

CITY OF LITTLE RIVER, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2022

CITY OF LITTLE RIVER, KANSAS
Primary Government Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2022

TABLE OF CONTENTS

Independent Auditors' Report 1

Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis 4

Notes to Financial Statement 5

Regulatory–Required Supplementary Information

Schedule 1 - Summary of Expenditures - Actual and Budget – Regulatory Basis 12

Schedule 2 - Schedule of Receipts and Expenditures – Regulatory Basis
Individually presented by fund

Regulatory Basis Fund Types

General Fund

2-1 General Fund 13

Special Purpose Funds

2-2 Library Fund 14

2-3 Employee Benefits Fund 15

2-4 Special Highway Fund 16

2-5 Special Parks and Recreation Fund 17

2-6 Equipment Reserve Fund 18

2-7 Special Highway Improvement Fund 19

Bond and Interest Fund

2-8 Bond and Interest Fund 20

Business Funds

2-9 Gas Utility Fund 21

2-10 Water Utility Fund 22

2-11 Sewer Utility Fund 23

2-12 Sewer Reserve Fund 24

2-13 Solid Waste Fund 25

Schedule 3 – Summary of Receipts and Disbursements – Regulatory Basis
Agency Funds 26

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Little River, Kansas
Little River, 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 Little River, Kansas**, as of and for the year ended December 31, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, 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, 2021 (not presented herein), and have issued our report thereon dated March 14, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accountsreports/local-government/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

July 10, 2023

CITY OF LITTLE RIVER, 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
Regulatory Basis Fund Types							
General Fund	\$ 433,102	-	307,144	405,125	335,121	168,261	503,382
Special Purpose Funds							
Library Fund	484	-	11,052	11,536	-	-	-
Employee Benefits Fund	12,153	-	16,894	27,949	1,098	-	1,098
Special Highway Fund	3,327	-	13,336	13,656	3,007	260	3,267
Special Parks and Recreation Fund	856	-	-	86	770	-	770
Equipment Reserve Fund	76,295	-	25,000	64,077	37,218	-	37,218
Special Highway Improvement Fund	85,000	-	35,000	40,629	79,371	-	79,371
Bond and Interest Fund							
Bond and Interest Fund	1,479	-	1,973	2,429	1,023	-	1,023
Business Funds							
Gas Utility Fund	114,934	-	293,299	303,223	105,010	44,367	149,377
Water Utility Fund	97,616	-	158,386	140,960	115,042	3,898	118,940
Sewer Utility Fund	67,966	-	96,565	113,324	51,207	3,532	54,739
Sewer Reserve Fund	25,000	-	20,000	-	45,000	-	45,000
Solid Waste Fund	7,178	-	35,609	40,005	2,782	2,721	5,503
Total Primary Government (Excluding Agency Funds)	\$ 925,390	-	1,014,258	1,162,999	776,649	223,039	999,688
Composition of Cash							
						\$	6,242
							1,031,763
							100
							1,038,105
							(38,417)
						Total Primary Government (Excluding Agency Funds)	\$ 999,688

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

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Little River, 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 six-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Public Library

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

Basis of Presentation – Fund Accounting

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

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

Regulatory Basis Fund Types

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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.

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

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

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.

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund: Equipment Reserve Fund and Special Highway Improvement 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 Little River, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

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

At December 31, 2022, the City's carrying amount of deposits was \$1,038,105 and the bank balance was \$1,051,881. 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 \$801,881 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. The City had no investments at December 31, 2022.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

authorized by Kansas statutes. **City of Little River, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2022 were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Special Highway Improvement Fund	K.S.A. 68-590	\$ 10,000
General Fund	Sewer Reserve Fund	K.S.A. 12-825d	10,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	10,000
Gas Utility Fund	Special Highway Improvement Fund	K.S.A. 68-590	10,000
Gas Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	15,000
Water Utility Fund	Special Highway Improvement Fund	K.S.A. 68-590	10,000
Sewer Utility Fund	Sewer Reserve Fund	K.S.A. 12-825d	10,000
Solid Waste Fund	Special Highway Improvement Fund	K.S.A. 12-825d	5,000

NOTE 5 – LITIGATION

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

NOTE 6– RISK MANAGEMENT

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

NOTE 7 – GRANTS AND SHARED REVENUES

City of Little River, 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 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City did not remit the low interest utility loan payment within 20 days of maturity, which is in violation of K.S.A. 10-130.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

City of Little River, 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

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$14,085 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 \$139,958. 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 10 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Little River, 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.

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

NOTE 11 – COMPENSATED ABSENCES

Vacation

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

<u>Years Worked</u>	<u>Amount Earned</u>
1	5 days
2-9	10 days
10 and over	15 days

Vacation may not be taken until the employee completes one full year of continuous service. Unused vacation may not be carried over to the following year unless approved by the council.

Sick Leave

The City's policy for sick leave permits all full-time employees to earn sick leave at the rate of 8 hours per calendar month up to a maximum of 480 hours.

NOTE 12 – LONG-TERM DEBT

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

General Obligation Bonds

On January 21, 2011, the City issued \$42,000 in series 2011-BI general obligation bonds for the purpose of constructing a new City shop and public building.

KDHE Revolving Loans

The City entered into a \$235,832 revolving loan agreement on November 18, 2004 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction of a fourth cell and new piping to the existing cell wastewater treatment lagoon. This loan was amended on January 3, 2007 to reduce the amount of the loan to \$190,383 and changing the semiannual payment from \$7,704 to \$6,130.

The City entered into a \$396,000 revolving loan agreement on October 22, 2007 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction of a new water transmission main, replace distribution system piping, replace electrical distribution equipment at the well field, construct new well manifold piping, and add a new telemetry system. This loan was amended on October 6, 2008 to increase the amount of the loan to \$520,840 and changed the semiannual payment from \$14,060 to \$18,493. The loan was again amended on March 29, 2012 to reduce the amount of the loan to \$507,394 and changed the semiannual payment from \$18,493 to \$17,587.

Utility Loan Agreement

The City entered into a \$397,259 low interest loan agreement on March 26, 2021 with the Kansas Treasurer acting on behalf of the State of Kansas to finance a large gas utility bill that occurred in February 2021.

CITY OF LITTLE RIVER, KANSAS

Notes to Financial Statement

December 31, 2022

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2011-BI	4.00%	01/2011	\$ 42,000	2041	\$ 31,901	-	1,153	30,748	1,276
Utility Loan Program									
Low-Interest Loan	0.25%	03/2021	397,259	2031	357,767	-	39,356	318,411	870
KDHE Loans									
Kansas Water Pollution Control Revolving Project No. C20 1615 01	2.75%	01/2007	190,383	2026	51,558	-	10,916	40,642	1,221
Kansas Water Supply Loan Fund Project No. 2514	3.67%	03/2012	507,394	2031	279,982	-	25,127	254,855	9,089
Total Contractual Indebtedness					\$ 721,208	-	76,552	644,656	12,456

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

	YEAR								Total
	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2041	
Principal									
General Obligation Bonds	\$ 1,199	1,247	1,297	1,349	1,403	7,900	9,613	6,740	30,748
Utility Low-Interest Loan Program	39,454	39,553	39,652	39,751	39,851	120,150	-	-	318,411
KDHE Loans	37,277	38,552	39,872	35,109	30,138	114,549	-	-	295,497
Total Principal	77,930	79,352	80,821	76,209	71,392	242,599	9,613	6,740	644,656
Interest									
General Obligation Bonds	1,230	1,182	1,132	1,080	1,026	4,547	2,901	899	13,997
Utility Low-Interest Loan Program	771	673	574	475	375	526	-	-	3,394
KDHE Loans	9,193	8,038	6,842	5,605	4,556	7,744	-	-	41,978
Total Interest	11,194	9,893	8,548	7,160	5,957	12,817	2,901	899	59,369
Total Principal and Interest	\$ 89,124	89,245	89,369	83,369	77,349	255,416	12,514	7,639	704,025

CITY OF LITTLE RIVER, KANSAS

Regulatory-Required Supplementary Information

CITY OF LITTLE RIVER, 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)
Regulatory Basis Fund Types					
General Fund	\$ 478,725	-	478,725	405,125	(73,600)
Special Purpose Funds					
Library Fund	12,000	-	12,000	11,536	(464)
Employee Benefits Fund	28,000	-	28,000	27,949	(51)
Special Highway Fund	24,986	-	24,986	13,656	(11,330)
Special Parks and Recreation Fund	2,542	-	2,542	86	(2,456)
Bond and Interest Fund					
Bond and Interest Fund	2,929	-	2,929	2,429	(500)
Business Funds					
Gas Utility Fund	391,295	-	391,295	303,223	(88,072)
Water Utility Fund	222,930	-	222,930	140,960	(81,970)
Sewer Utility Fund	143,703	-	143,703	113,324	(30,379)
Solid Waste Fund	40,237	-	40,237	40,005	(232)

CITY OF LITTLE RIVER, KANSAS
General Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2022

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 84,675	89,502	95,742	(6,240)
Delinquent	2,701	2,627	-	2,627
Motor Vehicle	20,294	17,211	21,049	(3,838)
Recreational Vehicle	4,590	4,698	968	3,730
16/20M Vehicle	27	31	28	3
Sales Tax	70,553	75,882	68,000	7,882
Compensating Use Tax	32,462	31,518	25,000	6,518
Liquor Tax	46	-	500	(500)
Federal Aid	300	700	-	700
Federal Aid - COVID-19	39,831	39,831	-	39,831
Franchise Fees	13,964	14,368	13,000	1,368
Licenses, Permits and Fees	490	482	500	(18)
Fines	2,157	1,659	2,000	(341)
Interest Income	3,436	535	1,500	(965)
Utility Penalties Collected	3,785	3,820	4,500	(680)
Miscellaneous Income	34,142	32,257	14,000	18,257
Transfers In	15,000	-	-	-
Neighborhood Revitalization	(6,832)	(7,977)	(8,580)	603
Total Receipts	<u>321,621</u>	<u>307,144</u>	<u>238,207</u>	<u>68,937</u>
Expenditures				
General Government	120,970	181,413	243,000	(61,587)
Public Safety	9,290	9,417	50,000	(40,583)
Street Lights	9,878	10,171	15,000	(4,829)
Streets	25,497	10,054	41,500	(31,446)
Parks and Recreation	78	883	4,500	(3,617)
Library	8,168	111	225	(114)
Capital Outlay	-	-	50,000	(50,000)
ARPA Expenses	11,500	156,050	-	156,050
Miscellaneous	3,805	7,026	14,500	(7,474)
Transfers Out	20,000	30,000	60,000	(30,000)
Total Expenditures	<u>209,186</u>	<u>405,125</u>	<u>478,725</u>	<u>(73,600)</u>
Receipts Over (Under) Expenditures	112,435	(97,981)		
Unencumbered Cash - Beginning	<u>320,667</u>	<u>433,102</u>		
Unencumbered Cash - Ending	\$ <u>433,102</u>	<u>335,121</u>		

CITY OF LITTLE RIVER, KANSAS
Library Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2022

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 9,144	9,245	9,889	(644)
Delinquent	291	283	-	283
Motor Vehicle	2,196	1,858	2,273	(415)
Recreational Vehicle	496	487	105	382
16/20M Vehicle	3	3	3	-
Neighborhood Revitalization	(738)	(824)	(886)	62
Total Receipts	11,392	11,052	<u>11,384</u>	<u>(332)</u>
Expenditures				
Library Appropriation	11,592	11,536	<u>12,000</u>	<u>(464)</u>
Receipts Over (Under) Expenditures	(200)	(484)		
Unencumbered Cash - Beginning	684	484		
Unencumbered Cash - Ending	\$ <u>484</u>	<u>-</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 16,664	13,505	14,447	(942)
Delinquent	462	477	-	477
Motor Vehicle	3,786	3,384	4,142	(758)
Recreational Vehicle	900	726	190	536
16/20M Vehicle	4	6	5	1
Neighborhood Revitalization	(1,344)	(1,204)	(1,295)	91
Total Receipts	<u>20,472</u>	<u>16,894</u>	<u>17,489</u>	<u>(595)</u>
Expenditures				
FICA and Medicare	5,037	6,281	6,500	(219)
KPERS	4,153	5,792	6,000	(208)
Insurance	9,298	15,876	15,500	376
Total Expenditures	<u>18,488</u>	<u>27,949</u>	<u>28,000</u>	<u>(51)</u>
Receipts Over (Under) Expenditures	1,984	(11,055)		
Unencumbered Cash - Beginning	<u>10,169</u>	<u>12,153</u>		
Unencumbered Cash - Ending	\$ <u>12,153</u>	<u>1,098</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas - Fuel Tax	\$ 15,023	13,336	13,420	(84)
Expenditures				
Contractual	18,262	13,656	24,986	(11,330)
Receipts Over (Under) Expenditures	(3,239)	(320)		
Unencumbered Cash - Beginning	6,566	3,327		
Unencumbered Cash - Ending	\$ 3,327	3,007		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Liquor Tax	\$ 46	-	500	(500)
Expenditures				
Contractual	-	-	50	(50)
Commodities	1,636	86	1,500	(1,414)
Capital Outlay	-	-	992	(992)
Total Expenditures	1,636	86	2,542	(2,456)
Receipts Over (Under) Expenditures	(1,590)	(86)		
Unencumbered Cash - Beginning	2,446	856		
Unencumbered Cash - Ending	\$ 856	770		

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

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 15,000	25,000
Expenditures		
Capital Outlay	-	64,077
Receipts Over (Under) Expenditures	15,000	(39,077)
Unencumbered Cash - Beginning	61,295	76,295
Unencumbered Cash - Ending	\$ 76,295	37,218

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

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 45,000	35,000
Expenditures		
Contractual Services	-	40,629
Receipts Over (Under) Expenditures	45,000	(5,629)
Unencumbered Cash - Beginning	40,000	85,000
Unencumbered Cash - Ending	\$ 85,000	79,371

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 1,882	1,589	1,700	(111)
Delinquent	68	57	-	57
Motor Vehicle	470	383	468	(85)
Recreational Vehicle	102	85	22	63
16/20M Vehicle	1	1	1	-
Interest Income	159	-	20	(20)
Neighborhood Revitalization	(152)	(142)	(152)	10
Total Receipts	<u>2,530</u>	<u>1,973</u>	<u>2,059</u>	<u>(86)</u>
Expenditures				
Principal	1,108	1,153	1,153	-
Interest	1,320	1,276	1,276	-
Cash Basis Reserve	-	-	500	(500)
Total Expenditures	<u>2,428</u>	<u>2,429</u>	<u>2,929</u>	<u>(500)</u>
Receipts Over (Under) Expenditures	102	(456)		
Unencumbered Cash - Beginning	<u>1,377</u>	<u>1,479</u>		
Unencumbered Cash - Ending	\$ <u>1,479</u>	<u>1,023</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 204,122	278,518	215,000	63,518
Turn On Fees	1,840	1,440	1,500	(60)
Sales Tax	3,929	5,332	3,800	1,532
Loan Proceeds	397,259	-	-	-
Miscellaneous	2,135	8,009	1,500	6,509
Total Receipts	609,285	293,299	221,800	71,499
Expenditures				
Personal Services	36,160	44,408	49,000	(4,592)
Contractual	23,755	30,110	75,000	(44,890)
Commodities	511,198	157,732	95,000	62,732
Loan Payment	40,226	40,226	142,295	(102,069)
Sales Tax	4,098	5,697	5,000	697
Miscellaneous	2,963	50	-	50
Transfers Out	30,000	25,000	25,000	-
Total Expenditures	648,400	303,223	391,295	(88,072)
Receipts Over (Under) Expenditures	(39,115)	(9,924)		
Unencumbered Cash - Beginning	154,049	114,934		
Unencumbered Cash - Ending	\$ 114,934	105,010		

CITY OF LITTLE RIVER, KANSAS
Water Utility Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2022

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 137,037	154,282	138,000	16,282
Turn On Fees	2,075	1,550	1,500	50
Water Protection Fee	676	815	760	55
Sales Tax	526	686	700	(14)
Miscellaneous	4,918	1,053	1,000	53
Total Receipts	145,232	158,386	141,960	16,426
Expenditures				
Personal Services	40,194	48,716	51,000	(2,284)
Contractual	54,685	33,435	30,000	3,435
Commodities	24,513	9,200	17,500	(8,300)
Capital Outlay	-	-	69,557	(69,557)
Principal	24,230	25,127	25,127	-
Interest	9,901	9,089	9,088	1
Service Fees	1,044	958	958	-
Sales Tax	515	685	700	(15)
Miscellaneous	3,919	3,750	4,000	(250)
Transfers Out	25,000	10,000	15,000	(5,000)
Total Expenditures	184,001	140,960	222,930	(81,970)
Receipts Over (Under) Expenditures	(38,769)	17,426		
Unencumbered Cash - Beginning	136,385	97,616		
Unencumbered Cash - Ending	\$ 97,616	115,042		

CITY OF LITTLE RIVER, KANSAS
Sewer Utility Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2022

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 80,834	82,565	85,000	(2,435)
Reimbursed Expenses	-	14,000	1,000	13,000
Total Receipts	80,834	96,565	<u>86,000</u>	<u>10,565</u>
Expenditures				
Personal Services	31,109	38,420	37,000	1,420
Contractual	38,084	46,476	40,000	6,476
Commodities	4,378	6,157	4,000	2,157
Capital Outlay	-	-	40,444	(40,444)
Principal	10,622	10,916	10,916	-
Interest	1,489	1,221	1,221	-
Service Fees	149	122	122	-
Miscellaneous	-	12	-	12
Transfers Out	10,000	10,000	10,000	-
Total Expenditures	95,831	113,324	<u>143,703</u>	<u>(30,379)</u>
Receipts Over (Under) Expenditures	(14,997)	(16,759)		
Unencumbered Cash - Beginning	82,963	67,966		
Unencumbered Cash - Ending	\$ <u>67,966</u>	<u>51,207</u>		

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

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 15,000	20,000
Expenditures	-	-
Receipts Over (Under) Expenditures	15,000	20,000
Unencumbered Cash - Beginning	10,000	25,000
Unencumbered Cash - Ending	\$ 25,000	45,000

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 34,769	34,968	34,500	468
Miscellaneous	479	641	-	641
Total Receipts	<u>35,248</u>	<u>35,609</u>	<u>34,500</u>	<u>1,109</u>
Expenditures				
Contractual	34,207	34,857	34,500	357
Commodities	-	148	150	(2)
Capital Outlay	-	-	587	(587)
Transfers Out	5,000	5,000	5,000	-
Total Expenditures	<u>39,207</u>	<u>40,005</u>	<u>40,237</u>	<u>(232)</u>
Receipts Over (Under) Expenditures	(3,959)	(4,396)		
Unencumbered Cash - Beginning	<u>11,137</u>	<u>7,178</u>		
Unencumbered Cash - Ending	\$ <u>7,178</u>	<u>2,782</u>		

CITY OF LITTLE RIVER, 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
Payroll Clearing Account	\$ -	117,045	117,045	-
Young Historical Library	7,844	2,524	1,895	8,473
Little River Beautifications	312	-	-	312
Fire Department	22,211	27,585	20,164	29,632
Total	\$ 30,367	147,154	139,104	38,417