

CITY OF OTIS, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2022

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For the Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Otis, Kansas
Otis, 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 Otis, Kansas**, 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 matters 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 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 material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* 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, 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 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditors' 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 and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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 as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated May 11, 2022, 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/accountsreports/local-government/municipal-services>. 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 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.



ADAMSBROWN, LLC

Certified Public Accountants
Great Bend, Kansas

April 12, 2023

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 11,240	-	146,771	123,294	34,717	445	35,162
Special Purpose Funds							
Federal Funds Fund	19,839	-	19,839	24,093	15,585	-	15,585
Employee Benefit Fund	6,334	-	16,056	20,377	2,013	634	2,647
Library Fund	-	-	3,737	3,737	-	-	-
Special Highway Fund	8,863	-	96,884	8,499	97,248	14	97,262
Capital Improvement Fund	9	-	-	-	9	-	9
Business Funds							
Water Utility Fund	452,519	-	349,868	404,000	398,387	29,379	427,766
Sanitation Fund	306	-	30,953	30,940	319	-	319
Sewer Reserve Fund	35,549	-	59	7,639	27,969	-	27,969
Total Primary Government	<u>\$ 534,659</u>	<u>-</u>	<u>664,167</u>	<u>622,579</u>	<u>576,247</u>	<u>30,472</u>	<u>606,719</u>
				Composition of Cash			
						\$	61,217
							167,001
							368,416
							<u>10,085</u>
						Total Primary Government	<u>\$ 606,719</u>

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

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Otis, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected five-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the library.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2022.

Regulatory Basis Fund Types

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

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.

Reimbursements

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

NOTE 2 – BUDGETARY INFORMATION

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

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Federal Funds Fund and Capital Improvement Fund.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Otis, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

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

At December 31, 2022, the City's carrying amount of deposits was \$606,719 and the bank balance was \$616,357. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance for the year ending December 31, 2022.

Custodial Credit Risk – Investments

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

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Otis, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2022 were as follows:

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Water Utility Fund	Special Highway Fund	K.S.A. 12-825d	\$ 5,000
Water Utility Fund	General Fund	K.S.A. 12-825d	15,000
Water Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	8,300

NOTE 5 – LITIGATION

City of Otis, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

City of Otis, Kansas is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

The City has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other public entities in the State of Kansas and Missouri to participate in the Midwest Public Risk Pool (MPR), a public entity risk pool currently operating as a common risk management and insurance program for 163 participating members. The City joined MPR in July 2017. The agreement to participate provides that MPR will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. During 2022, the City contributed \$37,246 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by MPR management.

The City has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 174 participating members. The City joined KMIT in March 2022. 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 \$500,000 for each insured event. During 2022, the City contributed \$1,228 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Otis, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City did not publish an annual financial statement, which is in violation of K.S.A. 12-1608.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

City of Otis, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S 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. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$8,205 for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$108,706. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Otis, Kansas** 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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.

NOTE 11 – COMPENSATED ABSENCES

Paid Time Off

Regular full-time employees are entitled to 12 paid time off (PTO) days per year. Part-time employees do not earn PTO. Employees may not accrue more than 20 days of PTO. Employees are allowed to carryover 5 days of PTO to the next year. Upon termination, employees will be paid all accrued unused time off.

NOTE 12 – LONG-TERM DEBT

City of Otis, Kansas has the following type of long-term debt.

General Obligation Bonds

On September 26, 2019, the City issued \$2,383,000 in General Obligation Bonds Series 2019 to pay off General Obligation Temporary Notes Series 2018 for the purpose of acquiring, constructing, reconstructing, improving or enlarging the water system.

CITY OF OTIS, KANSAS
Notes to Financial Statement
December 31, 2022

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2019	2.75%	9/26/2019	\$ 2,383,000	9/26/2059	\$ 2,262,568	-	(35,302)	2,227,266	62,220

Current maturities of long-term debt and interest through maturity are as follows:

	Year												Total
	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	2053-2057	2058-2059	
Principal													
General Obligation Bonds	\$ 36,272	37,270	38,295	39,348	40,430	219,450	251,331	287,842	329,658	377,549	432,397	137,424	2,227,266
Interest													
General Obligation Bonds	62,698	61,700	60,675	59,622	58,540	275,398	243,517	207,006	165,190	117,299	62,451	7,876	1,381,972
Total Principal and Interest	\$ 98,970	98,970	98,970	98,970	98,970	494,848	494,848	494,848	494,848	494,848	494,848	145,300	3,609,238

CITY OF OTIS, KANSAS

Regulatory-Required Supplementary Information

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 81,383	44,560	125,943	123,294	(2,649)
Special Purpose Funds					
Employee Benefit Fund	23,400	-	23,400	20,377	(3,023)
Library Fund	4,200	-	4,200	3,737	(463)
Special Highway Fund	11,974	-	11,974	8,499	(3,475)
Business Funds					
Water Utility Fund	770,326	-	770,326	404,000	(366,326)
Sanitation Fund	37,600	-	37,600	30,940	(6,660)

CITY OF OTIS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ 4,945	16,669	16,090	579
Franchise Tax	17,431	18,808	16,000	2,808
Licenses	-	25	300	(275)
Sewer Collections	22,932	28,224	25,000	3,224
Fines and Permits	410	477	500	(23)
Insurance Reimbursements	74,973	45,060	500	44,560
Rent	1,250	2,045	2,100	(55)
Federal Aid	-	10,064	-	10,064
State Aid	-	452	-	452
Sale of Assets	-	5,547	-	5,547
Miscellaneous	3,803	4,400	-	4,400
Transfers In	15,000	15,000	15,000	-
Total Receipts	140,744	146,771	75,490	71,281
Expenditures				
Salaries and Wages	10,909	9,998	15,000	(5,002)
Parks and Maintenance	4,970	5,711	2,500	3,211
Street Lights	7,560	9,163	9,000	163
Sewer	9,100	8,469	12,000	(3,531)
Liability Insurance	-	7,436	-	7,436
Insurance	1,429	7,842	13,000	(5,158)
Legal	2,490	1,305	2,000	(695)
Office Supplies	1,870	7,181	2,000	5,181
Repairs and Maintenance	8,319	1,043	2,500	(1,457)
Travel Expenses	3,038	3,638	3,000	638
Utilities	8,766	10,363	13,000	(2,637)
Rental Expenses	5,776	2,990	1,583	1,407
Library	3,600	2,400	4,800	(2,400)
Contractual Services	-	6,976	1,000	5,976
Miscellaneous	6,825	5,248	-	5,248
Capital Outlay	76,300	33,531	-	33,531
(a) Adjustment for Qualifying Budget Credits	-	-	44,560	(44,560)
Total Expenditures	150,952	123,294	125,943	(2,649)
Receipts Over (Under) Expenditures	(10,208)	23,477		
Unencumbered Cash - Beginning	21,448	11,240		
Unencumbered Cash - Ending	\$ 11,240	34,717		

(a) Adjustment for Qualifying Budget Credits

Insurance Reimbursements Over Amount Budgeted \$ 44,560

CITY OF OTIS, KANSAS
Federal Funds Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 19,839	19,839
Expenditures		
Premium Pay	-	2,600
Contractual Services	-	5,968
Capital Outlay	-	15,525
Total Expenditures	-	24,093
Receipts Over (Under) Expenditures	19,839	(4,254)
Unencumbered Cash - Beginning	-	19,839
Unencumbered Cash - Ending	\$ 19,839	15,585

CITY OF OTIS, KANSAS
Employee Benefit Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ 19,195	7,756	8,056	(300)
Transfers In	-	8,300	5,000	3,300
Total Receipts	19,195	16,056	<u>13,056</u>	<u>3,000</u>
Expenditures				
Employee Benefits	18,462	20,377	<u>23,400</u>	<u>(3,023)</u>
Receipts Over (Under) Expenditures	733	(4,321)		
Unencumbered Cash - Beginning	<u>5,601</u>	<u>6,334</u>		
Unencumbered Cash - Ending	\$ <u>6,334</u>	<u>2,013</u>		

CITY OF OTIS, KANSAS
Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2022
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ 3,804	3,737	4,200	(463)
Expenditures				
Appropriations	3,804	3,737	4,200	(463)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

CITY OF OTIS, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Highway Tax	\$ 7,420	7,422	6,690	732
Federal Aid	-	78,922	-	78,922
State Aid	-	5,540	-	5,540
Tax Specials	178	-	-	-
Transfers In	5,000	5,000	5,000	-
Total Receipts	12,598	96,884	11,690	85,194
Expenditures				
Salaries and Wages	6,858	6,250	10,000	(3,750)
Commodities	6,370	1,555	1,974	(419)
Capital Outlay	796	694	-	694
Total Expenditures	14,024	8,499	11,974	(3,475)
Receipts Over (Under) Expenditures	(1,426)	88,385		
Unencumbered Cash - Beginning	10,289	8,863		
Unencumbered Cash - Ending	\$ 8,863	97,248		

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

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous	\$ 1,750	-
Expenditures		
Contractual	13,870	-
Receipts Over (Under) Expenditures	(12,120)	-
Unencumbered Cash - Beginning	12,129	9
Unencumbered Cash - Ending	\$ 9	9

CITY OF OTIS, KANSAS
Water Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 7	-
USDA Grant	89,135	-
Total Receipts	89,142	-
Expenditures		
Capital Outlay	123,268	-
Receipts Over (Under) Expenditures	(34,126)	-
Unencumbered Cash - Beginning	34,126	-
Unencumbered Cash - Ending	\$ -	-

CITY OF OTIS, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Charges to Customers	\$ 319,947	343,474	315,000	28,474
Interest	1,705	1,772	2,000	(228)
Deposits	1,350	1,300	900	400
Water Connection	50	-	800	(800)
Sale of Assets	-	3,113	-	3,113
Miscellaneous	111	209	-	209
Total Receipts	<u>323,163</u>	<u>349,868</u>	<u>318,700</u>	<u>31,168</u>
Expenditures				
Production	146,570	151,751	21,000	130,751
Distribution	83,136	97,584	63,000	34,584
Meter Refunds	3,474	241	400	(159)
Sales Tax	351	358	350	8
Miscellaneous	4,337	4,644	26,000	(21,356)
Bond Principal	65,965	35,302	36,748	(1,446)
Bond Interest	64,035	62,220	62,221	(1)
Capital Outlay	15,422	23,600	535,607	(512,007)
Transfers Out	20,000	28,300	25,000	3,300
Total Expenditures	<u>403,290</u>	<u>404,000</u>	<u>770,326</u>	<u>(366,326)</u>
Receipts Over (Under) Expenditures	(80,127)	(54,132)		
Unencumbered Cash - Beginning	<u>532,646</u>	<u>452,519</u>		
Unencumbered Cash - Ending	\$ <u>452,519</u>	<u>398,387</u>		

CITY OF OTIS, KANSAS
Sanitation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Charges to Customers	\$ 27,335	27,659	32,000	(4,341)
Polycarts and Dumpster Fees	2,402	2,508	4,000	(1,492)
Administration Fees	838	786	1,000	(214)
Miscellaneous	-	-	600	(600)
Total Receipts	<u>30,575</u>	<u>30,953</u>	<u>37,600</u>	<u>(6,647)</u>
Expenditures				
Clean-Up	-	-	1,600	(1,600)
Contractual - Hauling	28,527	28,268	32,000	(3,732)
Contractual - Polycarts & Dumpsters	2,572	2,672	4,000	(1,328)
Total Expenditures	<u>31,099</u>	<u>30,940</u>	<u>37,600</u>	<u>(6,660)</u>
Receipts Over (Under) Expenditures	(524)	13		
Unencumbered Cash - Beginning	<u>830</u>	<u>306</u>		
Unencumbered Cash - Ending	\$ <u><u>306</u></u>	\$ <u><u>319</u></u>		

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

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 34	59
Expenditures		
Commodities	6,766	1,827
Contractual	578	-
Capital Outlay	15,659	5,812
Total Expenditures	23,003	7,639
Receipts Over (Under) Expenditures	(22,969)	(7,580)
Unencumbered Cash - Beginning	58,518	35,549
Unencumbered Cash - Ending	\$ 35,549	27,969