CITY OF BUHLER, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2022

GBN, P.A.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Buhler, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of City of Buhler, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2022 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 Buhler, Kansas as of December 31, 2022, 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 materialrespects, the aggregate cash and unencumbered cash balance of the City of Buhler as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance withthe 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 Buhler, 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 Buhler, 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 Buhler, 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

ADDITIONAL PARAGRAPH ADDED TO END OF AUDITOR'S REPORT

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Buhler, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated March 22, 2024, which contained an unmodified opinion on the basic financial statement. The 2021 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/oar/municipalservices. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (Schedule 2 and 3 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 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in Note 1.

GBN, P.A.

Wichita, Kansas
March 25, 2024

CITY OF BUHLER, KANSAS

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

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 208,719	$ –	$ 951,043	$ 833,024	$ 326,738	$ 34,492	$ 361,230
Special Purpose Funds:							
Library	–	–	50,315	50,220	95	1,332	1,427
Recreation	–	–	14,365	14,365	–	4,705	4,705
Employee Benefits	12,096	–	117,649	126,350	3,395	–	3,395
Special Highway	12,110	–	39,928	31,997	20,041	–	20,041
ARPA	97,517	–	97,517	154,600	40,434	38,430	78,864
Capital Equipment Reserve	6,280	–	48,642	12,550	42,372	–	42,372
Capital Improvement Reserve	126,104	–	65,586	14,367	177,323	4,511	181,834
Revolving Loan - WWTP	65,923	–	70,021	70,022	65,922	–	65,922
Revolving Loan - Water 2009	77,592	–	65,000	64,895	77,697	–	77,697
City Development & Trust	14,746	–	–	13,300	1,446	–	1,446
Debt Service Fund:							
Debt Service	25,760	–	104,145	98,726	31,179	–	31,179
Capital Project Funds:							
Industrial Park II Project	–	–	699,700	20,780	678,920	4,000	682,920
Business Funds:							
Water Utility	15,577	–	253,809	248,468	20,918	2,305	23,223
Sewer Utility	27,583	–	222,208	220,643	29,148	1,660	30,808
Water Meter Deposit	6,970	–	991	5,920	2,041	–	2,041
Water Surplus Reserve	49,035	–	15,000	23,471	40,564	–	40,564
Sewer Replacement Reserve	52,395	–	12,000	57,859	6,536	–	6,536
Total Reporting Entitiy (Excluding Agency Funds)	$ 798,407	$ –	$ 2,827,919	$ 2,061,557	$ 1,564,769	$ 91,435	$ 1,656,204

Composition of Cash:

Primary Government:	
Prairie Bank of Kansas- Checking Account	$ 1,424,478
Prairie Bank of Kansas- Checking Account	230,991
Prairie Bank of Kansas- Checking Account	685
Buhler Bucks	330
Petty Cash	50
Total Primary Government	1,656,534
Less: Agency Funds	(330)
Total Reporting Entity (excluding agency funds)	$ 1,656,204

The accompanying notes are an integral part of the financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

The City operates under a Mayor-Council form of government consisting of an elected Mayor and five council persons and provides services to its citizens in the areas of highways and streets, water and sewer utilities, public improvement, public safety, planning and zoning, recreation and general administrative services.

These financial statements present the City of Buhler, Kansas. The related municipal entities if any are not included in these financial statements.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with state statutes, several different types of funds are used to record the City's financial transactions. For financial reporting, they have been grouped and are presented in this report 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 funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

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

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

Business funds – funds financed in whole or in part by fees charged to users of the goods or services.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 revenue and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Budgetary principles

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 of the proposed budget and notice of public hearing on the budget on or before August 5th.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments during 2022.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Kansas 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 capital project funds, utility reserve funds and the following special purpose funds:

ARPA Fund
Capital Equipment Reserve Fund
Capital Improvement Reserve Fund
Revolving Loan – WWTP Fund
Revolving Loan - Water 2009 Fund
City Development & Trust Fund

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

Compensated absences

The City permits employees to accumulate earned but unused vacation and sick pay benefits.

Vacation – The City's policy regarding vacation permits permanent employees with two years service to earn six days vacation pay, three to ten years of service earn twelve days of vacation pay and after eleven years of service earn eighteen days vacation pay. A maximum of five days vacation time is allowed to accumulate for carryover to the next work year. At termination, an employee shall be compensated for all accumulated vacation pay and all accumulated sick leave is canceled.

Sick Leave – Sick leave is allowed to accumulate at the rate of one half day for each full month of service with a maximum accumulation of 120 days. The cost of accumulated vacation and sick leave are recorded in the financial statements at the time payments are made to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pension plan

All full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERS), which is a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs as accrued; such costs to be funded are determined annually by the system's actuary.

Concentration of credit risk

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. The City does not require security deposits for the credit granted to certain utility customers, however, tap fees or hook-up charges are assessed by the City when the utility service is provided.

Stewardship, Compliance, and Accountability

Expenditures in the Employee Benefits Fund exceeded the adopted budget by $6,645 for the year ended December 31, 2022, which is a violation of K.S.A. 79-2935.

Risk management

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

Subsequent Events

Subsequent events have been evaluated through March 26, 2024, which is the date the financial statement was available to be issued.

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories, which may be used by governmental entities in Kansas. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Depository Insurance Corporation 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.

2. DEPOSITS AND INVESTMENTS (continued)

Concentration of credit risk

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

Custodial credit risk – deposits

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

At December 31, 2022, the carrying amount of the City's deposits was $1,656,484, with the bank balances of such accounts being $1,759,995. Of the bank balances, $250,330 was covered by federal depository insurance and the remaining balance of $1,509,665 was collateralized with securities held by the pledging financial institution's agent in the City's name. The fair value of those pledged securities held by the City's custodial investment agencies was $2,116,672 at December 31, 2022.

3. RECLASSIFICATIONS AND COMPARATIVE DATA

The amounts shown for 2021 in the accompanying financial statement are included, where practicable, only to provide a basis for comparison with 2022 and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis of presentation. Certain amounts for 2021 have been reclassified to conform to the presentation of similar amounts for 2022.

4. 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. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. 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 the Comprehensive Annual Financial Report that can be found on the KPERS website at www. Kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

4. PENSION PLAN (continued)

Contributions

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. The City's contributions to KPERS for the years ending December 31, 2022 and 2021 were $47,045 and $41,168, respectively.

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was $473,751. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the 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.

5. SPECIAL ASSESSMENTS

Projects, financed in part by special assessments, are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of the bonds are recorded as revenue in the appropriate project fund. Special assessments received after the issuance of bonds are recorded in the Bond and Interest Fund.

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2022:

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
General Obligation Bonds									
General Obligation Bonds, Series 2009	2.50-4.50	05-01-09	$ 538,000	10-01-29	$ 100,000	$ –	$ 10,000	$ 90,000	$ 4,375
General Obligation Bonds, Series 2016	2.00-3.50	12-21-16	$1,250,000	10-01-35	1,070,000	–	55,000	1,015,000	29,351
Total General Obligation Bonds					1,170,000	–	65,000	1,105,000	33,726
Revolving Loans									
KWPCRF Project No. C20-1700-01	2.58-2.58	10-28-05	$ 594,300	03-01-27	356,904	–	61,206	295,698	8,816
KPWSLF Project No.2701	3.63-3.63	02-09-12	$2,038,095	02-01-31	517,512	–	46,527	470,985	18,367
Total Revolving Loans					874,416	–	107,733	766,683	27,183
Temporary Notes									
General Obligation Temporary Notes Series 2022	3.78	12-15-22	$ 699,700	12-01-24	–	699,700	–	699,700	–
Lease Purchase Agreements									
2018 E-26 Bobcat Compact Excavator	6.17	09-12-18	$ 22,985	09-12-22	3,448	–	3,448	–	1,149
Total Long-Term Debt					$ 2,047,864	$ 699,700	$ 176,181	$ 2,571,383	$ 62,058

General obligation bonds

General obligation bonds payable consist of serial and term bonds to be retired through calendar year 2036. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year ending December 31,	Principal	Interest	Total
2023	$ 70,000	$ 31,814	$ 101,814
2024	70,000	30,039	100,039
2025	70,000	28,414	98,414
2026	80,000	26,699	106,699
2027	80,000	24,561	104,561
2028	85,000	22,326	107,326
2029	85,000	19,901	104,901
2030	75,000	17,406	92,406
2031	75,000	15,344	90,344
2032	75,000	13,094	88,094
2033	80,000	10,844	90,844
2034	85,000	8,343	93,343
2035	85,000	5,687	90,687
2036	90,000	2,925	92,925
	$ 1,105,000	$ 257,397	$ 1,362,397

6. LONG-TERM DEBT (continued)

Temporary notes payable

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds or paid through other resources available to the City. Prior to the issuance of the temporary notes, the governing body must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance.

Annual debt service requirements to maturity for the temporary notes are as follows:

Year	Principal	Interest	Total
2023	$ –	$ 25,420	$ 25,420
2024	699,700	26,449	726,149
Total	$ 699,700	$ 51,869	$ 751,569

Revolving loan note payable

In October 2005, the City Council entered into a second loan agreement with the KDHE for financing additional wastewater facility improvements including a new bar screen, aerated digester, sludge building, sludge dewatering equipment, and other various improvements at the wastewater plant. The amended loan agreement provides for semiannual payments in the amount of $35,011, including interest, with final payment due March 1, 2027. At December 31, 2022, the principal amount of the loan agreement is $295,698 at an interest rate of 2.58%.

Annual debt service requirements to maturity for the loan agreement are as follows:

Year ending December 31,	Principal	Interest	Total
2023	$ 62,795	$ 7,227	$ 70,022
2024	64,425	5,597	70,022
2025	66,098	3,924	70,022
2026	67,815	2,207	70,022
2027	34,565	446	35,011
	$ 295,698	$ 19,401	$ 315,099

6. LONG-TERM DEBT (continued)

The City Council entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for financing waterworks system plant improvements. The total loan commitment for the water project was $2,038,095. During 2012, KDHE forgave outstanding principal on the outstanding loan balance and loan origination fees totaling $334,313. At December 31, 2022, the principal amount of the loan agreement is $470,985 at an interest rate of 3.63%. The original loan agreement provided for semiannual payments in the amount of $72,108, including principal and interest, through August 1, 2021 with a final payment due on February 1, 2022. The amended loan agreement during 2012 provides for semiannual payments in the amount of $32,447, including principal and interest, through February 1, 2031. The debt service requirements for the loan will be provided from resources available in the Waterworks System Fund. Annual debt service requirements to maturity for the loan agreement are as follows:

Year ending December 31,	Principal	Interest	Total
2023	$ 48,232	$ 16,662	$ 64,894
2024	49,998	14,896	64,894
2025	51,830	13,064	64,894
2026	53,728	11,166	64,894
2027	55,696	9,198	64,894
2028	57,736	7,158	64,894
2029	59,851	5,043	64,894
2030	62,044	2,850	64,894
2031	31,870	576	32,446
	$ 470,985	$ 80,613	$ 551,598

The City has pledged future waterworks system customer revenues, sewage treatment customer revenues, or levy ad valorem taxes without limitation, to produce amounts which are sufficient to pay (a) the cost of operation and maintenance of the system, (b) pay the principal of and interest on the loans as when the same become due, and (c) pay all other amounts due at any time under the loan agreements. Annual principal and interest payments on the loans are expected to require less than 50 percent of net revenues. The total principal and interest remaining to be paid on the loans is $766,683. Principal and interest paid for the current year and total customer net revenues were $134,916 and $474,587, respectively.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits

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

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

Death and Disability Other Post Employement Benefits

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

8. COMMITMENTS AND CONTINGENCIES

Grant Programs

The City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. It is management's opinion that any liability for reimbursement, which may arise as the result of these audits, would not be material to the City's financial statement.

9. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2022 is as follows:

Fund	Transfers In	Transfers Out
General	$ –	$ 105,500
Library	–	5,000
Employee Benefits	85,142	–
Capital Equipment Reserve	15,000	–
Capital Improvement Reserve	55,000	–
Revolving Loan WWTP	70,021	–
Revolving Loan –Water 2009	65,000	–
Water Utility	–	104,238
Water Surplus Reserve	15,000	–

9. INTERFUND TRANSFERS (continued)

Fund	Transfers In	Transfers Out
Water Meter Deposit	$ 141	$ –
Sewer Utility	–	102,566
Sewer Replacement Reserve	12,000	–
	$ 317,304	$ 317,304

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

CITY OF BUHLER, KANSAS

Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

Department	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance favorable (unfavorable)
General Fund	$ 963,900	$ –	$ 963,900	$ 833,024	$ 130,876
Special Purpose Funds:					
Library	50,220	–	50,220	50,220	–
Recreation	14,500	–	14,500	14,365	135
Employee Benefits	119,705	–	119,705	126,350	(6,645)
Special Highway	44,666	–	44,666	31,997	12,669
Debt Service Fund:					
Debt Service	317,177	–	317,177	98,726	218,451
Business Funds:					
Water Utility	317,177	–	317,177	248,468	68,709
Sewer Utility	212,777	–	212,777	220,643	(7,866)

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

GENERAL FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Taxes	$ 640,810	$ 731,886	$ 601,735	$ 130,151
Intergovernmental	1,030	773	1,000	(227)
Licenses, Permits and Fees	62,766	83,338	60,200	23,138
Charges for Services	61,058	62,519	100,125	(37,606)
Fines and Forfeitures	51,933	29,388	38,000	(8,612)
Use of Money & Property	39,262	43,124	1,450	41,674
Miscellaneous	24	15	2,031	(2,016)
Reimbursements	601	–	1,500	(1,500)
Total Cash Receipts	857,484	951,043	$ 806,041	$ 145,002
Expenditures:				
Administration	$ 105,809	$ 120,585	$ 107,500	$ (13,085)
Park	38,596	34,987	36,000	1,013
Street Light	21,579	20,476	22,600	2,124
Sanitation	59,887	61,984	63,000	1,016
Swimming Pool	29,880	31,110	34,000	2,890
Municipal Court	10,320	14,839	15,600	761
Economic Development	–	1,000	1,000	–
Wellness Center	72,372	77,710	78,000	290
Cemetery	19,803	20,016	20,200	184
Street Maintenance	135,850	88,705	159,000	70,295
Public Safety	172,855	191,112	181,000	(10,112)
Appropriation to Economic Development	14,000	15,000	15,000	–
Appropriation to USD 313 - Wheatland	50,000	50,000	50,000	–
Cash Reserve	–	–	75,000	75,000
Transfers Out	105,319	105,500	106,000	500
Total Expenditures	836,270	833,024	$ 963,900	$ 130,876
Cash Receipts Over Expenditures	21,214	118,019		
Unencumbered Cash, Beginning	187,505	208,719	$ 157,859	$ 50,860
Unencumbered Cash, Ending	$ 208,719	$ 326,738		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

LIBRARY FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Taxes	$ 44,901	$ 50,315	$ 49,002	$ 1,313
Expenditures:				
Personnel Services	28,276	29,948	32,000	2,052
Contractual Services	5,049	5,540	7,000	1,460
Commodities	–	–	–	–
Appropriation to Library Board	8,576	9,732	5,920	(3,812)
Transfers Out	3,000	5,000	5,300	300
Total Expenditures	44,901	50,220	$ 50,220	$ –
Cash Receipts Over Expenditures	–	95		
Unencumbered Cash, Beginning	–	–		
Unencumbered Cash, Ending	$ –	$ 95		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

RECREATION FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Taxes	$ 13,178	$ 14,365	$ 14,205	$ 160
Expenditures:				
Personnel Services	11,298	9,449	12,000	2,551
Contractual	297	211	–	(211)
Commodities	–	–	2,000	2,000
Capital Outlay	–	–	–	–
Appropriation to Recreation Commission	1,767	4,705	–	(4,705)
Transfers Out	–	–	500	500
Total Expenditures	13,362	14,365	$ 14,500	$ 135
Cash Receipts Over (Under) Expenditures	(184)	–		
Unencumbered Cash, Beginning	184	–	$ 295	$ (295)
Unencumbered Cash, Ending	$ –	$ –		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

EMPLOYEE BENEFITS FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Taxes	$ 20,514	$ 24,659	$ 23,985	$ 674
Reimbursements	7,538	7,848	–	7,848
Transfers In	86,694	85,142	89,800	(4,658)
Total Cash Receipts	114,746	117,649	$ 113,785	$ 3,864
Expenditures:				
Personnel Services	112,706	126,350	$ 119,705	$ (6,645)
Cash Receipts Over (Under) Expenditures	2,040	(8,701)		
Unencumbered Cash, Beginning	10,056	12,096	$ 5,920	$ 6,176
Unencumbered Cash, Ending	$ 12,096	$ 3,395		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

SPECIAL HIGHWAY FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Taxes	$ 42,523	$ 39,928	$ 37,470	$ 2,458
Expenditures:				
Contractual Services	2,500	19,997	12,000	(7,997)
Commodities	8,352	–	15,000	15,000
Capital Outlay	23,000	12,000	17,666	5,666
Total Expenditures	33,852	31,997	$ 44,666	$ 12,669
Cash Receipts Over Expenditures	8,671	7,931		
Unencumbered Cash, Beginning	3,439	12,110	$ 7,196	$ 4,914
Unencumbered Cash, Ending	$ 12,110	$ 20,041		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

ARPA FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Grant Proceeds	$ 97,517	$ 97,517
Expenditures:		
Capital Outlay	154,600	–
Total Expenditures	154,600	–
Cash Receipts Over (Under) Expenditures	(57,083)	97,517
Unencumbered Cash, Beginning	97,517	–
Unencumbered Cash, Ending	$ 40,434	$ 97,517

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

CAPITAL EQUIPMENT RESERVE FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Transfers In	$ 15,000	$ 15,000
Miscellaneous	33,642	2,184
Total Cash Receipts	48,642	17,184
Expenditures:		
Capital Outlay	12,550	29,423
Cash Receipts Over (Under) Expenditures	36,092	(12,239)
Unencumbered Cash, Beginning	6,280	18,519
Unencumbered Cash, Ending	$ 42,372	$ 6,280

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
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For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

CAPITAL IMPROVEMENT RESERVE FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Swimming Pool Project Fees	$ –	$ –
Franchise Fees	10,461	10,187
Grants	–	5,297
Miscelleneous	125	–
Transfers in	55,000	74,719
Total Cash Receipts	65,586	90,203
Expenditures:		
Contractual Services	4,556	3,285
Capital Outlay	9,811	96,390
Total Expenditures	14,367	99,675
Cash Receipts Over (Under) Expenditures	51,219	(9,472)
Unencumbered Cash, Beginning	126,104	135,576
Unencumbered Cash, Ending	$ 177,323	$ 126,104

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

REVOLVING LOAN - WWTP FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Transfers In	$ 70,021	$ 70,021
Expenditures:		
Principal	61,206	59,657
Interest	7,962	9,361
Miscellaneous	854	1,004
Total Expenditures	70,022	70,022
Expenditures Over Cash Receipts	(1)	(1)
Unencumbered Cash, Beginning	65,923	65,924
Unencumbered Cash, Ending	$ 65,922	$ 65,923

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
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For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

REVOLVING LOAN - WATER 2009 FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Transfers In	$ 65,000	$ 65,000
Expenditures:		
Principal	46,527	44,883
Interest	16,596	18,082
Miscellaneous	1,772	1,929
Total Expenditures	64,895	64,894
Cash Receipts Over Expenditures	105	106
Unencumbered Cash, Beginning	77,592	77,486
Unencumbered Cash, Ending	$ 77,697	$ 77,592

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
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For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

CITY DEVELOPMENT & TRUST FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Miscellaneous	$ –	$ 13,225
Expenditures:		
Contractual Services	–	–
Capital Outlay	13,300	7,225
Total Expenditures	13,300	7,225
Cash Receipts Over (Under) Expenditures	(13,300)	6,000
Unencumbered Cash, Beginning	14,746	8,746
Unencumbered Cash, Ending	$ 1,446	$ 14,746

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

DEBT SERVICE FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Taxes	$ 4,393	$ 5,665	$ 5,466	$ 199
Special Assessments	100,130	98,480	93,556	4,924
Total Cash Receipts	104,523	104,145	$ 99,022	$ 5,123
Expenditures:				
Bond Principal	65,000	65,000	$ 65,000	$ –
Bond Interest	35,776	33,726	33,726	–
Bond Reserve	–	–	21,500	21,500
Total Expenditures	100,776	98,726	$ 120,226	$ 21,500
Cash Receipts Over Expenditures	3,747	5,419		
Unencumbered Cash, Beginning	22,013	25,760	$ 21,204	$ 4,556
Unencumbered Cash, Ending	$ 25,760	$ 31,179		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
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For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

INDUSTRIAL PARK II PROJECT FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Temporary Notes	$ 699,700	$ –
Expenditures:		
Debt Service	20,780	–
Capital Outlay	–	–
Total Expenditures	20,780	–
Cash Receipts Over Expenditures	678,920	–
Unencumbered Cash, Beginning	–	–
Unencumbered Cash, Ending	$ 678,920	$ –

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

WATER UTILITY FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Charges for Services	$ 241,621	$ 252,379	$ 247,250	$ 5,129
Reimbursed Expenses	1,250	1,428	500	928
Use of Money & Property	2	2	5	(3)
Total Cash Receipts	242,873	253,809	$ 247,755	$ 6,054
Expenditures:				
Personnel Services	76,954	72,986	$ 88,000	$ 15,014
Contractual Services	52,934	58,936	40,000	(18,936)
Commodities	8,501	12,308	75,000	62,692
Capital Outlay	1,026	–	–	–
Transfers to Other Funds	112,313	104,238	114,177	9,939
Total Expenditures	251,728	248,468	$ 317,177	$ 68,709
Cash Receipts Over (Under) Expenditures	(8,855)	5,341		
Unencumbered Cash, Beginning	24,432	15,577		
Unencumbered Cash, Ending	$ 15,577	$ 20,918		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

SEWER UTILITY FUND

	Year ended December 31,			
		2022		
	2021 Actual	Actual	Budget	Variance favorable (unfavorable)
Cash Receipts:				
Charges for Services	$ 213,892	$ 222,208	$ 207,100	$ 15,108
Expenditures:				
Personnel Services	60,025	65,200	$ 58,000	$ (7,200)
Contractual Services	28,050	44,777	30,000	(14,777)
Commodities	2,707	8,100	3,580	(4,520)
Capital Outlay	500	–	–	–
Transfers Out	115,802	102,566	121,197	18,631
Total Expenditures	207,084	220,643	$ 212,777	$ (7,866)
Cash Receipts Over Expenditures	6,808	1,565		
Unencumbered Cash, Beginning	20,775	27,583		
Unencumbered Cash, Ending	$ 27,583	$ 29,148		

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

WATER METER DEPOSIT FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Meter Deposits	$ 850	$ 600
Transfers In	141	–
Total Cash Receipts	991	600
Expenditures:		
Meter Refunds	5,920	–
Cash Receipts Over (Under) Expenditures	(4,929)	600
Unencumbered Cash, Beginning	6,970	6,370
Unencumbered Cash, Ending	$ 2,041	$ 6,970

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
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For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

WATER SURPLUS RESERVE FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Transfers In	$ 15,000	$ 15,000
Expenditures:		
Contractual	7,574	–
Commodities	6,797	–
Capital Outlay	9,100	10,275
Total Expenditures	23,471	10,275
Cash Receipts Over (Under) Expenditures	(8,471)	4,725
Unencumbered Cash, Beginning	49,035	44,310
Unencumbered Cash, Ending	$ 40,564	$ 49,035

CITY OF BUHLER, KANSAS

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(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

SEWER REPLACEMENT RESERVE FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Transfers In	$ 12,000	$ 10,000
Expenditures:		
Contractual	–	–
Capital Outlay	57,859	1,039
Total Expenditures	57,859	1,039
Cash Receipts Over (Under) Expenditures	(45,859)	8,961
Unencumbered Cash, Beginning	52,395	43,434
Unencumbered Cash, Ending	$ 6,536	$ 52,395

CITY OF BUHLER, KANSAS

Schedule of Receipts and Expenditures
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(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

BUHLER BUCKS FUND

	Year ended December 31,	
	2022	2021
Cash Receipts:		
Buhler Bucks Sold	$ –	$ –
Expenditures:		
Buhler Bucks Redeemed	5	60
Expenditures Over Cash Receipts	(5)	(60)
Unencumbered Cash, Beginning	335	395
Unencumbered Cash, Ending	$ 330	$ 335