CITY OF VALLEY FALLS
Valley Falls, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2022

CITY OF VALLEY FALLS, KANSAS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Valley Falls
Valley Falls, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Valley Falls, 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 matter discussed in the "Basis of Adverse Opinion 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 City of Valley Falls, 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 material respects, the aggregate cash and unencumbered cash balance of City of Valley Falls, Kansas 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 C.

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 responsibility 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 City of Valley Falls, 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.

Matters giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note C of the financial statement, the financial statement is prepared by City of Valley Falls, 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 C 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 Statements

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 C; 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.

INPACT
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AFFILIATE

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt City of Valley Falls, 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 Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about where 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 an 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 judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgement and maintain professional skepticism throughout the audit.
2. 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.
3. 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 City of Valley Falls, Kansas internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management, as well as evaluate the overall presentation of the financial statement.
5. Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Valley Falls, Kansas 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 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 expenditure-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 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 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 C.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Valley Falls, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 19, 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 available in electronic form from the web site of the Kansas Department of Administration at the following link http//admin.ks.gov/offices/oar/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 statements 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 C.

Harold K. Mayes Jr

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
April 18, 2023

City of Valley Falls, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Unencumbered Cash Balance Beginning of Year	Cash Receipts
Governmental Type Funds		
General Fund	$ 17,754	$ 715,762
Special Purpose Funds		
Swimming Pool	5,429	325
Capital Improvements	76,576	87,979
Special Highway & Streets	96,195	172,034
Special Equipment Reserve	1,532	2,250
RHID	0	31,612
Bond and Interest Fund		
Bond and Interest	246,736	164,177
	444,222	1,174,139
Business Funds		
Water Utility	141,397	233,708
Sewer Utility	269,720	254,933
Sewer CD Reserve	91,083	0
Solid Waste	51,793	147,320
	553,993	635,961
	$ 998,215	$ 1,810,100

The accompanying notes are an integral part of this statement.

Expenditures	Unencumbered Cash Balance End of Year	Add Outstanding Encumbrances and Accounts Payable	Cash Balance End of Year
$ 614,214	$ 119,302	$ 12,141	$ 131,443
1,720	4,034	0	4,034
19,331	145,224	0	145,224
209,092	59,137	0	59,137
0	3,782	0	3,782
0	31,612	0	31,612
104,762	306,151	0	306,151
949,119	669,242	12,141	681,383
275,096	100,009	2,743	102,752
286,406	238,247	17,439	255,686
0	91,083	0	91,083
150,790	48,323	11,560	59,883
712,292	477,662	31,742	509,404
$ 1,661,411	$ 1,146,904	$ 43,883	$ 1,190,787

Cash balance consisting of

Balance on deposit

Checking, money market accounts & petty cash	$ 946,204
Certificates of deposit	244,583
Total cash	$ 1,190,787

The accompanying notes are an integral part of this statement.

CITY OF VALLEY FALLS, KANSAS

NOTES TO FINANCIAL STATEMENT
December 31, 2022

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Valley Falls is a municipal corporation governed by an elected five member commission. This financial statement presents the City of Valley Falls (the municipality).

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. 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 City potential could have the following types of funds.

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 revenues 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 used to make payments of general long-term debt.

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 part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.). The City does not have any funds of this type for this year.

Agency fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.). The City does not have any funds of this type for this year.

NOTE C. 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 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 revenues 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Valley Falls, Kansas has approved a resolution that it 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.

NOTE D. 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.

Should the City hold a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The Consolidated Street & Highway, Water Fund and Solid Waste budgets were amended 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.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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

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

Capital Improvement 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 board.

NOTE E. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City or in an adjoining City 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 bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

NOTE E. DEPOSITS AND INVESTMENTS – Continued

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. The City rates investments (if any) as noted.

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. The City has no investments other than money markets and certificates of deposit.

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2022.

At December 31, 2022, the carrying amount of the City's bank deposits was $1,190,787 and the bank balance as $1,217,819. The bank balance was held by one bank which increases concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $260,840 was covered by federal depository insurance and $956,979 was collateralized with securities held by the pledging financial institution's agents in the City's name.

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

NOTE F. LONG-TERM DEBT

Debt Issued	Interest	Date of	Amount	Maturity
Revenue Bonds				
Series 2016 - Swimming pool	1% to	10/26/2016	$ 1,535,000	04/01/2037

Debt Issued	Beginning of Year Balance	Additions	Reductions/ Payments	End of Year Balance	Interest
Revenue Bonds					
Series 2016 - Swimming pool	$ 1,300,000	$ 0	$ 65,000	$ 1,235,000	$ 39,762
Total	$ 1,300,000	$ 0	$ 65,000	$ 1,235,000	$ 39,762

Detail of payments by year	2023	2024	2025	2026	2027
Principal:					
Series 2016 - Swimming pool	$ 65,000	$ 70,000	$ 70,000	$ 70,000	$ 75,000

	2028-2032	2033-2037	Total
Principal:			
Series 2016 - Swimming pool	$ 405,000	$ 480,000	$ 1,235,000

NOTE F. LONG-TERM DEBT – continued

Detail of payments by year	2023	2024	2025	2026	2027
Interest:					
Series 2016 - Swimming pool	$ 38,528	$ 37,108	$ 35,498	$ 33,748	$ 31,788

	2028-2032	2033-2037	Total
Interest:			
Series 2016 - Swimming pool	$ 122,332	$ 46,051	$ 345,053

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2022, the statutory limit for the City was $1,962,150 providing a debt margin of $1,962,150 after removing debt exempt from the limitation.

NOTE G. INTERFUND TRANSFERS/RESTATEMENTS

From:	To:	Statutory Authority	Amount
No transfers in 2022			$ 0

During 2022, it was determined a certificate of deposit originally listed as part of bond and interest was actually part of the sewer reserve. Therefore the 2021 unencumbered cash in "bond fund" was decreased by $91,083 from $337,819 to $246,736 and the "sewer cd reserve" was increased from $0 to 91,083.

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), 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.

Compensated Absences: The estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description. The City of Valley Falls 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 publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

NOTE I. DEFINED BENEFIT PENSION PLAN - continued

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 8.87% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were $27,631, for KPERS for the year ended December 31, 2022.

Net Pension Liability. At December 31, 2022, the City of Valley Falls' proportionate share of the collective net pension liability reported by KPERS was $309,598. 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 of Valley Falls' proportion of the net pension liability was based on the ratio of the City of Valley Falls' contributions to KPERS, relative to the total employer and non-employer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE J. OTHER POSTEMPLOYMENT BENEFITS – THRU KPERS

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, 2022

NOTE K. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue 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 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

NOTE L. OTHER INFORMATION - continued

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

Solid Waste Fund exceed budget by $10,790.

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through April 18, 2023, the date the financial statements were available to be issued. The City has Sewer Projects Phase 1 and 2 starting in 2023 which will be funded through grants from CDBG. The City has funding from an ARPA grant totaling $175,598. The City has expended $30,851.40 in 2022 and has $145,106 carrying over to 2023

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Valley Falls, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2022

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type funds					
General Fund	$ 692,265	$ 0	$ 692,265	$ 614,214	$ (78,051)
Special Purpose Funds					
Swimming Pool	5,579	0	5,579	1,720	(3,859)
Capital Improvement	190,000	0	190,000	19,331	(170,669)
Special Highway & Streets	296,635	0	296,635	209,092	(87,543)
Special Equipment Reserve	40,000	0	40,000	0	(40,000)
Bond & Interest	108,000	0	108,000	104,762	(3,238)
Business Funds					
Water Utility	281,660	0	281,660	275,096	(6,564)
Sewer Utility	287,800	0	287,800	286,406	(1,394)
Solid Waste	140,000	0	140,000	150,790	10,790

City of Valley Falls, Kansas

Schedule 2a

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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Local Taxes				
Ad valorem property tax	$ 234,091	$ 252,753	$ 236,930	$ 15,823
Back tax collections	10,278	7,945	30,000	(22,055)
Motor vehicle tax	33,373	31,357	29,571	1,786
16/20 Trucks	0	70	203	(133)
Recreational Vehicle tax	362	458	318	140
State				
Sales tax	197,258	261,334	140,000	121,334
Liquor tax	0	736	0	736
In lieu of taxes	0	15,678	0	15,678
	475,362	570,331	437,022	133,309
Licenses, fees and permits				
License and permits	987	1,663	2,000	(337)
Swimming pool	33,892	44,223	20,000	24,223
Franchise fees	52,653	61,888	74,000	(12,112)
Court fines & fees	13,300	30,351	12,000	18,351
	100,832	138,125	108,000	30,125
Use of money and property				
Interest on investments	431	2,888	2,500	388
Other				
Rural Housing Incentive Districts	17,829	0	40,000	(40,000)
RV Park	0	1,255	0	1,255
Reimbursed expenses	0	(555)	20,000	(20,555)
Miscellaneous	25,148	3,718	15,000	(11,282)
	42,977	4,418	75,000	(70,582)
Transfers				
Transfer from Solid Waste	0	0	20,000	(20,000)
Total cash receipts	619,602	715,762	$ 642,522	$ 73,240
Expenditures				
Administrative	202,037	184,436	$ 200,000	$ (15,564)
Police	205,616	187,564	250,000	(62,436)
Court	x 0	37,143	0	37,143
Streets	133,013	119,805	160,000	(40,195)
Parks	79,792	30,465	82,265	(51,800)
Pool	* 0	54,801	0	54,801
Total expenditures	620,458	614,214	$ 692,265	$ (78,051)

x In prior year was included with Police
* In prior year was included with Parks

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2a

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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Receipts over (under) expenditures	$ (856)	$ 101,548		
Unencumbered cash, beginning of year	18,610	17,754		
Unencumbered cash, end of year	$ 17,754	$ 119,302		

See Independent Auditor's Report.

City of Valley Funds, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
SWIMMING POOL
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Use of money and property				
Interest on investments	$ 0	$ 6	$ 0	$ 6
Other				
Miscellaneous	508	319	0	319
Total cash receipts	508	325	$ 0	$ 325
Expenditures				
Commodities	0	220	$ 0	$ 220
Contractual	1,200	1,500	5,579	(4,079)
Total expenditures	1,200	1,720	$ 5,579	$ (3,859)
Receipts over (under) expenditures	(692)	(1,395)		
Unencumbered cash, beginning of year	6,121	5,429		
Unencumbered cash, end of year	$ 5,429	$ 4,034		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
CAPITAL IMPROVEMENT 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)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Cash receipts				
State				
Federal receipts	$ 87,979	$ 87,979	$ 190,000	$ (102,021)
Total cash receipts	87,979	87,979	$ 190,000	$ (102,021)
Expenditures				
Contractual	0	15,891	$ 0	$ 15,891
Capital Outlay	20,411	3,440	190,000	(186,560)
Total expenditures	20,411	19,331	$ 190,000	$ (170,669)
Receipts over (under) expenditures	67,568	68,648		
Unencumbered cash, beginning of year	9,008	76,576		
Unencumbered cash, end of year	$ 76,576	$ 145,224		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
SPECIAL HIGHWAY & STREETS 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Local				
Sales tax	$ 0	$ 16,644	$ 0	$ 16,644
State				
Fuel tax	15,265	30,245	29,650	595
Connecting links	59,654	125,125	0	125,125
Use of money and property			82,000	
Interest on investments	0	20	0	20
Total cash receipts	74,919	172,034	$ 111,650	$ 142,384
Expenditures				
Commodities	0	8,495	$ 0	$ 8,495
Contractual services	52,089	200,511	296,635	(96,124)
Other	0	86	0	86
Total expenditures	52,089	209,092	$ 296,635	$ (87,543)
Receipts over (under) expenditures	22,830	(37,058)		
Unencumbered cash, beginning of year	73,365	96,195		
Unencumbered cash, end of year	$ 96,195	$ 59,137		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
SPECIAL EQUIPMENT RESERVE 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)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Cash receipts				
Other				
Miscellaneous	$ 4,879	$ 2,250	$ 20,000	$ (17,750)
Expenditures				
Capital outlay	9,003	0	$ 40,000	$ (40,000)
Receipts over (under) expenditures	(4,124)	2,250		
Unencumbered cash, beginning of year	5,656	1,532		
Unencumbered cash, end of year	$ 1,532	$ 3,782		

See Independent Auditor's Report.

City of Valley Funds, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
RHID
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Local				
Taxes				
Special assessments	$ 0	$ 26,767	$ 40,000	$ (13,233)
Other				
Miscellaneous	0	4,845	0	4,845
Total cash receipts	0	31,612	40,000	(8,388)
Expenditures				
Contractual	0	0	0	0
Total expenditures	0	0	$ 0	$ 0
Receipts over (under) expenditures	0	31,612		
Unencumbered cash, beginning of year	0	0		
Unencumbered cash, end of year	$ 0	$ 31,612		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2g

BOND AND INTEREST FUND
BOND AND INTEREST 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)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Cash receipts				
State				
State sales tax	$ 149,300	$ 163,235	$ 155,000	$ 8,235
Use of money and property				
Interest on investments	0	942	0	942
Total cash receipts	149,300	164,177	$ 155,000	$ 9,177
Expenditures				
Legal fees	1,000	0	$ 1,000	$ (1,000)
Principal	64,999	65,000	107,000	(42,000)
Interest	40,868	39,762	0	39,762
Total expenditures	106,867	104,762	$ 108,000	$ (3,238)
Receipts over (under) expenditures	42,433	59,415		
Unencumbered cash, beginning of year	204,303	246,736		
Unencumbered cash, end of year	$ 246,736	$ 306,151		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2h

BUSINESS FUNDS
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)

	2021 Actual	2022 Actual	2022 Budget	2022 Variance Over (Under)
Cash receipts				
Charges for services				
Utility receipts	$ 215,551	$ 220,865	$ 220,000	$ 865
Utility penalties	0	4,020	7,500	(3,480)
Utility sales tax	0	3,122	0	3,122
Service fees	0	110	0	110
Meter settings	0	3,000	2,700	300
Meter connection	0	1,970	1,500	470
Use of money and property				
Interest on investments	0	2	0	2
Other				
Reimbursed expenses	0	619	500	119
Total cash receipts	215,551	233,708	$ 232,200	$ 1,508
Expenditures				
Salaries and benefits	54,764	73,790	$ 75,000	$ (1,210)
Insurance	0	15,466	22,500	(7,034)
Training/conferences	0	1,033	0	1,033
Dues/memberships	0	481	0	481
Equipment/uniforms	0	6,462	0	6,462
Utilities/phone	23,227	21,789	21,500	289
Facilities maintenance	59,434	49,828	42,660	7,168
Vehicle maintenance/fuel	693	9,863	0	9,863
Postage/stationery	0	2,802	0	2,802
Commodities	59,060	36,769	120,000	(83,231)
Contractual	0	30,257	0	30,257
Utilities sales tax	0	2,282	0	2,282
Miscellaneous	0	1,360	0	1,360
Capital outlay	35,261	22,914	0	22,914
Total expenditures subject to budget	232,439	275,096	$ 281,660	$ (6,564)
Receipts over (under) expenditures	(16,888)	(41,388)		
Unencumbered cash, beginning of year	158,285	141,397		
Unencumbered cash, end of year	$ 141,397	$ 100,009		

See Independent Auditor's Report.

City of Valley Falls, Kansas

Schedule 2i

BUSINESS FUNDS
SEWER SERVICE 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services				
Utility receipts	$ 141,200	$ 146,470	$ 145,000	$ 1,470
Utility penalties	0	3,366	0	3,366
Meter connection	0	1,600	0	1,600
State				
Grants	40,271	102,945	0	102,945
Other				
Reimbursed expenses	0	552	0	552
Total cash receipts	181,471	254,933	$ 145,000	$ 109,933
Expenditures				
Salaries and benefits	46,210	78,064	$ 65,000	$ 13,064
Insurance	16,294	20,198	15,000	5,198
Training/conferences	0	1,737	0	1,737
Dues/memberships	0	461	0	461
Equipment/uniforms	0	78	0	78
Utilities/phone	2,305	5,359	2,800	2,559
Facilities maintenance	0	15,196	20,000	(4,804)
Vehicle maintenance/fuel	0	10,922	0	10,922
Postage/stationery	0	1,142	0	1,142
Commodities	0	7,117	0	7,117
Contractual	0	28,772	35,000	(6,228)
Miscellaneous	0	311	0	311
Capital outlay	141,804	117,049	150,000	(32,951)
Total expenditures	206,613	286,406	$ 287,800	$ (1,394)
Receipts over (under) expenditures	(25,142)	(31,473)		
Unencumbered cash, beginning of year	294,862	269,720		
Unencumbered cash, end of year	$ 269,720	$ 238,247		

See Independent Auditor's Report.

City of Valley Funds, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
SEWER CD RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021 Actual	2022 Actual
Cash receipts		
Local		
Transfers	$ 0	$ 0
Total cash receipts	0	0
Expenditures		
Contractual	0	0
Total expenditures	0	0
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning of year	91,083	91,083
Unencumbered cash, end of year	$ 91,083	$ 91,083

See Independent Auditor's Report.

City of Valley Funds, Kansas

Schedule 2k

BUSINESS FUNDS
SOLID WASTE 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services				
Utility receipts	$ 122,391	$ 144,741	$ 118,000	$ 26,741
Utility penalties	0	2,543	0	2,543
Other				
Reimbursed expenses	0	36	0	36
	122,391	147,320	$ 118,000	$ 29,320
Expenditures				
Contractual services	116,641	148,229	$ 140,000	$ 8,229
Miscellaneous	0	2,561	0	2,561
Total Expenditures	116,641	150,790	$ 140,000	$ 10,790
Receipts over (under) expenditures	5,750	(3,470)		
Unencumbered cash, beginning of year	46,043	51,793		
Unencumbered cash, end of year	$ 51,793	$ 48,323		

See Independent Auditor's Report.