000.00
Refuse Utility Fund	15,000.00	14,000.00
Total Receipts	115,480.47	141,247.49
Expenditures		
General Government		
Contractual Services	12,975.22	8,306.30
Capital Outlay	122,366.21	53,089.01
Debt Service - Pumper Truck Lease	21,290.26	21,290.26
Total Expenditures	156,631.69	82,685.57
Receipts Over(Under) Expenditures	(41,151.22)	58,561.92
Unencumbered Cash, Beginning	575,811.17	534,659.95
Unencumbered Cash, Ending	$ 534,659.95	$ 593,221.87

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 790.35	$ 9,236.09
Sale of Property	-	17,913.72
Other Receipts		
Miscellaneous	-	3,711.04
Operating Transfers from:		
General Fund	49,249.28	56,025.50
City Sales Tax - Park	21,995.03	22,450.06
Golf Course Fund	7,822.69	7,412.50
Airport Fund	6,000.00	6,000.00
Water Utility Fund	5,000.00	9,000.00
Sewer Utility Fund	5,000.00	8,000.00
Refuse Utility Fund	5,000.00	5,000.00
Total Receipts	100,857.35	144,748.91
Expenditures		
General Government		
Capital Outlay	53,549.24	30,058.81
Debt Service		
Principal	47,197.00	45,150.00
Total Expenditures	100,746.24	75,208.81
Receipts Over(Under) Expenditures	111.11	69,540.10
Unencumbered Cash, Beginning	549,520.62	549,631.73
Unencumbered Cash, Ending	$ 549,631.73	$ 619,171.83

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Insurance Proceeds	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Capital Outlay	29,969.24	-
Total Expenditures	29,969.24	-
Receipts Over(Under) Expenditures	(29,969.24)	-
Unencumbered Cash, Beginning	29,969.24	-
Unencumbered Cash, Ending	$ -	$ -

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

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	$ 128,191.69	$ -
Use of Money and Property		
Interest Income	579.86	981.91
Total Receipts	128,771.55	981.91
Expenditures		
General Government		
Capital Outlay	120,646.81	90,307.00
Total Expenditures	120,646.81	90,307.00
Receipts Over(Under) Expenditures	8,124.74	(89,325.09)
Unencumbered Cash, Beginning	91,568.87	99,693.61
Unencumbered Cash, Ending	$ 99,693.61	$ 10,368.52

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Sales Tax	$ 161,121.72	$ 165,754.85	$ 156,175.00	$ 9,579.85
Use of Money and Property				
Interest Income	1,415.40	11,614.28	416.00	11,198.28
Total Receipts	162,537.12	177,369.13	$ 156,591.00	$ 20,778.13
Expenditures				
Streets and Highways				
Commodities	-	-	$ 829,039.00	$ (829,039.00)
Capital Outlay	292,177.99	334,887.28	-	334,887.28
Total Expenditures	292,177.99	334,887.28	$ 829,039.00	$ (494,151.72)
Receipts Over(Under) Expenditures	(129,640.87)	(157,518.15)		
Unencumbered Cash, Beginning	530,599.43	400,958.56		
Unencumbered Cash, Ending	$ 400,958.56	$ 243,440.41		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Sales Tax	$ 53,707.26	$ 55,251.62	$ 52,058.00	$ 3,193.62
Use of Money and Property				
Interest Income	101.60	2,747.30	25.00	2,722.30
Total Receipts	53,808.86	57,998.92	$ 52,083.00	$ 5,915.92
Expenditures				
General Government				
Capital Outlay	1,885.50	4,089.25	$ 130,476.00	$ (126,386.75)
Debt Service				
Principal	-	-	20,000.00	(20,000.00)
Interest	-	-	1,350.00	(1,350.00)
Operating Transfer to				
Capital Improvement Fund	21,995.03	22,450.06	-	22,450.06
Total Expenditures	23,880.53	26,539.31	$ 151,826.00	$ (125,286.69)
Receipts Over(Under) Expenditures	29,928.33	31,459.61		
Unencumbered Cash, Beginning	69,870.18	99,798.51		
Unencumbered Cash, Ending	$ 99,798.51	$ 131,258.12		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Sales Tax	$ 107,414.49	$ 110,503.23	$ 104,116.00	$ 6,387.23
Use of Money and Property				
Interest Income	226.02	5,451.86	219.00	5,232.86
Total Receipts	107,640.51	115,955.09	$ 104,335.00	$ 11,620.09
Expenditures				
General Government				
Capital Outlay	-	27,858.10	$ 351,327.00	$ (323,468.90)
Operating Transfers to				
Municipal Equipment Fund	21,290.24	21,290.26	-	21,290.26
Total Expenditures	21,290.24	49,148.36	$ 351,327.00	$ (302,178.64)
Receipts Over(Under) Expenditures	86,350.27	66,806.73		
Unencumbered Cash, Beginning	151,528.04	237,878.31		
Unencumbered Cash, Ending	$ 237,878.31	$ 304,685.04		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Use of Money and Property				
Interest Income	$ 100.04	$ 64.82	$ -	$ 64.82
Rental Income	500.00	500.00	500.00	-
Total Receipts	600.04	564.82	$ 500.00	$ 64.82
Expenditures				
General Government				
Contractual Services	-	-	$ 23,203.00	$ (23,203.00)
Total Expenditures	-	-	$ 23,203.00	$ (23,203.00)
Receipts Over(Under) Expenditures	600.04	564.82		
Unencumbered Cash, Beginning	22,203.08	22,803.12		
Unencumbered Cash, Ending	$ 22,803.12	$ 23,367.94		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 6,036.55	$ 6,452.37	$ 6,767.00	$ (314.63)
Delinquent tax	524.50	201.45	197.00	4.45
Motor Vehicle Tax	928.61	958.04	1,014.00	(55.96)
Recreational Vehicle Tax	6.69	5.38	8.00	(2.62)
16 & 20M Truck Tax	10.05	7.44	10.00	(2.56)
Commercial Vehicle Tax	9.15	32.33	19.00	13.33
Watercraft Tax	-	-	8.00	(8.00)
Sales Tax	13,050.09	12,527.79	12,390.00	137.79
Neighborhood Revitalization	(90.97)	(158.80)	(168.00)	9.20
Use of Money and Property				
Sale of Assets	13,150.08	5,713.80	6,027.00	(313.20)
Interest Income	44.26	1,517.10	-	1,517.10
Rental Income	1,681.06	1,800.00	1,341.00	459.00
Other Receipts				
Miscellaneous	128.85	316.66	-	316.66
Total Receipts	35,478.92	29,373.56	$ 27,613.00	$ 1,760.56
Expenditures				
General Government				
Contractual Services	9,193.39	9,078.20	$ 12,975.00	$ (3,896.80)
Commodities	1,227.28	10,424.01	32,656.00	(22,231.99)
Operating Transfers to Capital Improvements Fund	6,000.00	6,000.00	6,000.00	-
Total Expenditures	16,420.67	25,502.21	$ 51,631.00	$ (26,128.79)
Receipts Over(Under) Expenditures	19,058.25	3,871.35		
Unencumbered Cash, Beginning	24,435.40	43,493.65		
Unencumbered Cash, Ending	$ 43,493.65	$ 47,365.00		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Special Highway Tax	$ 45,183.85	$ 44,589.80	$ 46,710.00	$ (2,120.20)
Use of Money and Property				
Interest Income	391.88	3,442.50	-	3,442.50
Other Receipts				
Miscellaneous	12,389.45	8,808.09	-	8,808.09
Total Receipts	57,965.18	56,840.39	$ 46,710.00	$ 10,130.39
Expenditures				
General Government				
Personal Services	3,900.00	2,000.00	$ 37,666.00	$ (35,666.00)
Contractual Services	7,058.80	9,627.17	9,265.00	362.17
Commodities	30,487.00	13,772.99	40,050.00	(26,277.01)
Capital Outlay	-	-	3,478.00	(3,478.00)
Operating Transfers to				
Municipal Equipment Fund	3,750.00	1,750.00	1,750.00	-
Total Expenditures	45,195.80	27,150.16	$ 92,209.00	$ (65,058.84)
Receipts Over(Under) Expenditures	12,769.38	29,690.23		
Unencumbered Cash, Beginning	44,111.84	56,881.22		
Unencumbered Cash, Ending	$ 56,881.22	$ 86,571.45		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcohol Liquor Tax	$ 200.50	$ 155.87	$ 204.00	$ (48.13)
Total Receipts	200.50	155.87	$ 204.00	$ (48.13)
Expenditures				
General Government				
Capital Outlay	-	-	$ 6,285.00	$ (6,285.00)
Total Expenditures	-	-	$ 6,285.00	$ (6,285.00)
Receipts Over(Under) Expenditures	200.50	155.87		
Unencumbered Cash, Beginning	5,925.71	6,126.21		
Unencumbered Cash, Ending	$ 6,126.21	$ 6,282.08		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Fuel Tax Credit	$ 332.88	$ 220.08	$ 139.00	$ 81.08
Charges for Services				
Membership Fees	32,483.00	34,224.00	35,817.00	(1,593.00)
Green Fees	32,945.50	28,810.00	40,793.00	(11,983.00)
Golf Cart Fees	19,295.50	29,346.35	12,103.00	17,243.35
Tournament Proceeds	9,481.00	11,339.00	8,312.00	3,027.00
Concessions	18,982.05	20,426.71	18,253.00	2,173.71
Sale of Assets	10.00	-	-	-
Use of Money and Property				
Interest Income	47.96	431.31	12.00	419.31
Other Receipts				
Miscellaneous	477.00	9,922.00	-	9,922.00
Operating Transfer from				
General Fund	14,876.00	14,876.00	-	14,876.00
Total Receipts	128,930.89	149,595.45	$ 115,429.00	$ 34,166.45
Expenditures				
Culture and Recreation				
Contractual Services	97,502.43	128,586.72	$ 81,120.00	$ 47,466.72
Commodities	8,880.79	14,260.79	7,865.00	6,395.79
Capital Outlay	2,642.00	1,893.17	103,409.00	(101,515.83)
Debt Service				
Principal	-	-	5,000.00	(5,000.00)
Interest	-	-	2,450.00	(2,450.00)
Operating Transfers to				
Capital Improvement Fund	7,822.69	7,412.50	-	7,412.50
Total Expenditures	116,847.91	152,153.18	$ 199,844.00	$ (47,690.82)
Receipts Over(Under) Expenditures	12,082.98	(2,557.73)		
Unencumbered Cash, Beginning	55,198.34	67,281.32		
Unencumbered Cash, Ending	$ 67,281.32	$ 64,723.59		

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 27.43	$ 256.81
Total Receipts	27.43	256.81
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	27.43	256.81
Unencumbered Cash, Beginning	89,682.01	89,709.44
Unencumbered Cash, Ending	$ 89,709.44	$ 89,966.25

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

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
County Rebates	$ 936.49	$ 19.21
Use of Money and Property		
Interest Income	128.39	299.17
Total Receipts	1,064.88	318.38
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	1,064.88	318.38
Unencumbered Cash, Beginning	106,706.10	107,770.98
Unencumbered Cash, Ending	$ 107,770.98	$ 108,089.36

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ -	$ -
Total Receipts	-	-
Expenditures		
General Government		
Rebate Payments	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	1,612.54	1,612.54
Unencumbered Cash, Ending	$ 1,612.54	$ 1,612.54

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfers from Capital Improvements Fund	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Operating Expenditures				
Contractual Services	-	-	$ 2,290.00	$ (2,290.00)
Total Expenditures	-	-	$ 2,290.00	$ (2,290.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	2,289.72	2,289.72		
Unencumbered Cash, Ending	$ 2,289.72	$ 2,289.72		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 774,582.85	$ 801,703.25	$ 745,515.00	$ 56,188.25
Bulk Water Sales	3,101.00	1,466.00	1,929.00	(463.00)
Water Fees	4,921.70	4,865.21	5,815.00	(949.79)
Penalties	14,583.75	14,018.15	13,903.00	115.15
Use of Money and Property				
Interest Income	2,405.57	20,903.51	915.00	19,988.51
Rental Income	4,200.00	4,200.00	4,200.00	-
Other Receipts				
Reimbursed Expenses	36.14	858.80	-	859.00
Miscellaneous	81.97	4.98	-	4.98
Total Receipts	803,912.98	848,019.90	$ 772,277.00	$ 75,743.10
Expenditures				
Production				
Personal Services	122,289.49	130,539.32	$ 133,694.00	$ (3,154.68)
Contractual Services	85,038.44	111,666.08	106,915.00	4,751.08
Commodities	46,799.95	46,701.54	69,650.00	(22,948.46)
Distribution				
Personal Services	86,732.84	88,404.14	93,450.00	(5,045.86)
Contractual Services	22,822.59	36,270.85	61,325.00	(25,054.15)
Commodities	6,785.54	420.75	21,025.00	(20,604.25)
Capital Outlay	35,280.02	42,817.27	1,048,053.00	(1,005,235.73)
Debt Service				
Principal	69,999.94	173,750.12	70,000.00	103,750.12
Interest	62,848.90	119,711.38	50,312.00	69,399.38
Operating Transfers to:				
General Fund	110,000.00	110,000.00	110,000.00	-
Municipal Equipment Fund	13,304.97	7,250.00	7,250.00	-
Capital Improvements Fund	5,000.00	9,000.00	5,000.00	4,000.00
Total Expenditures	666,902.68	876,531.45	$ 1,776,674.00	$ (900,142.55)
Receipts Over(Under) Expenditures	137,010.30	(28,511.55)		
Unencumbered Cash, Beginning	873,496.91	1,010,507.21		
Unencumbered Cash, Ending	$ 1,010,507.21	$ 981,995.66		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Sewer Collections	$ 264,914.62	$ 290,218.90	$ 247,534.00	$ 42,684.90
Special Assessments	2,304.27	2,403.29	3,820.00	(1,416.71)
Use of Money and Property				
Interest Income	281.73	3,768.65	345.00	3,423.65
Other Receipts				
Miscellaneous	2,549.20	4,067.76	-	4,067.76
Reimbursed Expenses	1,797.80	-	-	-
Total Receipts	271,847.62	300,458.60	$ 251,699.00	$ 48,759.60
Expenditures				
Operating Expenditures				
Personal Services	50,095.74	53,603.49	$ 52,634.00	$ 969.49
Contractual Services	31,400.21	31,075.70	83,900.00	(52,824.30)
Commodities	7,821.52	1,681.42	18,305.00	(16,623.58)
Capital Outlay	26,005.04	28,861.30	8,211.00	20,650.30
Debt Service				
Principal	126,666.64	59,583.33	170,000.00	(110,416.67)
Interest	97,022.22	2,066.67	64,800.00	(62,733.33)
Operating Transfers to:				
General Fund	32,000.00	32,000.00	-	32,000.00
Municipal Equipment Fund	6,250.00	7,000.00	7,000.00	-
Capital Improvements Fund	5,000.00	8,000.00	5,000.00	3,000.00
Total Expenditures	382,261.37	223,871.91	$ 409,850.00	$ (185,978.09)
Receipts Over(Under) Expenditures	(110,413.75)	76,586.69		
Unencumbered Cash, Beginning	262,353.23	151,939.48		
Unencumbered Cash, Ending	$ 151,939.48	$ 228,526.17		

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Refuse Collections	$ 206,177.66	$ 211,075.87	$ 203,731.00	$ 7,344.87
Dumpster Fees	5,372.17	9,824.76	4,364.00	5,460.76
Use of Money and Property				
Interest Income	249.93	3,445.35	159.00	3,286.35
Other Receipts				
Miscellaneous	1,889.22	248.66	-	248.66
Total Receipts	213,688.98	224,594.64	$ 208,254.00	$ 16,340.64
Expenditures				
Operating Expenditures				
Personal Services	85,456.56	90,866.97	$ 97,080.00	$ (6,213.03)
Contractual Services	72,335.52	83,394.93	90,265.00	(6,870.07)
Commodities	15,771.30	13,436.21	16,475.00	(3,038.79)
Capital Outlay	-	-	120,590.00	(120,590.00)
Operating Transfers to:				
General Fund	29,000.00	29,000.00	29,000.00	-
Municipal Equipment Fund	15,000.00	14,000.00	10,000.00	4,000.00
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	-
Total Expenditures	222,563.38	235,698.11	$ 368,410.00	$ (132,711.89)
Receipts Over(Under) Expenditures	(8,874.40)	(11,103.47)		
Unencumbered Cash, Beginning	157,541.63	148,667.23		
Unencumbered Cash, Ending	$ 148,667.23	$ 137,563.76		

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

Funds	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Utility Deposits Fund	$ 36,992.68	$ 6,417.87	$ 7,951.74	$ 35,458.81
Oswego Senior Center	19,222.28	6,186.23	5,325.21	20,083.30
Oswego Fire Department Donations	625.22	-	-	625.22
Total Agency Funds	$ 56,840.18	$ 12,604.10	$ 13,276.95	$ 56,167.33

Jarred
Gilmore
Phillips

Honorable Mayor and City Council
City of Oswego, Kansas

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the City Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
May 30, 2024