CITY OF LANSING, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Lansing, Kansas
Lansing, 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 Lansing, 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.

above+beyond
AdamsBrown, LLC

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.

Emphasis of Matter

Change in Accounting Principal – As discussed in Note 1 to the financial statements, the City changed from the GAAP basis of accounting to the Kansas regulatory basis of accounting during the current year.

As a result of the change in the accounting basis, fund balances as of January 1, 2022, were restated, Our opinion is not modified with respect to this matter.

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, and summary of regulatory basis receipts and disbursements – 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

April 20, 2023

CITY OF LANSING, 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	$ 3,323,891	-	7,460,616	6,851,071	**3,933,436**	380,808	**4,314,244**
Special Purpose Funds							
Library Fund	165,366	-	357,664	330,268	**192,762**	6,149	**198,911**
Consolidated Street and Highway Fund	327,173	-	482,767	532,729	**277,211**	8,148	**285,359**
Special Parks and Recreation Fund	181,636	-	79,040	62,722	**197,954**	5,625	**203,579**
Special Alcohol Liquor Fund	38,597	-	23,552	-	**62,149**	-	**62,149**
Special Alcohol Drug Fund	-	-	2,938	-	**2,938**	-	**2,938**
Sales Tax ($.45) Fund	506,491	-	668,942	479,027	**696,406**	9,652	**706,058**
Police Equipment Reserve Fund	40,479	-	41,765	16,337	**65,907**	-	**65,907**
Park Land Trust Fund	24	-	-	-	**24**	-	**24**
Mayor's Christmas Fund	16,756	-	1,196	4,585	**13,367**	660	**14,027**
Transient Guest Tax Fund	235,284	-	103,013	121,096	**217,201**	-	**217,201**
Equipment Reserve Fund	94,340	9,610	100,594	149,425	**55,119**	110,000	**165,119**
Capital Improvement Fund	932,081	-	1,991,857	2,748,059	**175,879**	213,542	**389,421**
ARPA Fund	111,763	-	911,764	125,822	**897,705**	-	**897,705**
Bond and Interest Funds							
Bond and Interest Fund	372,321	-	1,658,642	1,546,983	**483,980**	-	**483,980**
Towne Centre Fund	94,429	-	358,779	-	**453,208**	-	**453,208**
Capital Project Funds							
DeSoto Road Project Fund	7,100	-	-	7,100	**-**	-	**-**
CIP Parks Fund	-	-	4,659,064	4,659,064	**-**	507,357	**507,357**
Business Funds							
Wastewater Fund	2,063,795	-	3,102,638	3,077,101	**2,089,332**	523,891	**2,613,223**
Solid Waste Fund	120,252	-	609,020	584,516	**144,756**	48,877	**193,633**
Total Primary Government (Excluding Agency Funds)	$ 8,631,778	9,610	22,613,851	21,295,905	**9,959,334**	1,814,709	**11,774,043**

Composition of Cash		
	Kansas Municipal Investment Pool	$ **2,127,017**
	Checking Accounts	**9,685,904**
	Petty Cash	**725**
	Total Cash	**11,813,646**
	Agency Funds per Schedule 3	**(39,603)**
	Total Primary Government (Excluding Agency Funds)	$ **11,774,043**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Lansing, 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 mayor and eight-member council. A related municipal entity is an entity established to benefit the City and/or its constituents. The City has no related municipal entities.

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.

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

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

Basis of Accounting

During the year ended December 31, 2022, the City changed from GAAP Basis of accounting to the Kansas regulatory basis of accounting.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to

arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the 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 budget amendments for this year for the Capital Improvement Fund.

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: Special Alcohol Drug Fund, Police Equipment Reserve Fund and ARPA Fund.

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 Lansing, 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. The rating of the City's investments is noted below.

As of December 31, 2022, the City had the following investments and maturities:

Investment Type		Fair Value	Investment Maturities (in years) Less than One	Rating
Kansas Municipal Investment Pool	$	2,127,017	2,127,017	N/A

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. The City's allocation of investments as of December 31, 2022, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

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 $9,686,629 and the bank balance was $10,727,715. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $10,477,715 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

At December 31, 2022, the City had invested $2,127,017 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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 Lansing, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2022 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Consolidated Street and Highway Fund	K.S.A. 12-1,119	$	120,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118		940,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117		100,000
Sales Tax ($.45) Fund	Bond and Interest Fund	K.S.A. 12-197		388,075

NOTE 5 – CAPITAL PROJECTS

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

	Project Authorization	Expenditures to Date
Parks Project	$ 4,642,068	$ 4,642,068

On December 15, 2022, the City Council approved Ordinance No. 1093, authorizing the levy of a .45 percent Retailer's General Purpose Sales Tax for use in financing the construction of a pool. The City is currently in the initial design stage, and no contracts for construction have been approved.

NOTE 6 – LITIGATION

City of Lansing, 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 7 – RISK MANAGEMENT

City of Lansing, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. 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 cities in the State to participate in Kansas Eastern Region Insurance Trust (KERIT), a public entity risk pool currently operating as a common risk management and insurance program for 18 participating members.

The City provides an annual premium to Kansas Eastern Region Insurance Trust (KERIT) for its commercial insurance coverage. The agreement to participate provides that KERIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event, depending on the type of insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERIT management.

Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims resulting from these risks have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Lansing, 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.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City exceeded the budget authority in the Capital Improvement Fund by $450,297, which is in violation of K.S.A. 79-2935.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
City of Lansing, Kansas participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue 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. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were $206,634 for KPERS and $264,584 for KP&F 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 $2,261,798 and $2,756,567 for KP&F. 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.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Lansing, 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 12 – COMPENSATED ABSENCES

Annual Leave

The City's policy regarding annual leave for all regular full-time employees is as follows:

Years Worked	Amount Earned
0-1	3.08 hours/pay period
2-5	3.69 hours/pay period
6-9	5.54 hours/pay period
10 and over	6.46 hours/pay period

Annual leave earned may not be taken until the employee completes six months of employment. Full-time employee may not carry over more than 200 hours of annual leave from one calendar year to another.

Personal Day

Each employee, after the completion of his/her probationary period, shall be entitled to one personal day per calendar year. A personal day may not be carried over from one calendar year to another and will not be paid out upon termination of employment.

Sick Leave

The City's policy for sick leave permits all full-time employees to earn sick leave at the rate of 3.69 hours per pay period. Sick leave earned may not be taken until the employee completes six months of employment. Employees are allowed to accumulate a maximum of 528 hours of sick leave. Upon termination of employment employees are not compensated for any accumulated unused sick leave.

NOTE 13 – LONG-TERM DEBT

City of Lansing, Kansas has the following types of long-term debt.

General Obligation Bonds

On September 10, 2015, the City issued $7,130,000 in Series 2015-A General Obligation Refunding and Improvement Bonds to finance improvements for the School District Benefit District and to establish an escrow account to redeem General Obligation Bonds, Series 2006-A and 2008-A.

On August 10, 2016, the City issued $8,135,000 in Series 2016-A General Obligation Refunding and Improvement Bonds to finance the 7 Mile Creek Sewer Project and 9 Mile Sewer Project and to establish an escrow account to redeem General Obligation Bonds, Series 2006-A.

On October 31, 2018, the City issued $5,500,000 in Series 2018-A General Obligation Bonds to finance the DeSoto Road Project.

On February 1, 2019, the City issued $2,065,000 in Series 2019-A General Obligation Bonds to finance the Sewerage System Project.

On October 1, 2020, the City issued $3,100,000 in Series 2020-A General Obligation Bonds to finance the 2010-A and 2012-A &B debt refunding.

On July 13, 2022, the City issued $4,520,000 in Series 2022-A General Obligation Bonds to finance the Parks Project.

Temporary Note
On October 1, 2020, the City issued $2,210,000 in Series 2020-1 General Obligation Temporary Notes to finance the Towne Centre Land Acquisition.

Lease Obligations
The City has entered into a lease agreement for computer equipment. The lease contains a fiscal funding clause.

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	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
General Obligation Bonds									
Series 2015-A	2.25 - 4.00%	2015	$ 7,130,000	2030	$ 5,320,000	-	755,000	**4,565,000**	161,625
Series 2016-A	3.00%	2016	8,135,000	2036	5,235,000	-	285,000	**4,950,000**	157,050
Series 2018-A	3.00 - 4.00%	2018	5,500,000	2038	4,875,000	-	215,000	**4,660,000**	173,075
Series 2019-A	3.00 - 4.00%	2019	2,065,000	2039	1,960,000	-	80,000	**1,880,000**	64,198
Series 2020-A	1.00 - 3.00%	2020	3,100,000	2028	3,100,000	-	1,095,000	**2,005,000**	91,300
Series 2022-A	3.85 - 4.00%	2022	4,520,000	2042	-	4,520,000	-	**4,520,000**	-
Temporary Note									
Series 2020-1	0.30%	2020	2,210,000	2024	2,210,000	-	-	**2,210,000**	6,630
Finance Lease									
Computer Equipment	7.49%	2019	22,800	2023	9,421	-	4,535	**4,886**	730
Total Contractual Indebtedness					$ **22,709,421**	**4,520,000**	**2,434,535**	**24,794,886**	**654,608**

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

	YEAR								
	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	**Total**
Principal									
General Obligation Bonds	$ 2,635,000	2,170,000	1,670,000	1,635,000	1,490,000	5,690,000	5,150,000	2,140,000	**22,580,000**
Temporary Note	-	2,210,000	-	-	-	-	-	-	**2,210,000**
Finance Lease	4,886	-	-	-	-	-	-	-	**4,886**
Total Principal	**2,639,886**	**4,380,000**	**1,670,000**	**1,635,000**	**1,490,000**	**5,690,000**	**5,150,000**	**2,140,000**	**24,794,886**
Interest									
General Obligation Bonds	767,359	652,166	582,316	532,929	487,391	1,828,988	944,384	207,145	**6,002,678**
Temporary Note	6,630	6,630	-	-	-	-	-	-	**13,260**
Finance Lease	379	-	-	-	-	-	-	-	**379**
Total Interest	**774,368**	**658,796**	**582,316**	**532,929**	**487,391**	**1,828,988**	**944,384**	**207,145**	**6,016,317**
Total Principal and Interest	$ **3,414,254**	**5,038,796**	**2,252,316**	**2,167,929**	**1,977,391**	**7,518,988**	**6,094,384**	**2,347,145**	**30,811,203**

CITY OF LANSING, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

CITY OF LANSING, 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	$ 8,994,741	-	8,994,741	**6,851,071**	(2,143,670)
Special Purpose Funds					
Library Fund	469,442	-	469,442	**330,268**	(139,174)
Consolidated Street and Highway Fund	592,562	-	592,562	**532,729**	(59,833)
Special Parks and Recreation Fund	283,650	-	283,650	**62,722**	(220,928)
Special Alcohol Liquor Fund	2,750	-	2,750	**-**	(2,750)
Sales Tax ($.45) Fund	738,075	-	738,075	**479,027**	(259,048)
Park Land Trust Fund	-	-	-	**-**	-
Mayor's Christmas Fund	14,000	-	14,000	**4,585**	(9,415)
Transient Guest Tax Fund	237,701	-	237,701	**121,096**	(116,605)
Equipment Reserve Fund	253,356	-	253,356	**149,425**	(103,931)
Capital Improvement Fund	2,219,135	78,627	2,297,762	**2,748,059**	450,297
Bond and Interest Fund					
Bond and Interest Fund	1,746,983	-	1,746,983	**1,546,983**	(200,000)
Business Funds					
Wastewater Fund	5,578,496	-	5,578,496	**3,077,101**	(2,501,395)
Solid Waste Fund	670,500	-	670,500	**584,516**	(85,984)

CITY OF LANSING, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Property Tax	$ **2,742,278**	2,735,903	6,375
Motor Vehicle Tax	**297,854**	286,043	11,811
Local Alcoholic Liquor Tax	**23,392**	16,115	7,277
Sales Tax	**2,109,587**	1,845,000	264,587
Compensating Use Tax	**770,222**	470,000	300,222
Franchise Fees	**789,130**	668,800	120,330
Licenses and Permits	**163,664**	89,000	74,664
Fines and Forfeitures	**479,084**	354,500	124,584
Federal Aid	**10,475**	-	10,475
Interest	**8,715**	100	8,615
Other	**66,215**	112,300	(46,085)
Transfers In	**-**	75,000	(75,000)
Total Receipts	**7,460,616**	6,652,761	807,855
Expenditures			
General Government			
City Administrator	**173,349**	160,981	12,368
Administration	**747,068**	2,149,683	(1,402,615)
Municipal Court	**237,430**	230,913	6,517
Building Maintenance	**110,367**	73,324	37,043
Community Development	**591,631**	649,888	(58,257)
Information Technology	**108,983**	101,785	7,198
Finance Department	**276,405**	284,389	(7,984)
Public Safety			
Police	**1,930,964**	2,003,600	(72,636)
Emergency Preparedness	**-**	3,000	(3,000)
Public Works			
General	**258,391**	280,128	(21,737)
Streets	**218,336**	265,085	(46,749)
Street Lights	**182,533**	201,000	(18,467)
Culture and Recreation			
Parks and Recreation	**657,921**	589,232	68,689
Activity Center	**194,297**	190,220	4,077
Community Center	**3,396**	7,563	(4,167)
Contingency	**-**	643,950	(643,950)
Transfers Out	**1,160,000**	1,160,000	-
Total Expenditures	**6,851,071**	8,994,741	(2,143,670)
Receipts Over (Under) Expenditures	**609,545**		
Unencumbered Cash - Beginning	**3,323,891**		
Unencumbered Cash - Ending	$ **3,933,436**		

CITY OF LANSING, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes	$ **340,770**	346,434	(5,664)
Intergovernmental	**8,779**	5,100	3,679
Interest	**271**	10	261
Miscellaneous	**7,844**	2,700	5,144
Total Receipts	**357,664**	354,244	3,420
Expenditures			
Personal Services	**254,481**	266,342	(11,861)
Contractual Services	**4,190**	9,400	(5,210)
Commodities	**14,052**	21,200	(7,148)
Capital Outlay	**57,545**	64,000	(6,455)
Contingency	**-**	108,500	(108,500)
Total Expenditures	**330,268**	469,442	(139,174)
Receipts Over (Under) Expenditures	**27,396**		
Unencumbered Cash - Beginning	**165,366**		
Unencumbered Cash - Ending	$ **192,762**		

CITY OF LANSING, KANSAS
Consolidated Street and Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental	$ **360,602**	339,310	21,292
Interest	**1,193**	10	1,183
Permits	**972**	500	472
Transfers In	**120,000**	120,000	-
Total Receipts	**482,767**	459,820	22,947
Expenditures			
Personal Services	**306,053**	316,562	(10,509)
Contractual Services	**90,497**	113,000	(22,503)
Commodities	**62,008**	68,000	(5,992)
Capital Outlay	**74,171**	95,000	(20,829)
Total Expenditures	**532,729**	592,562	(59,833)
Receipts Over (Under) Expenditures	**(49,962)**		
Unencumbered Cash - Beginning	**327,173**		
Unencumbered Cash - Ending	$ **277,211**		

CITY OF LANSING, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes	$ **23,392**	16,115	7,277
Interest	**9**	25	(16)
Fees	**54,097**	68,885	(14,788)
Miscellaneous	**1,542**	2,700	(1,158)
Total Receipts	**79,040**	87,725	(8,685)
Expenditures			
Culture and Recreation	**62,722**	283,650	(220,928)
Receipts Over (Under) Expenditures	**16,318**		
Unencumbered Cash - Beginning	**181,636**		
Unencumbered Cash - Ending	$ **197,954**		

CITY OF LANSING, KANSAS
Special Alcohol Liquor Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes	$ **23,392**	16,115	7,277
Interest	**160**	-	160
Total Receipts	**23,552**	16,115	7,437
Expenditures			
Contractual Services	**-**	750	(750)
Capital Outlay	**-**	2,000	(2,000)
Total Expenditures	**-**	2,750	(2,750)
Receipts Over (Under) Expenditures	**23,552**		
Unencumbered Cash - Beginning	**38,597**		
Unencumbered Cash - Ending	$ **62,149**		

CITY OF LANSING, KANSAS
Special Alcohol Drug Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022

		Current Year Actual
Receipts		
Opioid Settlement	$	**2,938**
Expenditures		**-**
Receipts Over (Under) Expenditures		**2,938**
Unencumbered Cash - Beginning		**-**
Unencumbered Cash - Ending	$	**2,938**

CITY OF LANSING, KANSAS
Sales Tax ($.45) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes	$ **667,401**	555,000	112,401
Interest	**1,541**	20	1,521
Total Receipts	**668,942**	555,020	113,922
Expenditures			
Capital Outlay	**90,952**	538,075	(447,123)
Transfers Out	**388,075**	200,000	188,075
Total Expenditures	**479,027**	738,075	(259,048)
Receipts Over (Under) Expenditures	**189,915**		
Unencumbered Cash - Beginning	**506,491**		
Unencumbered Cash - Ending	$ **696,406**		

CITY OF LANSING, KANSAS
Police Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022

		Current Year Actual
Receipts		
Fines and Fees	$	**11,014**
Reimbursed Expenses		**30,751**
Total Receipts		**41,765**
Expenditures		
Capital Outlay		**16,337**
Receipts Over (Under) Expenditures		**25,428**
Unencumbered Cash - Beginning		**40,479**
Unencumbered Cash - Ending	$	**65,907**

Schedule 2-9

CITY OF LANSING, KANSAS
Park Land Trust Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts	$ **-**	-	-
Expenditures	**-**	-	-
Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	**24**		
Unencumbered Cash - Ending	$ **24**		

Schedule 2-10

CITY OF LANSING, KANSAS
Mayor's Christmas Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Donations	$ **1,196**	4,000	(2,804)
Expenditures			
Distributions	**4,585**	4,000	585
Contingency	**-**	10,000	(10,000)
Total Expenditures	**4,585**	14,000	(9,415)
Receipts Over (Under) Expenditures	**(3,389)**		
Unencumbered Cash - Beginning	**16,756**		
Unencumbered Cash - Ending	$ **13,367**		

Schedule 2-11

CITY OF LANSING, KANSAS
Transient Guest Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes	$ **93,461**	100,000	(6,539)
Interest	**227**	10	217
Events	**9,325**	23,000	(13,675)
Total Receipts	**103,013**	123,010	(19,997)
Expenditures			
Contractual Services	**24,186**	41,806	(17,620)
Commodities	**11,491**	12,750	(1,259)
Events	**85,419**	183,145	(97,726)
Total Expenditures	**121,096**	237,701	(116,605)
Receipts Over (Under) Expenditures	**(18,083)**		
Unencumbered Cash - Beginning	**235,284**		
Unencumbered Cash - Ending	$ **217,201**		

Schedule 2-12

CITY OF LANSING, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

		Current Year		
		Actual	Budget	Variance Over (Under)
Receipts				
Interest	$	**594**	10	584
Reimbursed Expenses		**-**	10,000	(10,000)
Transfers In		**100,000**	100,000	-
Total Receipts		**100,594**	110,010	(9,416)
Expenditures				
Capital Outlay		**149,425**	253,356	(103,931)
Receipts Over (Under) Expenditures		**(48,831)**		
Unencumbered Cash - Beginning		**94,340**		
Prior Year Cancelled Encumbrances		**9,610**		
Unencumbered Cash - Ending	$	**55,119**		

CITY OF LANSING, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental	$ **142,806**	142,806	-
Interest	**424**	250	174
Reimbursed Expenses	**908,627**	830,000	78,627
Transfers In	**940,000**	940,000	-
Total Receipts	**1,991,857**	1,913,056	78,801
Expenditures			
Capital Outlay	**2,748,059**	2,219,135	528,924
(a) Adjustment for Qualfying Budget Credits	**-**	78,627	(78,627)
Total Expenditures	**2,748,059**	2,297,762	450,297
Receipts Over (Under) Expenditures	**(756,202)**		
Unencumbered Cash - Beginning	**932,081**		
Unencumbered Cash - Ending	$ **175,879**		

(a) Adjustment for Qualifying Budget Credits

Reimbursed Expenses Over Amount Budgeted	$ 78,627

Schedule 2-14

CITY OF LANSING, KANSAS
ARPA Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022

		Current Year Actual
Receipts		
Federal Aid	$	**911,764**
Expenditures		
Capital Outlay		**125,822**
Receipts Over (Under) Expenditures		**785,942**
Unencumbered Cash - Beginning		**111,763**
Unencumbered Cash - Ending	$	**897,705**

Schedule 2-15

CITY OF LANSING, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes	$ **1,268,505**	1,283,819	(15,314)
Interest	**2,062**	10	2,052
Transfers In	**388,075**	388,075	-
Total Receipts	**1,658,642**	1,671,904	(13,262)
Expenditures			
Principal Payments	**1,185,248**	1,185,248	-
Interest Payments	**361,735**	361,735	-
Cash Basis Reserve	**-**	200,000	(200,000)
Total Expenditures	**1,546,983**	1,746,983	(200,000)
Receipts Over (Under) Expenditures	**111,659**		
Unencumbered Cash - Beginning	**372,321**		
Unencumbered Cash - Ending	$ **483,980**		

Schedule 2-16

CITY OF LANSING, KANSAS
Towne Centre Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022

		Current Year Actual
Receipts		
Sale of Assets	$	**358,779**
Expenditures		**-**
Receipts Over (Under) Expenditures		**358,779**
Unencumbered Cash - Beginning		**94,429**
Unencumbered Cash - Ending	$	**453,208**

CITY OF LANSING, KANSAS
DeSoto Road Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual
Receipts	$ -
Expenditures	
Construction and Engineering	**7,100**
Receipts Over (Under) Expenditures	**(7,100)**
Unencumbered Cash - Beginning	**7,100**
Unencumbered Cash - Ending	$ -

Schedule 2-18

CITY OF LANSING, KANSAS
CIP Parks Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual
Receipts	
Bond Proceeds	$ **4,659,064**
Expenditures	
Construction	**4,576,634**
Bond Issuance Costs	**82,430**
Total Expenditures	**4,659,064**
Receipts Over (Under) Expenditures	**-**
Unencumbered Cash - Beginning	**-**
Unencumbered Cash - Ending	$ **-**

Schedule 2-19

CITY OF LANSING, KANSAS
Wastewater Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Service Charges and Fees	$ **3,084,586**	3,061,000	23,586
Interest	**8,535**	100	8,435
City Service Charge	**1,505**	3,000	(1,495)
Reimbursed Expenses	**8,012**	-	8,012
Total Receipts	**3,102,638**	3,064,100	38,538
Expenditures			
Salaries, Wages, and Benefits	**453,229**	462,851	(9,622)
Purchased Services	**470,056**	733,000	(262,944)
Commodities	**26,185**	118,250	(92,065)
Capital Outlay	**-**	227,500	(227,500)
Insurance	**41,076**	-	41,076
Sewer Maintenance	**549,660**	-	549,660
Bond Interest	**1,536,895**	1,536,895	-
Contingency	**-**	2,500,000	(2,500,000)
Total Expenditures	**3,077,101**	5,578,496	(2,501,395)
Receipts Over (Under) Expenditures	**25,537**		
Unencumbered Cash - Beginning	**2,063,795**		
Unencumbered Cash - Ending	$ **2,089,332**		

Schedule 2-20

CITY OF LANSING, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Service Charges and Fees	$ **605,665**	595,050	10,615
Interest	**758**	10	748
City Service Charges	**645**	1,500	(855)
Reimbursed Expenses	**1,952**	1,000	952
Total Receipts	**609,020**	597,560	11,460
Expenditures			
Waste Collection	**584,516**	550,000	34,516
Contingency	**-**	120,500	(120,500)
Total Expenditures	**584,516**	670,500	(85,984)
Receipts Over (Under) Expenditures	**24,504**		
Unencumbered Cash - Beginning	**120,252**		
Unencumbered Cash - Ending	$ **144,756**		

Schedule 3

CITY OF LANSING, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2022

Fund	Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
Bonds and Fines Escrow	$ 17,918	537,440	533,208	**22,150**
Hillbrook Subdivision Escrow 04-24	17,453	-	-	**17,453**
Total	$ 35,371	537,440	533,208	**39,603**