

CITY OF BURRTON, KANSAS

Financial Statement

For the Year Ended December 31, 2022

City of Burrton, Kansas
For the Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Burrton
Burrton, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Burrton, Kansas (City), and its related municipal entity, as of and for the year ended December 31, 2022, and the related disclosures to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis 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.

Auditor's 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 2022 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 schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, and 3 as listed in the table of contents) are presented for additional analysis and are not a required part of the 2022 basic financial statement, but 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 2022 basic financial statement. The 2022 information has been 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 accompanying supplementary information is fairly stated in all material respects in relation to the 2022 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 July 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/accounts-reports/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 and the schedule of regulatory basis receipts and expenditures-actual-related municipal entity for the year ended December 31, 2022 (Schedules 2 and 3 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the 2022 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.

Krautsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
September 5, 2023

City of Burrton, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Accounts Payable and Encumbrances	Ending Cash Balance
General Fund	\$ 137,660	509,668	551,148	96,180	12,677	108,857
Special Purpose Funds						
Employee benefit	57,672	41,644	66,546	32,770	-	32,770
Library	556	16,730	17,254	32	-	32
Street maintenance	262,204	177,277	322,999	116,482	78	116,560
Special highway	51,182	23,096	63,422	10,856	216	11,072
Equipment reserve	49,366	45,558	82,579	12,345	-	12,345
Capital improvement	221,238	15,040	214,324	21,954	-	21,954
Bond and Interest Fund	3,790	117,341	115,080	6,051	-	6,051
Capital Project Fund						
Street project	673,968	67,009	-	740,977	-	740,977
Business Funds						
Gas	270,851	276,556	353,010	194,397	14,871	209,268
Sewer	106,543	114,016	200,039	20,520	2,107	22,627
Solid waste	65,214	75,871	97,485	43,600	5,326	48,926
Water	115,622	165,501	159,901	121,222	2,557	123,779
Trust Funds						
Drug forfeiture	9,899	-	-	9,899	-	9,899
Insurance proceeds	42,203	-	42,203	-	-	-
Related Municipal Entity						
Burrton Public Library	15,640	22,837	25,692	12,785	1,287	14,072
Total Reporting Entity	<u>\$ 2,083,608</u>	<u>1,668,144</u>	<u>2,311,682</u>	<u>1,440,070</u>	<u>39,119</u>	<u>1,479,189</u>
Composition of Cash:						
Cash on hand						\$ 100
State Bank of Burrton						
Checking						687,981
Money Market						759,036
Certificates of Deposit						18,000
Related Municipal Entity						
Checking						14,072
Total Reporting Entity						<u>\$ 1,479,189</u>

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

NOTES TO FINANCIAL STATEMENT

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

The City of Burrton is a municipal corporation governed by an elected five-member council. This regulatory financial statement presents the City of Burrton (City) and its related municipal entity. The related municipal entity is included because it was established to benefit the City and/or its constituents.

Burrton Public Library – The City of Burrton Library Board operates the City’s public library. The City makes appropriations to the library to assist in funding capital expenditures and operating expenses. The governing body of the related municipal entity is appointed by the City council.

Related Organization

The Burrton Housing Authority is a related organization that is not included in the financial reporting entity. The Authority was created to administer public housing programs authorized by the United States Housing Act of 1937, as amended. Revenues consist of housing assistance payments from the U.S. Department of Housing and Urban Development and rent received from eligible low income tenants.

Regulatory Basis Fund Types

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

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – used to account for fees charged to users of the goods and services (i.e. water fund, gas fund, etc.).

Trust Fund – used to report assets held in trust for the benefit of the City (i.e. private purpose trust funds which benefit the City, scholarship funds, etc.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (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.

NOTES TO FINANCIAL STATEMENT

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Fund, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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 for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. During the year the Bond and Interest and Gas Funds were amended.

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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the 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 budget expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Trust Funds, and certain Special Purpose Funds.

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.

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 the KMAAG regulatory basis of accounting.

NOTES TO FINANCIAL STATEMENT

December 31, 2022

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The City was not in compliance with K.S.A. 9-1402 and 9-1405 which require that deposits with statutorily authorized financial institutions be adequately secured. The City's cash deposits were not adequately secured for a period of 122 days during the year ended December 31, 2022.

K.S.A. 10-130 requires municipalities to remit payments for bonds or interest to the state fiscal agent at least twenty days before the date of maturity. The utility loan payments were not made timely in accordance with this statute.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such an 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 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. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the carrying amount of the City's deposits, including its related municipal entity, was \$1,479,089, and the bank balance was \$1,763,418. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$264,072 was covered by federal depository insurance and the remaining \$1,499,346 was collateralized with securities held by the pledging financial institution's agents in the City's name.

City of Burrton, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2022

4. LONG-TERM DEBT

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
KDHE Loan									
Sewer Improvement	2.63%	02/11/10	\$ 445,688	09/01/30	\$ 214,712	-	22,856	191,856	5,498
General Obligation Bond									
Series 2020 A	0.85-1.50%	12/26/20	1,365,000	09/01/33	1,265,000	-	100,000	1,165,000	15,080
State of Kansas Loan									
City Utility Low-Interest Loan	0.25%	03/22/22	500,000	03/01/31	470,652	-	50,821	419,831	1,118
Total contractual indebtedness					\$ 1,950,364	-	173,677	1,776,687	21,696

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

	Year ending December 31							
	2023	2024	2025	2026	2027	2028 -2032	2033	Total
Principal								
KDHE Loan	\$ 23,461	24,082	24,720	25,374	26,046	68,173	-	191,856
General obligation bond	100,000	100,000	100,000	105,000	105,000	540,000	115,000	1,165,000
State of Kansas loan	50,949	51,076	51,204	51,332	51,461	163,809	-	419,831
Total principal	<u>174,410</u>	<u>175,158</u>	<u>175,924</u>	<u>181,706</u>	<u>182,507</u>	<u>771,982</u>	<u>115,000</u>	<u>1,776,687</u>
Interest								
KDHE Loan	4,893	4,272	3,634	2,980	2,308	16,889	-	34,976
General obligation bond	14,080	13,080	12,080	11,080	10,188	32,033	1,725	94,266
State of Kansas loan	991	864	736	608	479	666	-	4,344
Total interest	<u>19,964</u>	<u>18,216</u>	<u>16,450</u>	<u>14,668</u>	<u>12,975</u>	<u>49,588</u>	<u>1,725</u>	<u>133,586</u>
Total principal and interest	<u>\$194,374</u>	<u>193,374</u>	<u>192,374</u>	<u>196,374</u>	<u>195,482</u>	<u>821,570</u>	<u>116,725</u>	<u>1,910,273</u>

5. DEFINED BENEFIT PENSION PLAN

Plan Description

The City 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.

NOTES TO FINANCIAL STATEMENT

December 31, 2022

5. DEFINED BENEFIT PENSION PLAN (Continued)

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, with a 0% moratorium for the period January 1, 2022 through June 30, 2022) 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 \$29,915 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 \$307,570. 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.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. Each retiree pays the full amount of the applicable premium. The City does not currently have any retirees that participate.

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.

NOTES TO FINANCIAL STATEMENT

December 31, 2022

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% through December 31, 2022, with a 0% moratorium for the period January 1, 2022 through June 30, 2022.

Compensated Absences

Full-time employees earn vacation as follows:

- During first year of employment - one week of vacation
- Years 2 - 9 of employment - two weeks of vacation
- Years 10-14 of employment - three weeks of vacation
- Years 15 or more of employment - four weeks of vacation

Vacation hours may be carried over, with permission of the Mayor, up to a maximum of 240 hours. Upon termination, an employee will be compensated for all earned but unused vacation at their final rate of pay, subject to the maximum hours of accumulation.

Full-time employees earn eight hours of sick leave for each completed month of service after 90 days of employment with a maximum accumulation of 90 days. Upon termination, an employee will be compensated for 25% of earned, unused sick leave at the employee's final rate of pay.

Unused vacation and sick time has not been recorded as a liability in the accompanying financial statement.

7. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Gas	Employee Benefit	K.S.A. 12-825d	\$ 10,000
Sewer	Employee Benefit	K.S.A. 12-825d	10,000
Sewer	Equipment Reserve	K.S.A. 12-825d	10,000
Sewer	Bond and Interest	K.S.A. 12-825d	10,000
Solid Waste	Employee Benefit	K.S.A. 12-825d	5,000
Solid Waste	Street Maintenance	K.S.A. 12-825d	15,000
Solid Waste	Bond and Interest	K.S.A. 12-825d	13,000

NOTES TO FINANCIAL STATEMENT

December 31, 2022

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There has been no significant reduction in insurance coverage from 2021 to 2022; and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. DATE OF MANAGEMENT'S REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through September 5, 2023, which is the date at which the financial statement was available to be issued.

CITY OF BURRTON

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2022

City of Burrton, 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)
General Fund	\$ 551,500	-	551,500	551,148	(352)
Special Purpose Funds					
Employee benefit	70,000	-	70,000	66,546	(3,454)
Library	18,550	-	18,550	17,254	(1,296)
Street maintenance	323,000	-	323,000	322,999	(1)
Special highway	69,680	-	69,680	63,422	(6,258)
Bond and Interest Fund	115,080	-	115,080	115,080	-
Business Funds					
Gas	355,000	-	355,000	353,010	(1,990)
Sewer	238,354	-	238,354	200,039	(38,315)
Solid waste	98,000	-	98,000	97,485	(515)
Water	265,000	-	265,000	159,901	(105,099)

City of Burrton, Kansas

General FundSCHEDULE 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				
Ad valorem property tax	\$ 251,953	231,580	215,558	16,022
Delinquent tax	3,901	4,712	5,700	(988)
Vehicle tax	44,483	37,221	40,279	(3,058)
County sales tax	103,024	112,661	95,000	17,661
Harvey County special sales and use tax	13,053	14,155	15,500	(1,345)
Local alcohol tax	6,780	7,390	7,500	(110)
Franchise fees	56,756	60,234	58,000	2,234
Pool receipts	6,595	5,819	8,000	(2,181)
Fines and fees	2,381	2,638	2,500	138
Interest	817	1,932	1,500	432
Municipal court	10,548	10,613	30,000	(19,387)
Other	5,323	4,706	2,500	2,206
Reimbursements	11,433	16,007	15,000	1,007
	<u>517,047</u>	<u>509,668</u>	<u>497,037</u>	<u>12,631</u>
EXPENDITURES, page 14	<u>475,676</u>	<u>551,148</u>		
Receipts over (under) expenditures	41,371	(41,480)		
UNENCUMBERED CASH, beginning	<u>96,289</u>	<u>137,660</u>		
UNENCUMBERED CASH, ending	<u>\$ 137,660</u>	<u>96,180</u>		

City of Burrton, Kansas

General FundSCHEDULE 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	
EXPENDITURES				
General				
Personnel services	\$ 136,247	75,519	155,000	(79,481)
Contractual services	76,860	85,357	65,000	20,357
Commodities	67,651	144,328	75,000	69,328
	<u>280,758</u>	<u>305,204</u>	<u>295,000</u>	<u>10,204</u>
Parks				
Commodities	4,019	9,840	20,000	(10,160)
Law enforcement				
Personnel services	121,793	146,733	140,000	6,733
Contractual services	10,807	9,392	9,500	(108)
Commodities	29,949	39,745	45,000	(5,255)
Capital outlay	-	7,000	-	7,000
	<u>162,549</u>	<u>202,870</u>	<u>194,500</u>	<u>8,370</u>
Legal	13,285	13,200	16,000	(2,800)
Street lighting	15,065	20,034	22,000	(1,966)
Residential incentives	-	-	4,000	(4,000)
	<u>28,350</u>	<u>33,234</u>	<u>42,000</u>	<u>(8,766)</u>
Total expenditures	\$ <u>475,676</u>	<u>551,148</u>	<u>551,500</u>	<u>(352)</u>

City of Burrton, Kansas

Special Purpose FundsSCHEDULE 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	
EMPLOYEE BENEFIT				
RECEIPTS				
Ad valorem property tax	\$ 48,717	7,179	7,514	(335)
Delinquent tax	764	815	300	515
Vehicle tax	4,806	8,650	9,503	(853)
Transfer from gas	20,000	10,000	10,000	-
Transfer from sewer	10,000	10,000	10,000	-
Transfer from solid waste	5,000	5,000	5,000	-
Transfer from water	7,500	-	-	-
	<u>96,787</u>	<u>41,644</u>	<u>42,317</u>	<u>(673)</u>
EXPENDITURES				
Health insurance	<u>56,667</u>	<u>66,546</u>	<u>70,000</u>	<u>(3,454)</u>
	<u>56,667</u>	<u>66,546</u>	<u>70,000</u>	<u>(3,454)</u>
Receipts over (under) expenditures	40,120	(24,902)		
UNENCUMBERED CASH, beginning	<u>17,552</u>	<u>57,672</u>		
UNENCUMBERED CASH, ending	<u>\$ 57,672</u>	<u>32,770</u>		
LIBRARY				
RECEIPTS				
Ad valorem property tax	\$ 14,393	13,791	14,432	(641)
Delinquent tax	307	345	500	(155)
Vehicle tax	<u>2,959</u>	<u>2,594</u>	<u>2,809</u>	<u>(215)</u>
	<u>17,659</u>	<u>16,730</u>	<u>17,741</u>	<u>(1,011)</u>
EXPENDITURES				
Contractual Services	-	926	-	926
Appropriations to Library Board	<u>18,500</u>	<u>16,328</u>	<u>18,550</u>	<u>(2,222)</u>
	<u>18,500</u>	<u>17,254</u>	<u>18,550</u>	<u>(1,296)</u>
Receipts over (under) expenditures	(841)	(524)		
UNENCUMBERED CASH, beginning	<u>1,397</u>	<u>556</u>		
UNENCUMBERED CASH, ending	<u>\$ 556</u>	<u>32</u>		

City of Burrton, Kansas

Special Purpose FundsSCHEDULE 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	
STREET MAINTENANCE				
RECEIPTS				
Ad valorem tax	\$ 26,888	-	-	-
Delinquent tax	604	631	500	131
Vehicle tax	-	4,715	5,221	(506)
County sales tax	40,789	44,235	105,000	(60,765)
City sales tax	116,211	112,696	37,000	75,696
Transfer from solid waste	15,000	15,000	15,000	-
Transfer from water	9,734	-	-	-
	<u>209,226</u>	<u>177,277</u>	<u>162,721</u>	<u>14,556</u>
EXPENDITURES				
Personnel services	5,251	7,343	13,000	(5,657)
Contractual services	4,528	313,767	300,000	13,767
Commodities	7,292	1,889	10,000	(8,111)
Capital outlay	3,678	-	-	-
	<u>20,749</u>	<u>322,999</u>	<u>323,000</u>	<u>(1)</u>
Receipts over (under) expenditures	188,477	(145,722)		
UNENCUMBERED CASH, beginning	<u>73,727</u>	<u>262,204</u>		
UNENCUMBERED CASH, ending	<u>\$ 262,204</u>	<u>116,482</u>		
SPECIAL HIGHWAY				
RECEIPTS				
State gasoline tax	\$ 24,876	23,096	22,110	986
EXPENDITURES				
Contractual services	3,954	62,868	64,680	(1,812)
Commodities	70	554	5,000	(4,446)
	<u>4,024</u>	<u>63,422</u>	<u>69,680</u>	<u>(6,258)</u>
Receipts over (under) expenditures	20,852	(40,326)		
UNENCUMBERED CASH, beginning	<u>30,330</u>	<u>51,182</u>		
UNENCUMBERED CASH, ending	<u>\$ 51,182</u>	<u>10,856</u>		

City of Burrton, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended December 31, 2022

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

	<u>2021</u>	<u>2022</u>
EQUIPMENT RESERVE		
RECEIPTS		
Interest	\$ 77	117
Reimbursements	-	20,401
County sales tax	13,868	15,040
Transfer from gas	10,000	-
Transfer from sewer	-	10,000
Transfer from solid waste	<u>5,000</u>	<u>-</u>
	28,945	45,558
EXPENDITURES		
Capital outlay	<u>25,000</u>	<u>82,579</u>
Receipts over (under) expenditures	3,945	(37,021)
UNENCUMBERED CASH, beginning	<u>45,421</u>	<u>49,366</u>
UNENCUMBERED CASH, ending	<u>\$ 49,366</u>	<u>12,345</u>
CAPITAL IMPROVEMENT		
RECEIPTS		
County sales tax	\$ 13,868	15,040
EXPENDITURES		
Capital outlay	<u>18,000</u>	<u>214,324</u>
Receipts over (under) expenditures	(4,132)	(199,284)
UNENCUMBERED CASH, beginning	<u>225,370</u>	<u>221,238</u>
UNENCUMBERED CASH, ending	<u>\$ 221,238</u>	<u>21,954</u>

City of Burrton, Kansas

Bond and Interest FundSCHEDULE 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				
Ad valorem property tax	\$ 21,180	89,488	93,669	(4,181)
Delinquent tax	870	895	1,000	(105)
Vehicle tax	10,220	3,958	4,133	(175)
Transfer from sewer	60,000	10,000	10,000	-
Transfer from solid waste	5,000	13,000	3,000	10,000
	<u>97,270</u>	<u>117,341</u>	<u>111,802</u>	<u>5,539</u>
EXPENDITURES				
Principal	100,000	100,000	100,000	-
Interest	11,971	15,080	15,080	-
	<u>111,971</u>	<u>115,080</u>	<u>115,080</u>	<u>-</u>
Receipts over (under) expenditures	(14,701)	2,261		
UNENCUMBERED CASH, beginning	18,491	3,790		
UNENCUMBERED CASH, ending	<u>\$ 3,790</u>	<u>6,051</u>		

City of Burrton, Kansas

Capital Project Fund

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended December 31, 2022

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

	<u>2021</u>	<u>2022</u>
STREET PROJECT		
RECEIPTS		
Interest income	\$ 572	1,387
American rescue plan act grant	<u>65,622</u>	<u>65,622</u>
	66,194	67,009
EXPENDITURES		
	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	66,194	67,009
UNENCUMBERED CASH, beginning	<u>607,774</u>	<u>673,968</u>
UNENCUMBERED CASH, ending	<u>\$ 673,968</u>	<u>740,977</u>

City of Burrton, Kansas

Business FundsSCHEDULE 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	
GAS				
RECEIPTS				
Sales	\$ 567,286	276,556	300,000	(23,444)
State utility loan proceeds	500,000	-	-	-
	<u>1,067,286</u>	<u>276,556</u>	<u>300,000</u>	<u>(23,444)</u>
EXPENDITURES				
Personnel services	38,640	69,878	45,000	24,878
Contractual services	51,423	36,546	100,000	(63,454)
Commodities	34,814	15,723	20,000	(4,277)
Capital outlay	3,678	-	-	-
Gas purchased	660,283	168,924	130,000	38,924
State utility loan principal	29,348	50,821	50,000	821
State utility loan interest	950	1,118	-	1,118
Transfer to employee benefit	20,000	10,000	10,000	-
Transfer to equipment reserve	10,000	-	-	-
	<u>849,136</u>	<u>353,010</u>	<u>355,000</u>	<u>(1,990)</u>
Receipts over (under) expenditures	218,150	(76,454)		
UNENCUMBERED CASH, beginning	<u>52,701</u>	<u>270,851</u>		
UNENCUMBERED CASH, ending	<u>\$ 270,851</u>	<u>194,397</u>		

City of Burrton, Kansas

Business FundsSCHEDULE 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	
SEWER				
RECEIPTS				
Fees	\$ 92,992	114,016	120,000	(5,984)
EXPENDITURES				
KDHE loan payment	28,354	28,354	28,354	-
Personnel services	46,800	89,585	50,000	39,585
Contractual services	10,822	13,354	80,000	(66,646)
Commodities	12,793	38,746	50,000	(11,254)
Capital outlay	3,678	-	-	-
Transfer to employee benefits	10,000	10,000	10,000	-
Transfer to equipment reserve	-	10,000	10,000	-
Transfer to bond and interest	60,000	10,000	10,000	-
	<u>172,447</u>	<u>200,039</u>	<u>238,354</u>	<u>(38,315)</u>
Receipts over (under) expenditures	(79,455)	(86,023)		
UNENCUMBERED CASH, beginning	<u>185,998</u>	<u>106,543</u>		
UNENCUMBERED CASH, ending	<u>\$ 106,543</u>	<u>20,520</u>		
SOLID WASTE				
RECEIPTS				
Fees	\$ 53,193	75,871	85,000	(9,129)
EXPENDITURES				
Personnel services	1,040	-	20,000	(20,000)
Contractual services	46,242	64,485	60,000	4,485
Capital outlay	3,678	-	-	-
Transfer to employee benefit	5,000	5,000	-	5,000
Transfer to street maintenance	15,000	15,000	15,000	-
Transfer to equipment reserve	5,000	-	-	-
Transfer to bond and interest	5,000	13,000	3,000	10,000
	<u>80,960</u>	<u>97,485</u>	<u>98,000</u>	<u>(515)</u>
Receipts over (under) expenditures	(27,767)	(21,614)		
UNENCUMBERED CASH, beginning	<u>92,981</u>	<u>65,214</u>		
UNENCUMBERED CASH, ending	<u>\$ 65,214</u>	<u>43,600</u>		

City of Burrton, Kansas

Business Funds

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	
WATER				
RECEIPTS				
Sales	\$ 122,669	165,501	170,000	(4,499)
Interest	2	-	-	-
Other	9,813	-	-	-
	<u>132,484</u>	<u>165,501</u>	<u>170,000</u>	<u>(4,499)</u>
EXPENDITURES				
Personnel services	55,185	65,593	65,000	593
Contractual services	19,234	70,594	150,000	(79,406)
Commodities	27,535	23,714	50,000	(26,286)
Capital outlay	3,678	-	-	-
Transfer to employee benefit	7,500	-	-	-
Transfer to street maintenance	9,734	-	-	-
	<u>122,866</u>	<u>159,901</u>	<u>265,000</u>	<u>(105,099)</u>
Receipts over (under) expenditures	9,618	5,600		
UNENCUMBERED CASH, beginning	<u>106,004</u>	<u>115,622</u>		
UNENCUMBERED CASH, ending	<u>\$ 115,622</u>	<u>121,222</u>		

City of Burrton, Kansas

Trust Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended December 31, 2022

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

	<u>2021</u>	<u>2022</u>
DRUG FORFEITURE		
RECEIPTS		
Forfeiture proceeds	\$ 2,276	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	2,276	-
UNENCUMBERED CASH, beginning	<u>7,623</u>	<u>9,899</u>
UNENCUMBERED CASH, ending	<u>\$ 9,899</u>	<u>9,899</u>
INSURANCE PROCEEDS		
RECEIPTS		
Insurance proceeds	\$ 42,203	-
EXPENDITURES		
Contractual services	<u>-</u>	<u>42,203</u>
Receipts over (under) expenditures	42,203	(42,203)
UNENCUMBERED CASH, beginning	<u>-</u>	<u>42,203</u>
UNENCUMBERED CASH, ending	<u>\$ 42,203</u>	<u>-</u>

City of Burrton, Kansas

Related Municipal EntitySCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Years Ended December 31, 2022 and 2021

	<u>2021</u>	<u>2022</u>
BURRTON PUBLIC LIBRARY		
RECEIPTS		
City of Burrton	\$ 18,500	16,328
SCKLS	5,283	6,089
State of Kansas	245	245
Donations and other	396	175
	<u>24,424</u>	<u>22,837</u>
EXPENDITURES		
Personnel services	14,939	15,300
Contractual services	800	800
Books, periodicals and materials	2,652	2,841
Operating expenses and other	7,365	6,751
	<u>25,756</u>	<u>25,692</u>
Receipts over (under) expenditures	(1,332)	(2,855)
UNENCUMBERED CASH, beginning	16,972	15,640
UNENCUMBERED CASH, ending	<u>\$ 15,640</u>	<u>12,785</u>