# CITY OF ROSE HILL, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2023

**CITY OF ROSE HILL, KANSAS**
Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2023

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# INDEPENDENT AUDITORS' REPORT

To the City Council
**City of Rose Hill, Kansas**
Rose Hill, 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 Rose Hill, Kansas**, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*
In our opinion, because of the significance of the 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, 2023, or changes in financial position and cash flows thereof for the year then ended.

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

## Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' 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.


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**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, 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.

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, 2022 (not presented herein), and have issued our report thereon dated August 21, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Adams Brown, LLC

**ADAMSBROWN, LLC**
Certified Public Accountants
Great Bend, Kansas

August 19, 2024

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

| Funds | Beginning Unencumbered Cash Balance | Prior Year Cancelled Encumbrances | Receipts | Expenditures | **Ending Unencumbered Cash Balance** | Add Encumbrances and Accounts Payable | **Ending Cash Balance** |
|---|---|---|---|---|---|---|---|
| **Regulatory Basis Fund Types** | | | | | | | |
| **General Fund** | $ 751,960 | - | 3,030,498 | 2,081,422 | **1,701,036** | 62,993 | **1,764,029** |
| **Special Purpose Funds** | | | | | | | |
| Library Fund | 18,794 | - | 167,108 | 152,000 | **33,902** | - | **33,902** |
| Special Streets and Highway Fund | 292,515 | - | 136,801 | 146,765 | **282,551** | 31,925 | **314,476** |
| Special Parks and Recreation Fund | 9,553 | - | - | - | **9,553** | - | **9,553** |
| Street Sales Tax Fund | 320,993 | - | 435,585 | 368,838 | **387,740** | 133,646 | **521,386** |
| Equipment Reserve Fund | 193,279 | - | 30,000 | 27,254 | **196,025** | - | **196,025** |
| Capital Improvement Fund | 278,579 | - | 50,000 | 43,371 | **285,208** | - | **285,208** |
| Risk Management Fund | - | - | 25,000 | - | **25,000** | - | **25,000** |
| Stimulus (SCLFRF) Fund | 605,553 | - | - | 605,553 | **-** | - | **-** |
| **Bond and Interest Fund** | | | | | | | |
| Bond and Interest Fund | 454,669 | - | 428,230 | 334,883 | **548,016** | - | **548,016** |
| **Capital Project Fund** | | | | | | | |
| Sunrise Addition Project Fund | 155,649 | - | - | 155,649 | **-** | - | **-** |
| **Business Funds** | | | | | | | |
| Water Utility Fund | 382,301 | - | 967,166 | 853,059 | **496,408** | 17,910 | **514,318** |
| Sewer Utility Fund | 1,139,487 | - | 1,140,258 | 1,093,574 | **1,186,171** | 14,129 | **1,200,300** |
| Water Reserve Fund | 54,171 | - | 10,000 | - | **64,171** | - | **64,171** |
| Sewer Reserve Fund | 256,161 | - | 15,000 | - | **271,161** | - | **271,161** |
| **Total Primary Government** | 4,913,664 | - | 6,435,646 | 5,862,368 | **5,486,942** | 260,603 | **5,747,545** |
| **Related Municipal Entities** | | | | | | | |
| Rose Hill Public Library | 178,210 | - | 160,099 | 158,250 | **180,059** | 4,365 | **184,424** |
| City of Rose Hill, Kansas Public Building Commission | - | - | 98,230 | 98,230 | **-** | - | **-** |
| **Total Reporting Entity (Excluding Agency Funds)** | $ 5,091,874 | - | 6,693,975 | 6,118,848 | **5,667,001** | 264,968 | **5,931,969** |

| | | |
|---|---|---|
| **Composition of Cash** | Certificates of Deposit | $ **1,398,121** |
| | Checking Accounts | **4,351,684** |
| | Cash on Hand | **630** |
| | Total Primary Government | **5,750,435** |
| | Total Related Municipal Entities | **184,424** |
| | Agency Funds per Schedule 3 | **(2,890)** |
| | **Total Reporting Entity (Excluding Agency Funds)** | $ **5,931,969** |

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**City of Rose Hill, 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 five-member council. This financial statement presents the City (the municipality) and its related municipal entities shown below. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents.

#### Rose Hill Public Library

A seven-member board appointed by the City Council governs the Rose Hill Public Library Board. The Rose Hill Public Library Board operates the public library in the City. The Library Board may not purchase or lease a site or erect a building for use of the library without the approval of the City Council. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special purpose fund of the City. The Library Board also receives funding through state assistance programs and donations from the public.

#### City of Rose Hill, Kansas Public Building Commission

A six-member board appointed by the City Council governs the City of Rose Hill, Kansas Public Building Commission. Although it is legally separate from the City, the City of Rose Hill, Kansas Public Building Commission is reported as a related municipal entity because its sole purpose is to finance and construct the City's public buildings.

### 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, 2023.

### 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 the 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**

*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 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: Equipment Reserve Fund, Capital Improvement Fund, and Stimulus (SCLFRF) 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 Rose Hill, 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, 2023.

At December 31, 2023, the City's carrying amount of deposits was $5,750,435 and the bank balance was $5,820,017. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance, and $5,320,017 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2023, the Library's carrying amount of deposits was $184,424 and the bank balance was $215,719. The bank balance was held by two banks resulting in a concentration of credit risk. The bank balance was covered by federal depository insurance.

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, 2023.

## 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 Rose Hill, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2023 were as follows:

| From | To | Regulatory Authority | | Amount |
|---|---|---|---|---|
| General Fund | Equipment Reserve Fund | K.S.A. 12-1,117 | $ | 30,000 |
| General Fund | Capital Improvement Fund | K.S.A. 12-1,118 | | 50,000 |
| General Fund | Risk Management Fund | K.S.A. 12-2615 | | 25,000 |
| Water Utility Fund | General Fund | K.S.A. 12-825d | | 5,000 |
| Water Utility Fund | Water Reserve Fund | K.S.A. 12-825d | | 10,000 |
| Sewer Utility Fund | General Fund | K.S.A. 12-825d | | 15,000 |
| Sewer Utility Fund | Sewer Reserve Fund | K.S.A. 12-825d | | 15,000 |
| Sunrise Addition Project Fund | Bond and Interest Fund | Closed Fund | | 118,086 |

## NOTE 5 – CAPITAL PROJECTS

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

| | Project Authorization | Expenditures to Date |
|---|---|---|
| Sunrise Addition Project | $1,239,450 | $1,121,364 |

## NOTE 6 – LITIGATION

**City of Rose Hill, 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 Rose Hill, Kansas** is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain worker's 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, a public entity risk pool currently operating as a common risk management and insurance program for 177 participating members.

The City pays an annual premium to Kansas Municipal Insurance Trust for its worker's compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust management.

The City has been unable to obtain health insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other City's in the State to participate in the KMIT Association Health Plan (KAHP), a public entity risk pool currently operating as a common risk management and insurance program for 19 participating member cities.

The City pays monthly premiums to the KAHP for its health insurance coverage. The agreement to participate provides that the KAHP will be self-sustaining through member premiums and will not reinsure through commercial companies. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KAHP management.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three calendar years.

## NOTE 8 – GRANTS AND SHARED REVENUES

**City of Rose Hill, 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 – PURCHASE COMMITMENTS

In July 1981, **City of Rose Hill, Kansas** entered into a forty-year agreement to purchase its water supply from the City of Wichita, Kansas. The agreement was extended for an additional twenty years in April 2021.

## NOTE 10 – DEFERRED COMPENSATION PLAN

**City of Rose Hill, Kansas** sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

## NOTE 11 – DEFINED BENEFIT PENSION PLAN

### General Information about the Pension Plan

Plan Description
**City of Rose Hill, 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 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City and Public Library were $116,027 for the year ended December 31, 2023.

### Net Pension Liability

At December 31, 2023, the City and Public Library's proportionate share of the collective net pension liability reported by KPERS was $1,286,414. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

## NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Rose Hill, 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, 2023.

## NOTE 13 – COMPENSATED ABSENCES

### Vacation

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

| Years Worked | Amount Earned |
|---|---|
| 0-5 | 6.67 hours/month |
| 6-10 | 8.00 hours/month |
| 10 and over | 12.00 hours/month |

Employees can only carry over to a new year only that amount of vacation leave that was accumulated during the year. Employees are paid for all accumulated vacation leave, at the current wage rate, 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 eight working hours per month. Sick leave can be accumulated up to 720 hours.

Upon voluntary termination of employment, with two weeks' notice given, or layoff, an employee with at least three years of continuous service will be compensated for one-fourth of their accrued sick leave balance up to 50 hours of credited sick leave.

Upon retirement an employee who provides six months' notice and has at least five years on continuous service will be compensated for one-half of their accrued sick leave balance up to 100 credited hours of sick leave. An employee who provides six months' notice and has at least ten years on continuous service will be compensated for one-half of their accrued sick leave balance up to 200 credited hours of sick leave.

## NOTE 14 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A surety bond from a contractor was not obtained for a public works contract that exceeded $100,000. This is in violation of K.S.A. 60-1111.

## NOTE 15 – CITY OF ROSE HILL, KANSAS PUBLIC BUILDING COMMISSION

### Lease Receivable

City of Rose Hill, Kansas Public Building Commission entered into a lease agreement with **City of Rose Hill, Kansas** for the lease of the city hall and police department buildings. The City is obligated to make payments to the Commission equivalent to the debt that the Commission has assumed and to pay its

outstanding revenue bonds. The term of the lease obligations commenced on May 1, 2003 and ended on October 1, 2023.

**Long-Term Debt**
City of Rose Hill, Kansas Public Building Commission has the following type of long-term debt.

**Revenue Bonds**
On August 15, 2013, the Commission issued $840,000 in Series 2013 Refunding Revenue Bonds for the purpose of providing funds for refunding $840,000 in Series 2003 Revenue Bonds. The bonds matured on October 1, 2023.

## NOTE 16 – CONDUIT DEBT

From time to time, **City of Rose Hill, Kansas** has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are generally payable from and secured by the project financed and if needed, additional assets or revenues of the private-sector entities serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of December 31, 2023, there was three industrial revenue bonds outstanding. They are for expansion of manufacturing facilities. The principal amount payable at December 31, 2023 was $24,854,314.

## NOTE 17 – DEBT RESTRICTIONS AND COVENANTS

**KDHE Water Pollution Control Revolving Loans**
**City of Rose Hill, Kansas** entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the wastewater collection and treatment facility in the amount of $392,248. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through user fees generated by the Sewer Utility Fund.

## NOTE 18 – LONG-TERM DEBT

**City of Rose Hill, Kansas** has the following types of long-term debt.

**General Obligation Bonds**
On December 1, 2009, the City issued $460,000 in Series 2009-3 Taxable General Obligation bonds for the purpose of providing funds for wastewater improvements for the Rose Hill Industrial Park.

On November 1, 2010, the City issued $956,000 in Series 2010 General Obligation bonds for the purpose of providing funds for improvements to the Rockwood Falls Addition.

On March 1, 2012, the City issued $460,000 in Series 2012 General Obligation bonds for the purpose of providing funds for street improvements to Berlin and School Streets.

On December 1, 2014, the City issued $280,000 in Series 2014 General Obligation bonds for the purpose of providing funds for street improvements to Tanglewood and Orange Court Streets.

On December 1, 2015, the City issued $1,133,000 in Series 2015 General Obligation bonds for the purpose of providing funds for Phase I of the improvement to the Sunrise Addition.

On December 16, 2020, the City issued $4,060,000 in Series 2020 General Obligation Refunding and Improvement bonds for the purpose of providing funds for Phase II, Phase III, and Phase V of the Sienna Ranch Addition.

**Temporary Notes**
On April 21, 2021, the City issued $1,690,000 in Series 2021-1 General Obligation Temporary Notes for the purpose of providing funds for street improvements.

On October 5, 2022, the City issued $1,250,000 in Series 2022-1 General Obligation Temporary Notes for the purpose of providing funds for Phase II of the improvement to the Sunrise Addition.

**KDHE Loan**
The City entered into a $392,248 revolving loan agreement on July 16, 2018 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance improvements to the wastewater collection and treatment facility. The City will use user fees generated by the Sewer Utility Fund for loan repayment, which began March 1, 2019.

**Lease Obligations**
The City entered into a lease agreement with the City of Rose Hill, Kansas Public Building Commission for an amount necessary to meet the debt service requirement on the outstanding revenue bonds for the use of the administration and police facility.

The City has entered into additional leases for equipment. The leases contain a fiscal funding clause.

Changes in long-term liabilities for the City for the year ended December 31, 2023, 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 2009-3 | 5.75 - 6.75% | 12/1/2009 | $ 460,000 | 10/1/2030 | $ 245,000 | - | 25,000 | **220,000** | 16,537 |
| Series 2010 | 2.75 - 5.25% | 11/1/2010 | 956,000 | 10/1/2031 | 545,000 | - | 50,000 | **495,000** | 20,988 |
| Series 2012 | 2.00 - 5.00% | 3/1/2012 | 460,000 | 10/1/2032 | 280,000 | - | 25,000 | **255,000** | 9,462 |
| Series 2014 | 2.25 - 4.00% | 12/1/2014 | 280,000 | 10/1/2030 | 175,000 | - | 20,000 | **155,000** | 5,238 |
| Series 2015 | 1.90 - 4.00% | 12/1/2015 | 1,133,000 | 10/1/2036 | 880,000 | - | 50,000 | **830,000** | 26,545 |
| Series 2020 | 1.00 - 3.00% | 12/16/2020 | 4,060,000 | 10/1/2029 | 2,870,000 | - | 620,000 | **2,250,000** | 64,575 |
| **Temporary Notes** | | | | | | | | | |
| Series 2021-1 | 0.40% | 4/21/2021 | 1,690,000 | 10/1/2024 | 1,690,000 | - | - | **1,690,000** | 6,760 |
| Series 2022-1 | 3.00% | 10/5/2022 | 1,250,000 | 10/1/2025 | 1,250,000 | - | - | **1,250,000** | 37,083 |
| **KDHE Loan** | | | | | | | | | |
| KWPCRF Project No. C20-2023-01 | 1.88% | 7/16/2018 | 392,248 | 9/1/2038 | 326,503 | - | 17,325 | **309,178** | 6,863 |
| **Finance Leases** | | | | | | | | | |
| Series 2013 Public Building Commission | 0.90 - 3.40% | 8/15/2013 | 840,000 | 10/1/2023 | 95,000 | - | 95,000 | **-** | 3,230 |
| 2019 Ford F250 | 3.75% | 3/29/2019 | 33,247 | 3/29/2023 | 6,890 | - | 6,890 | **-** | 259 |
| 2019 Ford F250 | 3.75% | 3/29/2019 | 35,187 | 3/29/2023 | 7,292 | - | 7,292 | **-** | 274 |
| 2019 Dodge Charger | 3.69% | 5/7/2019 | 27,411 | 5/7/2023 | 5,677 | - | 5,677 | **-** | 210 |
| 2019 Dodge Charger | 3.69% | 5/7/2019 | 26,566 | 5/7/2023 | 5,502 | - | 5,502 | **-** | 204 |
| 2020 Dodge Ram | 3.35% | 1/22/2020 | 32,081 | 1/23/2024 | 13,034 | - | 6,410 | **6,624** | 436 |
| **Total Contractual Indebtedness - City** | | | | | 8,394,898 | - | 934,096 | **7,460,802** | 198,664 |
| **Related Municipal Entity Debt** | | | | | | | | | |
| **General Obligation Bond** | | | | | | | | | |
| Series 2013 Public Building Commission | 0.90 - 3.40% | 8/15/2013 | 840,000 | 10/1/2023 | 95,000 | - | 95,000 | **-** | 3,230 |
| **Total Contractual Indebtedness** | | | | | $ **8,489,898** | **-** | **1,029,096** | **7,460,802** | **201,894** |

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

| | YEAR | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2029-2033 | 2034-2038 | **Total** |
| **Principal** | | | | | | | | |
| General Obligation Bonds | $ 730,000 | 580,000 | 590,000 | 555,000 | 580,000 | 950,000 | 220,000 | **4,205,000** |
| Temporary Notes | 1,690,000 | 1,250,000 | - | - | - | - | - | **2,940,000** |
| KDHE Loan | 17,697 | 18,075 | 18,462 | 18,858 | 19,262 | 102,675 | 114,149 | **309,178** |
| Finance Leases | 6,624 | - | - | - | - | - | - | **6,624** |
| **Total Principal** | **2,444,321** | **1,848,075** | **608,462** | **573,858** | **599,262** | **1,052,675** | **334,149** | **7,460,802** |
| **Interest** | | | | | | | | |
| General Obligation Bonds | 119,183 | 96,615 | 82,063 | 67,000 | 52,313 | 112,913 | 16,511 | **546,598** |
| Temporary Notes | 44,260 | 37,500 | - | - | - | - | - | **81,760** |
| KDHE Loan | 6,492 | 6,113 | 5,726 | 5,330 | 4,927 | 18,267 | 6,791 | **53,646** |
| Finance Leases | 222 | - | - | - | - | - | - | **222** |
| **Total Interest** | **170,157** | **140,228** | **87,789** | **72,330** | **57,240** | **131,180** | **23,302** | **682,226** |
| **Total Principal and Interest** | **2,614,478** | **1,988,303** | **696,251** | **646,188** | **656,502** | **1,183,855** | **357,451** | **8,143,028** |

**CITY OF ROSE HILL, KANSAS**

Regulatory-Required Supplementary Information

**Schedule 1**

**CITY OF ROSE HILL, KANSAS**
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

| Funds | Certified Budget | Adjustment for Qualifying Budget Credits | Total Budget for Comparison | **Expenditures Chargeable to Current Year** | Variance Over (Under) |
|---|---|---|---|---|---|
| **Regulatory Basis Fund Types** | | | | | |
| **General Fund** | $ 2,588,897 | - | 2,588,897 | **2,081,422** | (507,475) |
| **Special Purpose Funds** | | | | | |
| Library Fund | 152,000 | - | 152,000 | **152,000** | - |
| Special Streets and Highway Fund | 202,509 | - | 202,509 | **146,765** | (55,744) |
| Special Parks and Recreation Fund | 4,000 | - | 4,000 | **-** | (4,000) |
| Street Sales Tax Fund | 422,500 | - | 422,500 | **368,838** | (53,662) |
| Risk Management Fund | 25,000 | - | 25,000 | **-** | (25,000) |
| **Bond and Interest Fund** | | | | | |
| Bond and Interest Fund | 395,682 | - | 395,682 | **334,883** | (60,799) |
| **Business Funds** | | | | | |
| Water Utility Fund | 1,071,823 | - | 1,071,823 | **853,059** | (218,764) |
| Sewer Utility Fund | 1,266,148 | - | 1,266,148 | **1,093,574** | (172,574) |

**CITY OF ROSE HILL, KANSAS**
**General Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Property Taxes | $ 1,220,531 | **1,261,194** | 1,322,075 | (60,881) |
| Delinquent Property Taxes | 32,333 | **68,372** | 11,400 | 56,972 |
| Motor Vehicle Taxes | 172,903 | **205,798** | 176,913 | 28,885 |
| Franchise Fees | 335,632 | **346,023** | 292,100 | 53,923 |
| Court Costs | 30,260 | **21,542** | 13,430 | 8,112 |
| Licenses, Permits and Fees | 107,628 | **120,331** | 42,000 | 78,331 |
| Fines and Forfeitures | 58,383 | **48,246** | 63,350 | (15,104) |
| Rents | 21,317 | **1,668** | 4,000 | (2,332) |
| Interest Income | 47,026 | **191,003** | 6,000 | 185,003 |
| Reimbursed Expenses | 17,534 | **647,639** | 15,000 | 632,639 |
| Grants | 22,720 | **90,803** | 60,000 | 30,803 |
| Miscellaneous | 22,777 | **7,879** | 2,039 | 5,840 |
| Transfers In | 70,000 | **20,000** | 99,065 | (79,065) |
| **Total Receipts** | 2,159,044 | **3,030,498** | 2,107,372 | 923,126 |
| **Expenditures** | | | | |
| Administration | 399,025 | **465,696** | 483,434 | (17,738) |
| Police | 937,321 | **920,557** | 1,010,463 | (89,906) |
| Courts | 80,681 | **101,260** | 103,967 | (2,707) |
| Streets | 249,881 | **182,398** | 236,755 | (54,357) |
| Parks | 227,997 | **222,968** | 268,531 | (45,563) |
| Planning | 204 | **288** | 26,100 | (25,812) |
| Building/Code Enforcement | 44,621 | **43,099** | 44,105 | (1,006) |
| Other | 41,991 | **40,156** | 415,542 | (375,386) |
| Transfers Out | 200,000 | **105,000** | - | 105,000 |
| **Total Expenditures** | 2,181,721 | **2,081,422** | 2,588,897 | (507,475) |
| **Receipts Over (Under) Expenditures** | (22,677) | **949,076** | | |
| **Unencumbered Cash - Beginning** | 765,262 | **751,960** | | |
| **Prior Year Cancelled Encumbrances** | 9,375 | **-** | | |
| **Unencumbered Cash - Ending** | $ 751,960 | **1,701,036** | | |

**CITY OF ROSE HILL, KANSAS**
**Library Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Property Taxes | $ 128,673 | **134,884** | 141,905 | (7,021) |
| Delinquent Property Taxes | 3,445 | **7,232** | - | 7,232 |
| Motor Vehicle Taxes | 18,391 | **21,741** | 18,623 | 3,118 |
| Miscellaneous | 1,571 | **3,251** | (914) | 4,165 |
| **Total Receipts** | 152,080 | **167,108** | 159,614 | 7,494 |
| **Expenditures** | | | | |
| Library Appropriations | 145,000 | **152,000** | 152,000 | - |
| **Receipts Over (Under) Expenditures** | 7,080 | **15,108** | | |
| **Unencumbered Cash - Beginning** | 11,714 | **18,794** | | |
| **Unencumbered Cash - Ending** | $ 18,794 | **33,902** | | |

**CITY OF ROSE HILL, KANSAS**
**Special Streets and Highway Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Special Gasoline Tax | $ 111,614 | **115,797** | 110,320 | 5,477 |
| Gasoline Tax - County | 17,017 | **21,004** | 17,210 | 3,794 |
| Reimbursed Expenses | - | **-** | 2,499 | (2,499) |
| **Total Receipts** | 128,631 | **136,801** | 130,029 | 6,772 |
| **Expenditures** | | | | |
| Personal Services | 23,023 | **70,582** | 57,569 | 13,013 |
| Contractual Services | 27,633 | **36,228** | 50,130 | (13,902) |
| Commodities | - | **957** | 45,250 | (44,293) |
| Capital Outlay | - | **38,998** | 49,560 | (10,562) |
| **Total Expenditures** | 50,656 | **146,765** | 202,509 | (55,744) |
| **Receipts Over (Under) Expenditures** | 77,975 | **(9,964)** | | |
| **Unencumbered Cash - Beginning** | 214,540 | **292,515** | | |
| **Unencumbered Cash - Ending** | $ 292,515 | **282,551** | | |

**CITY OF ROSE HILL, KANSAS**
**Special Parks and Recreation Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Fees | $ - | **-** | 100 | (100) |
| **Expenditures** | | | | |
| Capital Outlay | - | **-** | 4,000 | (4,000) |
| **Receipts Over (Under) Expenditures** | - | **-** | | |
| **Unencumbered Cash - Beginning** | 9,553 | **9,553** | | |
| **Unencumbered Cash - Ending** | $ 9,553 | **9,553** | | |

**CITY OF ROSE HILL, KANSAS**
**Street Sales Tax Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Sales Tax | $ 424,881 | **435,585** | 400,000 | 35,585 |
| **Expenditures** | | | | |
| Contractual Services | 235,466 | **96,982** | 25,000 | 71,982 |
| Capital Outlay | 6,735 | **133,646** | 255,000 | (121,354) |
| Debt Service | 142,505 | **138,210** | 142,500 | (4,290) |
| **Total Expenditures** | 384,706 | **368,838** | 422,500 | (53,662) |
| **Receipts Over (Under) Expenditures** | 40,175 | **66,747** | | |
| **Unencumbered Cash - Beginning** | 280,818 | **320,993** | | |
| **Unencumbered Cash - Ending** | $ 320,993 | **387,740** | | |

**CITY OF ROSE HILL, KANSAS**
**Equipment Reserve Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Transfers In | $ | 50,000 | **30,000** |
| **Expenditures** | | | |
| Capital Outlay | | 27,556 | **27,254** |
| **Receipts Over (Under) Expenditures** | | 22,444 | **2,746** |
| **Unencumbered Cash - Beginning** | | 170,835 | **193,279** |
| **Unencumbered Cash - Ending** | $ | 193,279 | **196,025** |

**CITY OF ROSE HILL, KANSAS**
**Capital Improvement Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Transfers In | $ | 150,000 | **50,000** |
| **Expenditures** | | | |
| Capital Outlay | | - | **43,371** |
| **Receipts Over (Under) Expenditures** | | 150,000 | **6,629** |
| **Unencumbered Cash - Beginning** | | 128,579 | **278,579** |
| **Unencumbered Cash - Ending** | $ | 278,579 | **285,208** |

**CITY OF ROSE HILL, KANSAS**
**Risk Management Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Transfers In | $ - | **25,000** | 25,000 | - |
| **Expenditures** | | | | |
| Insurance | - | **-** | 25,000 | (25,000) |
| **Receipts Over (Under) Expenditures** | - | **25,000** | | |
| **Unencumbered Cash - Beginning** | - | **-** | | |
| **Unencumbered Cash - Ending** | $ - | **25,000** | | |

**CITY OF ROSE HILL, KANSAS**
**CDBG Grant Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | Prior Year Actual | **Current Year Actual** |
|---|---|---|
| **Receipts** | | |
| Federal Aid | 63,400 | **-** |
| **Expenditures** | | |
| Contractual Services | 1,529 | **-** |
| Transfers Out | 33,078 | **-** |
| **Total Expenditures** | 34,607 | **-** |
| **Receipts Over (Under) Expenditures** | 28,793 | **-** |
| **Unencumbered Cash - Beginning** | (28,793) | **-** |
| **Unencumbered Cash - Ending** | $ - | **-** |

**CITY OF ROSE HILL, KANSAS**
**Stimulus (SCLFRF) Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Federal Aid | $ | 302,776 | **-** |
| **Expenditures** | | | |
| Grant Expense | | - | **605,553** |
| **Receipts Over (Under) Expenditures** | | 302,776 | **(605,553)** |
| **Unencumbered Cash - Beginning** | | 302,777 | **605,553** |
| **Unencumbered Cash - Ending** | $ | 605,553 | **-** |

**CITY OF ROSE HILL, KANSAS**
**Bond and Interest Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Property Taxes | $ 25,195 | **25,864** | 27,407 | (1,543) |
| Delinquent Property Taxes | 1,184 | **1,982** | 250 | 1,732 |
| Motor Vehicle Taxes | 5,116 | **4,799** | 3,644 | 1,155 |
| Special Assessments | 328,542 | **277,499** | 222,000 | 55,499 |
| Transfers In | 184,811 | **118,086** | - | 118,086 |
| **Total Receipts** | 544,848 | **428,230** | 253,301 | 174,929 |
| **Expenditures** | | | | |
| Principal Payments | 258,300 | **263,300** | 310,000 | (46,700) |
| Interest Payments | 75,283 | **71,583** | 85,082 | (13,499) |
| Miscellaneous | - | **-** | 600 | (600) |
| **Total Expenditures** | 333,583 | **334,883** | 395,682 | (60,799) |
| **Receipts Over (Under) Expenditures** | 211,265 | **93,347** | | |
| **Unencumbered Cash - Beginning** | 243,404 | **454,669** | | |
| **Unencumbered Cash - Ending** | $ 454,669 | **548,016** | | |

**CITY OF ROSE HILL, KANSAS**
**Street Improvement Project Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | Prior Year Actual | **Current Year Actual** |
|---|---|---|
| **Receipts** | $ - | - |
| **Expenditures** | | |
| Capital Outlay | 2,586 | - |
| Transfers Out | 151,733 | - |
| **Total Expenditures** | 154,319 | - |
| **Receipts Over (Under) Expenditures** | (154,319) | - |
| **Unencumbered Cash - Beginning** | 154,319 | - |
| **Unencumbered Cash - Ending** | $ - | - |

**CITY OF ROSE HILL, KANSAS**
**Sunrise Addition Project Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | Prior Year Actual | **Current Year Actual** |
|---|---|---|
| **Receipts** | | |
| Debt Proceeds | $ 1,250,000 | **-** |
| **Expenditures** | | |
| Cost of Issuance | 10,550 | **-** |
| Personal Services | 14,760 | **-** |
| Contractual Services | 112,953 | **480** |
| Capital Outlay | 956,088 | **-** |
| Interest Payments | - | **37,083** |
| Transfers Out | - | **118,086** |
| **Total Expenditures** | 1,094,351 | **155,649** |
| **Receipts Over (Under) Expenditures** | 155,649 | **(155,649)** |
| **Unencumbered Cash - Beginning** | - | **155,649** |
| **Unencumbered Cash - Ending** | $ 155,649 | **-** |

**CITY OF ROSE HILL, KANSAS**
**Water Utility Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Charges for Services | $ 960,323 | **953,184** | 877,940 | 75,244 |
| Connection and Setup Fees | 5,800 | **6,300** | 6,800 | (500) |
| Miscellaneous | 11,050 | **7,682** | 5,000 | 2,682 |
| **Total Receipts** | 977,173 | **967,166** | 889,740 | 77,426 |
| **Expenditures** | | | | |
| Personal Services | 177,850 | **148,066** | 189,063 | (40,997) |
| Contractual Services | 175,885 | **187,721** | 710,850 | (523,129) |
| Commodities | 73,366 | **74,799** | 56,010 | 18,789 |
| Capital Outlay | 52,978 | **11,281** | 50,000 | (38,719) |
| Water Purchases | 438,114 | **410,739** | - | 410,739 |
| Debt Service | 18,170 | **5,453** | 10,900 | (5,447) |
| Transfers Out | 55,000 | **15,000** | 55,000 | (40,000) |
| **Total Expenditures** | 991,363 | **853,059** | 1,071,823 | (218,764) |
| **Receipts Over (Under) Expenditures** | (14,190) | **114,107** | | |
| **Unencumbered Cash - Beginning** | 392,741 | **382,301** | | |
| **Prior Year Cancelled Encumbrances** | 3,750 | **-** | | |
| **Unencumbered Cash - Ending** | $ 382,301 | **496,408** | | |

**CITY OF ROSE HILL, KANSAS**
**Sewer Utility Fund**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | **Actual** | Budget | Variance Over (Under) |
| **Receipts** | | | | |
| Charges for Services | $ 575,710 | **581,762** | 1,083,000 | (501,238) |
| Sewer Improvement Fees | 537,445 | **541,662** | - | 541,662 |
| Penalty | 20,121 | **16,834** | 15,000 | 1,834 |
| Miscellaneous | - | **-** | 8,010 | (8,010) |
| **Total Receipts** | 1,133,276 | **1,140,258** | 1,106,010 | 34,248 |
| **Expenditures** | | | | |
| Personal Services | 194,628 | **250,631** | 210,875 | 39,756 |
| Contractual Services | 210,186 | **268,382** | 393,650 | (125,268) |
| Commodities | 31,604 | **35,019** | - | 35,019 |
| Capital Outlay | 13,510 | **12,888** | 70,000 | (57,112) |
| Debt Service | 512,008 | **496,654** | 506,623 | (9,969) |
| Transfers Out | 90,000 | **30,000** | 85,000 | (55,000) |
| **Total Expenditures** | 1,051,936 | **1,093,574** | 1,266,148 | (172,574) |
| **Receipts Over (Under) Expenditures** | 81,340 | **46,684** | | |
| **Unencumbered Cash - Beginning** | 1,058,147 | **1,139,487** | | |
| **Unencumbered Cash - Ending** | $ 1,139,487 | **1,186,171** | | |

**CITY OF ROSE HILL, KANSAS**
**Water Reserve Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Transfers In | $ | 25,000 | **10,000** |
| **Expenditures** | | | |
| Capital Outlay | | 15,000 | **-** |
| **Receipts Over (Under) Expenditures** | | 10,000 | **10,000** |
| **Unencumbered Cash - Beginning** | | 44,171 | **54,171** |
| **Unencumbered Cash - Ending** | $ | 54,171 | **64,171** |

**CITY OF ROSE HILL, KANSAS**
**Sewer Reserve Fund**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Transfers In | $ | 50,000 | **15,000** |
| **Expenditures** | | - | **-** |
| **Receipts Over (Under) Expenditures** | | 50,000 | **15,000** |
| **Unencumbered Cash - Beginning** | | 206,161 | **256,161** |
| **Unencumbered Cash - Ending** | $ | 256,161 | **271,161** |

**CITY OF ROSE HILL, KANSAS**
**RELATED MUNICIPAL ENTITY**
**Rose Hill Public Library**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Distributions | $ | 145,000 | **152,000** |
| Grants and donations | | 12,226 | **2,808** |
| Interest | | 1,219 | **5,291** |
| **Total Receipts** | | 158,445 | **160,099** |
| **Expenditures** | | | |
| Personal Services | | 126,104 | **127,324** |
| Contractual Services | | 16,168 | **11,559** |
| Commodities | | 12,011 | **10,933** |
| Capital Outlay | | 1,515 | **8,434** |
| **Total Expenditures** | | 155,798 | **158,250** |
| **Receipts Over (Under) Expenditures** | | 2,647 | **1,849** |
| **Unencumbered Cash - Beginning** | | 175,563 | **178,210** |
| **Unencumbered Cash - Ending** | $ | 178,210 | **180,059** |

**CITY OF ROSE HILL, KANSAS**
**RELATED MUNICIPAL ENTITY**
**City of Rose Hill, Kansas Public Building Commission**
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

| | | Prior Year Actual | **Current Year Actual** |
|---|---|---|---|
| **Receipts** | | | |
| Lease Payments from City | $ | 101,175 | **98,230** |
| **Expenditures** | | | |
| Principal | | 95,000 | **95,000** |
| Interest | | 6,175 | **3,230** |
| **Total Expenditures** | | 101,175 | **98,230** |
| **Receipts Over (Under) Expenditures** | | - | **-** |
| **Unencumbered Cash - Beginning** | | - | **-** |
| **Unencumbered Cash - Ending** | $ | - | **-** |

**Schedule 3**

**CITY OF ROSE HILL, KANSAS**
**Agency Funds**
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2023

| Fund | Beginning Cash Balance | Receipts | Disbursements | **Ending Cash Balance** |
|---|---|---|---|---|
| Payroll Withholding Fund | $ 3,778 | 872,670 | 875,293 | **1,155** |
| ADSAP/Seized Assets Fund | 1,735 | - | - | **1,735** |
| **Total** | $ 5,513 | 872,670 | 875,293 | **2,890** |