

**CITY OF MEDICINE LODGE, KANSAS**

---

**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2022**

---

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
<u>FINANCIAL SECTION</u>	
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash .....	4
Notes to the Financial Statement .....	5
<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule 1	
Summary of Expenditures – Actual and Budget .....	14
Schedule 2	
Schedule of Receipts and Expenditures	
2-1 General Fund.....	15
<u>Special Purpose Funds</u>	
2-2 Tourism Fund.....	19
2-3 Library Fund.....	20
2-4 Special Highway Fund .....	21
2-5 Special Parks and Recreation Fund.....	22
2-6 Community Improvement District Fund.....	23
2-7 Non-Budgeted Special Purpose Funds.....	24
<u>Bond and Interest Fund</u>	
2-8 Bond and Interest Fund .....	25
<u>Capital Project Fund</u>	
2-9 Daycare/CDBG Fund .....	26
2-10 Sidewalk Improvement Fund .....	27
<u>Business Funds</u>	
2-11 Water Utility Fund .....	28
2-12 Sewer Utility Fund.....	29
2-13 Solid Waste Utility Fund.....	30
2-14 Non-Budgeted Business Funds .....	31

*Kennedy*  
*McKee & Company LLP* Certified Public Accountants

1100 W. Frontview  
P. O. Box 1477  
Dodge City, Kansas 67801  
Tel. (620) 227-3135  
Fax (620) 227-2308  
[www.kmc-cpa.com](http://www.kmc-cpa.com)

JAMES W. KENNEDY, CPA  
PATRICK M. FRIESS, CPA  
JOHN W. HENDRICKSON, CPA  
JEREMY J. APPEL, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
Medicine Lodge, Kansas

### ***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Medicine Lodge, Kansas, as of and for the year ended December 31, 2022 and the related notes to the financial statement.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the Basis 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 of Medicine Lodge, Kansas, as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

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

### ***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 of Medicine Lodge, Kansas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note A of the financial statement, the financial statement is prepared by the City of Medicine Lodge, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A 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 A; 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, which raise substantial doubt about the City of Medicine Lodge, Kansas' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's 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 judgement 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 of Medicine Lodge, Kansas' 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, which raise substantial doubt about the City of Medicine Lodge, Kansas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain 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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 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 A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Medicine Lodge, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated September 26, 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 website of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures 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 A.

*Kennedy McKee & Company LLP*

October 31, 2023

**CITY OF MEDICINE LODGE, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS**

For the Year Ended December 31, 2022

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>	<u>Residual equity transfers</u>
General fund:			
General	\$ 163,871	\$ -	\$ 18,034
Special purpose funds:			
Tourism	20,271	-	-
Library	-	-	-
Special highway	99,786	-	-
Special parks and recreation	37,851	-	-
Community improvement district	399,393	-	-
Municipal equipment reserve	497,424	-	-
ARPA	110,695	-	-
Capital improvements reserve	747,562	-	-
Public Building Commission	2,490	-	-
Total special purpose funds	<u>1,915,472</u>	<u>-</u>	<u>-</u>
Bond and interest fund:			
Bond and interest	18,034	-	(18,034)
Capital project funds:			
Daycare/CDBG	-	-	-
Sidewalk improvement	10,750	-	-
Total capital project funds	<u>10,750</u>	<u>-</u>	<u>-</u>
Business funds:			
Water utility	1,166,890	-	-
Sewer utility	138,811	-	-
Solid waste utility	-	-	-
Waterworks depreciation and maintenance reserve	848,767	-	-
Sewer plant O-M-R	39,841	-	-
Total business funds	<u>2,194,309</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,302,436</u>	<u>\$ -</u>	<u>\$ -</u>
Composition of cash balance:			
Demand deposits			
Certificates of deposit			
Total cash			

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

Statement 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 1,784,823	\$ 1,788,282	\$ 178,446	\$ 51,453	\$ 229,899
15,380	-	35,651	-	35,651
126,207	126,207	-	-	-
47,670	62,063	85,393	-	85,393
2,909	-	40,760	-	40,760
260,003	216,860	442,536	16,180	458,716
30,000	160,658	366,766	-	366,766
140,019	127,811	122,903	1,227	124,130
238,765	357,039	629,288	8,090	637,378
117,563	117,599	2,454	-	2,454
<u>978,516</u>	<u>1,168,237</u>	<u>1,725,751</u>	<u>25,497</u>	<u>1,751,248</u>
-	-	-	-	-
31,961	31,961	-	18,000	18,000
401	-	11,151	-	11,151
<u>32,362</u>	<u>31,961</u>	<u>11,151</u>	<u>18,000</u>	<u>29,151</u>
1,114,389	1,180,689	1,100,590	13,675	1,114,265
511,601	487,719	162,693	3,620	166,313
367,807	352,706	15,101	29,275	44,376
125,000	49,238	924,529	134	924,663
-	-	39,841	-	39,841
<u>2,118,797</u>	<u>2,070,352</u>	<u>2,242,754</u>	<u>46,704</u>	<u>2,289,458</u>
<u>\$ 4,914,498</u>	<u>\$ 5,058,832</u>	<u>\$ 4,158,102</u>	<u>\$ 141,654</u>	<u>\$ 4,299,756</u>
				\$ 3,054,756
				<u>1,245,000</u>
				<u>\$ 4,299,756</u>

# CITY OF MEDICINE LODGE, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2022

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

#### 1. Municipal Financial Reporting Entity

The City of Medicine Lodge is a municipal corporation governed by an elected mayor and five-member council. This regulatory financial statement presents the City of Medicine Lodge (the municipality) and the Public Building Commission (part of the municipality). The Lincoln Library, a related municipal entity, has not been included in the City's reporting entity.

**Public Building Commission.** The Commission was authorized by City Ordinance No. 818, pursuant to K.S.A 12-1757 et. seq., and all amendments thereto, and as amended, supplemented, and limited by the City of Medicine Lodge, Kansas Charter Ordinance No. 17 establishing the composition thereof and purposes for which established. For financial reporting, the financial activities of the Public Building Commission are accounted for within a non-budgeted special purpose fund.

**Lincoln Library.** The members of the governing board of the Library are approved by the City Council. The Library is fiscally dependent on the City because the City provides substantial financial support in the form of appropriations. In addition, the Library is prohibited from issuing bonded debt without the approval of the City Council.

#### 2. 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 regulatory receipt sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.



A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

REGULATORY BASIS FUND TYPES (CONTINUED)

Bond and interest fund – used to account for the accumulation of resources (including tax levies and 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 – funds financed in whole or in part by fees charged to users of the goods or services (i.e., enterprise and internal services fund, etc.).

3. 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.

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.

4. 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 ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4. Budgetary Information (Continued)

If the municipality 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 municipality did not 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. 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 receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the utility reserve funds, capital project funds, or the Municipal Equipment Reserve, ARPA, Capital Improvements Reserve, and Public Building Commission 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.

## B. 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 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.

B. DEPOSITS AND INVESTMENTS (CONTINUED)

*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 City’s carrying amount of deposits was \$4,299,756 and the bank balance was \$4,344,726. Of the bank balance, \$252,542 was covered by federal depository insurance and \$4,092,184 was collateralized with securities held by the pledging financial institutions’ agents in the City’s name.

C. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project authorization</u>	<u>Cash disbursements and accounts payable to date</u>
Airport Environmental Assessment	\$ 136,952	\$ 136,952
Airport Seal Coat Runway	231,058	231,058
Carrie Nation Home Roof	41,318	20,659
Sidewalk Expansion	80,900	32,360
Sewer Line Replacement	17,750	3,550
Daycare	<u>91,149</u>	<u>31,041</u>
Total	<u>\$ 599,127</u>	<u>\$ 455,620</u>

D. LONG-TERM DEBT

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

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Refunding and improvement Issued April 1, 2013 In the amount of \$1,130,000 At interest rates of 0.80% to 2.70% Maturing September 1, 2024	\$ 140,000	\$ -	\$ 80,000	\$ 60,000	\$ 3,370
CID sales tax Issued May 23, 2017 In the amount of \$1,930,000 At interest rate of 3.00% Maturing September 1, 2030	1,430,000	-	150,000	1,280,000	42,900
Water system improvements Issued September 26, 2017 In the amount of \$3,732,000 At interest rate of 2.625% Maturing September 26, 2057	<u>3,507,967</u>	<u>-</u>	<u>59,731</u>	<u>3,448,236</u>	<u>92,084</u>
Subtotal general obligation bonds	<u>5,077,967</u>	<u>-</u>	<u>289,731</u>	<u>4,788,236</u>	<u>138,354</u>

D. LONG-TERM DEBT (CONTINUED)

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Revenue bonds:					
Swimming pool improvements refunding					
Issued October 15, 2015					
In the amount of \$1,035,000					
At interest rates of 1.50% to 2.50%					
Maturing September 1, 2026					
	<u>\$ 545,000</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 440,000</u>	<u>\$ 12,563</u>
Revolving loans:					
Sewer plant					
Issued March 1, 2003					
In the amount of \$2,946,766					
At interest rate of 2.94%					
Maturing September 1, 2024					
	<u>548,202</u>	<u>-</u>	<u>177,428</u>	<u>370,774</u>	<u>14,823</u>
Total long-term debt	<u><u>\$6,171,169</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 572,159</u></u>	<u><u>\$5,599,010</u></u>	<u><u>\$ 165,740</u></u>

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2023	\$ 261,299	\$ 130,446	\$ 391,745
2024	237,908	123,062	360,970
2025	229,560	116,206	345,766
2026	231,254	109,561	340,815
2027	242,994	102,872	345,866
2028-2032	827,696	416,431	1,244,127
2033-2037	418,557	340,520	759,077
2038-2042	476,453	282,624	759,077
2043-2047	542,358	216,719	759,077
2048-2052	617,379	141,698	759,077
2053-2057	<u>702,778</u>	<u>56,299</u>	<u>759,077</u>
Total	<u><u>\$ 4,788,236</u></u>	<u><u>\$ 2,036,438</u></u>	<u><u>\$ 6,824,674</u></u>

Current maturities of revenue bonds and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2023	\$ 105,000	\$ 10,462	\$ 115,462
2024	110,000	8,100	118,100
2025	115,000	5,625	120,625
2026	<u>110,000</u>	<u>2,750</u>	<u>112,750</u>
Total	<u><u>\$ 440,000</u></u>	<u><u>\$ 26,937</u></u>	<u><u>\$ 466,937</u></u>

D. LONG-TERM DEBT (CONTINUED)

Current maturities of revolving loans and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2023	\$ 182,682	\$ 9,568	\$ 192,250
2024	<u>188,092</u>	<u>4,158</u>	<u>192,250</u>
Total	<u>\$ 370,774</u>	<u>\$ 13,726</u>	<u>\$ 384,500</u>

E. OPERATING LEASE

In 2021 the City converted the capital lease on the caterpillar motor grader with Caterpillar Financial to an operating lease. The agreement calls for annual payments of \$20,227 for the remaining thirty-six months. Payments totaling \$44,291 were made in 2021 to cover 2021, 2022, and a portion of 2023.

Future minimum rental payments under the operating lease are as follows.

	<u>Caterpillar Financial</u>
2023	\$ 16,392
2024	<u>20,227</u>
Total	<u>\$ 36,619</u>

F. INTERFUND TRANSFERS

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Municipal equipment reserve	K.S.A. 12-1,117	\$ 10,000
General	Capital improvements reserve	K.S.A. 12-1,118	134,500
General	Public Building Commission	Resolution	117,563
Water utility	General	K.S.A. 12-825d	134,500
Water utility	Municipal equipment reserve	K.S.A. 12-825d	20,000
Water utility	Waterworks depreciation and maintenance res.	K.S.A. 12-825d	125,000
Water utility	Sewer utility	K.S.A. 12-825d	<u>150,000</u>
			<u>\$ 691,563</u>
Residual equity transfer:			
Bond and Interest	General	Ordinance	<u>\$ 18,034</u>
Transfer to related municipal entity:			
Library	Lincoln Library		<u>\$ 126,207</u>

## G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post-employment benefits.* As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the 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.

*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 was set at 1% and contributions were \$3,621 for the year ended December 31, 2022.

*Section 457 deferred compensation plan.* The City offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The City does not contribute to the plan, which is administered by a third party.

*Section 125 plan.* The City offers Section 125 plans to all eligible employees electing to participate. It is used for accident and cancer insurance. The City withholds the amounts from the employee's paychecks and remits the withholding to the plan administrator.

*Compensated absences.* The City's policy allows vacation time to accumulate to 160 hours. However, the number of hours of unused vacation that can be carried over without written authorization from the City Council varies depending on the number of continuous years of employment. The maximum number of hours eligible to be carried over is as follows: 40 hours, 0-5 years; 80 hours, 6-10 years; 120 hours, 11-15 years; 140 hours, 16-20 years; and, 160 hours, over 20 years. Sick leave may be accumulated up to 720 hours but is not paid upon termination or resignation.

## H. DEFINED BENEFIT PENSION PLAN

### General Information about the 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 Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603), or by calling 1-888-275-5737.

## H. DEFINED BENEFIT PENSION PLAN (CONTINUED)

### General Information about the 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 the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that 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 \$40,305 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 \$772,037. 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 the 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](http://www.kpers.org) or can be obtained as described above.

## I. 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 been unable to obtain workers' 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 (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to KMIT for workers' compensation insurance coverage. The agreement to participate provides that the KMIT 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 KMIT management.

I. RISK MANAGEMENT (CONTINUED)

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and fidelity bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there have been no significant reductions in coverage.

J. SUBSEQUENT EVENTS

The City has evaluated events subsequent to year end through October 31, 2023 and does not believe any events have occurred which affect the financial statement as presented.



**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

## CITY OF MEDICINE LODGE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2022

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 2,051,568	\$ -	\$ 2,051,568	\$ 1,788,282	\$ 263,286
Special purpose funds:					
Tourism	30,000	-	30,000	-	30,000
Library	146,769	-	146,769	126,207	20,562
Special highway	90,000	-	90,000	62,063	27,937
Special parks and recreation	22,000	-	22,000	-	22,000
Community improvement district	568,000	-	568,000	216,860	351,140
Bond and interest:					
Bond and interest	-	-	-	-	-
Business funds:					
Water utility	1,296,906	-	1,296,906	1,180,689	116,217
Sewer utility	602,068	-	602,068	487,719	114,349
Solid waste utility	352,706	-	352,706	352,706	-
Total	<u>\$ 5,160,017</u>	<u>\$ -</u>	<u>\$ 5,160,017</u>	<u>\$ 4,214,526</u>	<u>\$ 945,491</u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, 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)

	2022		Variance favorable (unfavorable)	
	2021	Actual		Budget
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 616,426	\$ 602,407	\$ 611,891	\$ (9,484)
Delinquent tax	18,766	33,269	13,250	20,019
Motor vehicle tax	128,883	118,817	127,159	(8,342)
Recreational vehicle tax	1,433	1,846	1,497	349
16/20M tax	6,356	5,571	6,276	(705)
Special assessments	1,310	2,945	2,500	445
Local alcoholic liquor tax	5,838	2,909	9,500	(6,591)
Sales and use tax	515,273	629,975	489,276	140,699
Federal aid	116,392	-	69,595	(69,595)
License, permits and fees	5,368	4,545	7,500	(2,955)
Franchise fees	148,013	170,236	145,500	24,736
Fines, forfeitures and penalties	3,695	4,980	5,500	(520)
Charges for services	13,470	12,868	34,750	(21,882)
Interest	11,964	12,062	36,000	(23,938)
Use of property	150	100	-	100
Miscellaneous	55,483	61,776	24,504	37,272
Transfers:				
Water utility	134,500	134,500	131,000	3,500
Solid waste utility	4,228	-	-	-
Neighborhood revitalization rebate	(22,474)	(13,983)	(14,218)	235
Total receipts	<u>1,765,074</u>	<u>1,784,823</u>	<u>\$ 1,701,480</u>	<u>\$ 83,343</u>
Expenditures:				
Administration:				
Personnel	127,622	140,445	\$ 136,850	\$ (3,595)
Contractual services	93,806	80,443	85,512	5,069
Commodities	5,335	5,173	18,000	12,827
Capital outlay	1,110	898	46,750	45,852
General government	-	-	13,500	13,500
Miscellaneous	125,202	14,769	1,000	(13,769)
	<u>353,075</u>	<u>241,728</u>	<u>301,612</u>	<u>59,884</u>

**CITY OF MEDICINE LODGE, 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)

	2021	2022		Variance favorable (unfavorable)
		Actual	Budget	
Police department:				
Personnel	\$ 308,354	\$ 351,103	\$ 377,587	\$ 26,484
Contractual services	65,660	36,195	32,775	(3,420)
Commodities	21,079	23,421	18,000	(5,421)
Capital outlay	14,390	7,511	9,500	1,989
Miscellaneous	3,008	858	2,000	1,142
	<u>412,491</u>	<u>419,088</u>	<u>439,862</u>	<u>20,774</u>
Fire department:				
Personnel	-	205	1,050	845
Contractual services	13,780	15,947	7,000	(8,947)
Commodities	451	1,398	10,250	8,852
Capital outlay	7,076	2,584	46,100	43,516
Debt service:				
Principal	17,100	14,400	-	(14,400)
Interest	966	607	-	(607)
	<u>39,373</u>	<u>35,141</u>	<u>64,400</u>	<u>29,259</u>
Street department:				
Personnel	149,603	153,256	186,933	33,677
Contractual services	35,118	35,994	17,652	(18,342)
Commodities	50,894	27,669	39,400	11,731
Capital outlay	1,236	8,309	60,000	51,691
Miscellaneous	2,349	6,460	-	(6,460)
	<u>239,200</u>	<u>231,688</u>	<u>303,985</u>	<u>72,297</u>
Swimming pool:				
Personnel	34,954	31,580	38,725	7,145
Contractual services	15,895	24,048	9,013	(15,035)
Commodities	5,914	7,978	12,000	4,022
Capital outlay	176	2,851	115,564	112,713
Miscellaneous	296	352	500	148
	<u>57,235</u>	<u>66,809</u>	<u>175,802</u>	<u>108,993</u>

**CITY OF MEDICINE LODGE, 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)

	2021	2022		Variance favorable (unfavorable)
		Actual	Budget	
<b>Airport:</b>				
Contractual services	\$ 13,636	\$ 23,681	\$ 39,600	\$ 15,919
Commodities	921	-	3,100	3,100
Capital outlay	4,749	-	150	150
	<u>19,306</u>	<u>23,681</u>	<u>42,850</u>	<u>19,169</u>
<b>Municipal court:</b>				
Personnel	-	-	100	100
Contractual services	26,480	25,490	14,405	(11,085)
Commodities	-	-	100	100
	<u>26,480</u>	<u>25,490</u>	<u>14,605</u>	<u>(10,885)</u>
<b>Code enforcement/animal control:</b>				
Contractual services	30,495	18,621	45,000	26,379
Commodities	60	184	850	666
Miscellaneous	2,197	523	-	(523)
	<u>32,752</u>	<u>19,328</u>	<u>45,850</u>	<u>26,522</u>
<b>Park department:</b>				
Personnel	117,879	122,923	131,266	8,343
Contractual services	23,479	24,175	10,500	(13,675)
Commodities	14,207	15,741	18,600	2,859
Capital outlay	476	4,011	2,750	(1,261)
	<u>156,041</u>	<u>166,850</u>	<u>163,116</u>	<u>(3,734)</u>
<b>Carrie Nation Memorial:</b>				
Appropriation	18,000	15,000	20,000	5,000
Contractual services	6,370	5,829	2,727	(3,102)
Commodities	68	-	1,900	1,900
	<u>24,438</u>	<u>20,829</u>	<u>24,627</u>	<u>3,798</u>

**CITY OF MEDICINE LODGE, 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)

	2021	2022		Variance favorable (unfavorable)
		Actual	Budget	
Street lights	\$ 39,207	\$ 39,007	\$ 44,350	\$ 5,343
Emergency preparedness	8,003	8	6,475	6,467
Recycling program	1,787	2,520	-	(2,520)
Economic development	-	5,000	25,000	20,000
Transfers:				
Municipal equipment reserve	20,000	10,000	20,000	10,000
Capital improvements reserve	122,000	134,500	191,000	56,500
Public Building Commission	114,563	117,563	-	(117,563)
Hospital appropriation	192,550	229,052	188,034	(41,018)
<b>Total expenditures</b>	<b>1,858,501</b>	<b>1,788,282</b>	<b>\$ 2,051,568</b>	<b>\$ 263,286</b>
Receipts over (under) expenditures	(93,427)	(3,459)		
Unencumbered cash, beginning of year	257,298	163,871	<b>\$ 350,088</b>	<b>\$ (186,217)</b>
Residual equity transfer	-	18,034		
<b>Unencumbered cash, end of year</b>	<b>\$ 163,871</b>	<b>\$ 178,446</b>		

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## TOURISM 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)

	<u>2021</u>	<u>2022</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Guest tax	<u>\$ 11,279</u>	<u>\$ 15,380</u>	<u>\$ 15,500</u>	<u>\$ (120)</u>
Expenditures:				
Contractual services	2,847	-	\$ 5,000	\$ 5,000
Donations	<u>20,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>
Total expenditures	<u>22,847</u>	<u>-</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>
Receipts over (under) expenditures	(11,568)	15,380		
Unencumbered cash, beginning of year	<u>31,839</u>	<u>20,271</u>	<u>\$ 17,339</u>	<u>\$ 2,932</u>
Unencumbered cash, end of year	<u>\$ 20,271</u>	<u>\$ 35,651</u>	<u>\$ 2,839</u>	<u>\$ 32,812</u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, 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)

	2022		Variance favorable (unfavorable)	
	2021	Actual		Budget
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 101,677	\$ 102,642	\$ 111,744	\$ (9,102)
Delinquent tax	2,905	5,164	1,000	4,164
Motor vehicle tax	20,288	19,599	23,009	(3,410)
Recreational vehicle tax	226	305	259	46
16/20M vehicle tax	985	880	1,085	(205)
Neighborhood revitalization rebate	(3,707)	(2,383)	(2,422)	39
Total receipts	122,374	126,207	\$ 134,675	\$ (8,468)
Expenditures:				
Transfer to related municipal entity	122,374	126,207	\$ 146,769	\$ 20,562
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-	\$ 12,094	\$ (12,094)
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.



## CITY OF MEDICINE LODGE, 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)

	2021	2022		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State of Kansas gas tax	\$ 52,820	\$ 47,670	\$ 47,190	\$ 480
Expenditures:				
Contractual services	-	-	\$ 90,000	\$ 90,000
Capital outlay	-	62,063	-	(62,063)
Total expenditures	-	62,063	\$ 90,000	\$ 27,937
Receipts over (under) expenditures	52,820	(14,393)		
Unencumbered cash, beginning of year	46,966	99,786	\$ 44,396	\$ 55,390
Unencumbered cash, end of year	\$ 99,786	\$ 85,393	\$ 1,586	\$ 83,807

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, 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)

	<u>2021</u>	<u>2022</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Local alcoholic liquor tax	\$ 5,839	\$ 2,909	<u>\$ 9,500</u>	<u>\$ (6,591)</u>
Expenditures:				
Capital outlay	<u>-</u>	<u>-</u>	<u>\$ 22,000</u>	<u>\$ 22,000</u>
Receipts over (under) expenditures	5,839	2,909		
Unencumbered cash, beginning of year	<u>32,012</u>	<u>37,851</u>	<u>\$ 13,013</u>	<u>\$ 24,838</u>
Unencumbered cash, end of year	<u>\$ 37,851</u>	<u>\$ 40,760</u>	<u>\$ 513</u>	<u>\$ 40,247</u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## COMMUNITY IMPROVEMENT DISTRICT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2022  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021	2022		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Sales and use tax	\$ 234,480	\$ 260,003	\$ 232,000	\$ 28,003
Expenditures:				
Contractual services	10,016	23,960	\$ 375,000	\$ 351,040
Debt service:				
Principal	145,000	150,000	150,000	-
Interest	47,250	42,900	43,000	100
Total expenditures	202,266	216,860	\$ 568,000	\$ 351,140
Receipts over (under) expenditures	32,214	43,143		
Unencumbered cash, beginning of year	367,179	399,393	\$ 571,196	\$ (171,803)
Unencumbered cash, end of year	\$ 399,393	\$ 442,536	\$ 235,196	\$ 207,340

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2022

	Municipal equipment reserve	ARPA	Capital improvements reserve	Public Building Commission	Total
Receipts:					
FAA grant	\$ -	\$ -	\$ 54,265	\$ -	\$ 54,265
ARPA grant	-	140,019	-	-	140,019
Transfers:					
General	10,000	-	134,500	117,563	262,063
Water utility	20,000	-	-	-	20,000
Reimbursed expenditures	-	-	50,000	-	50,000
Total receipts	<u>30,000</u>	<u>140,019</u>	<u>238,765</u>	<u>117,563</u>	<u>526,347</u>
Expenditures:					
Personnel	-	95,950	-	-	95,950
Contractual services	-	-	86,404	36	86,440
Capital outlay	160,658	-	270,635	-	431,293
Debt service:					
Principal	-	-	-	105,000	105,000
Interest	-	-	-	12,563	12,563
Community development	-	31,861	-	-	31,861
Total expenditures	<u>160,658</u>	<u>127,811</u>	<u>357,039</u>	<u>117,599</u>	<u>763,107</u>
Receipts over (under) expenditures	(130,658)	12,208	(118,274)	(36)	(236,760)
Unencumbered cash, beginning of year	<u>497,424</u>	<u>110,695</u>	<u>747,562</u>	<u>2,490</u>	<u>1,358,171</u>
Unencumbered cash, end of year	<u>\$ 366,766</u>	<u>\$ 122,903</u>	<u>\$ 629,288</u>	<u>\$ 2,454</u>	<u>\$ 1,121,411</u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, 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)

	2021		2022	
	Actual	Budget	Actual	Budget
Receipts:				
Taxes and shared revenue:				
Delinquent tax	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service:				
Principal	-	-	\$ -	\$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	18,034	18,034	\$ 18,534	\$ (500)
Residual equity transfer	-	(18,034)		
Unencumbered cash, end of year	\$ 18,034	\$ -	\$ 18,534	\$ (18,534)

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## DAYCARE/CDBG 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)

	<u>2021</u>	<u>2022</u>
Receipts:		
Local funding	\$ -	\$ 31,961
Expenditures:		
Contractual services	-	31,949
Miscellaneous	-	12
Total expenditures	<u>-</u>	<u>31,961</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## SIDEWALK IMPROVEMENT

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)

	<u>2021</u>	<u>2022</u>
Receipts:		
Miscellaneous	\$ 401	\$ 401
Expenditures:		
Contractual services	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	401	401
Unencumbered cash, beginning of year	<u>10,349</u>	<u>10,750</u>
Unencumbered cash, end of year	<u><u>\$ 10,750</u></u>	<u><u>\$ 11,151</u></u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, 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)

	2022		Variance favorable (unfavorable)	
	2021	Actual		Budget
Receipts:				
Water sales	\$ 1,035,470	\$ 1,038,622	\$ 985,000	\$ 53,622
New services	9,800	8,800	4,500	4,300
Reconnects	6,650	6,200	2,000	4,200
Bulk sales	846	843	1,000	(157)
Swimming pool fee	37,428	55,268	72,000	(16,732)
Sales tax	4,932	4,656	4,985	(329)
SPARK grant	590	-	-	-
Miscellaneous	547	-	-	-
Total receipts	<u>1,096,263</u>	<u>1,114,389</u>	<u>\$ 1,069,485</u>	<u>\$ 44,904</u>
Expenditures:				
Personnel	194,036	203,685	\$ 219,585	\$ 15,900
Contractual services	210,900	234,184	152,476	(81,708)
Commodities	27,763	47,327	96,250	48,923
Capital outlay	7,123	23,759	389,095	365,336
Miscellaneous	12,046	22,055	15,000	(7,055)
Debt service:				
Principal	136,104	125,331	-	(125,331)
Interest	98,011	94,848	-	(94,848)
Transfers:				
General	134,500	134,500	134,500	-
Municipal equipment reserve	20,000	20,000	15,000	(5,000)
Waterworks depreciation and maintenance reserve	125,000	125,000	125,000	-
Sewer utility	130,000	150,000	150,000	-
Total expenditures	<u>1,095,483</u>	<u>1,180,689</u>	<u>\$ 1,296,906</u>	<u>\$ 116,217</u>
Receipts over (under) expenditures	780	(66,300)		
Unencumbered cash, beginning of year	<u>1,166,110</u>	<u>1,166,890</u>	<u>\$ 511,159</u>	<u>\$ 655,731</u>
Unencumbered cash, end of year	<u>\$ 1,166,890</u>	<u>\$ 1,100,590</u>	<u>\$ 283,738</u>	<u>\$ 816,852</u>

See Independent Auditor's Report.



## CITY OF MEDICINE LODGE, 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)

	2022		Variance favorable (unfavorable)	
	2021	Actual		Budget
Receipts:				
Charges for services	\$ 342,561	\$ 361,101	\$ 367,250	\$ (6,149)
SPARK grant	296	-	-	-
Miscellaneous	-	500	-	500
Transfer:				
Water utility	130,000	150,000	155,000	(5,000)
Total receipts	<u>472,857</u>	<u>511,601</u>	<u>\$ 522,250</u>	<u>\$ (10,649)</u>
Expenditures:				
Personnel	82,603	83,257	\$ 157,143	\$ 73,886
Contractual services	140,791	181,369	-	(181,369)
Commodities	9,400	13,753	57,750	43,997
Capital outlay	3,059	14,655	129,925	115,270
Miscellaneous	821	2,434	59,250	56,816
Debt service:				
Principal	172,325	177,428	-	(177,428)
Interest	19,925	14,823	-	(14,823)
Transfers:				
General	-	-	192,500	192,500
Sewer plant O-M-R	5,000	-	5,500	5,500
Total expenditures	<u>433,924</u>	<u>487,719</u>	<u>\$ 602,068</u>	<u>\$ 114,349</u>
Receipts over (under) expenditures	38,933	23,882		
Unencumbered cash, beginning of year	<u>99,878</u>	<u>138,811</u>	<u>\$ 81,301</u>	<u>\$ 57,510</u>
Unencumbered cash, end of year	<u>\$ 138,811</u>	<u>\$ 162,693</u>	<u>\$ 1,483</u>	<u>\$ 161,210</u>

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## SOLID WASTE UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2022  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	2021	2022		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Charges for services	\$ 347,234	\$ 367,807	\$ 360,325	\$ 7,482
Expenditures:				
Contractual services	343,839	352,706	\$ 352,706	\$ -
Transfer:				
General	4,228	-	-	-
Total expenditures	348,067	352,706	\$ 352,706	\$ -
Receipts over (under) expenditures	(833)	15,101		
Unencumbered cash, beginning of year	833	-	\$ 3,684	\$ (3,684)
Unencumbered cash, end of year	\$ -	\$ 15,101	\$ 11,303	\$ 3,798

See Independent Auditor's Report.

## CITY OF MEDICINE LODGE, KANSAS

## NON-BUDGETED BUSINESS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2022

	Waterworks depreciation and maintenance reserve	Sewer plant O-M-R	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Receipts:			
Transfer:			
Water utility	\$ 125,000	\$ -	\$ 125,000
Expenditures:			
Contractual services	<u>49,238</u>	<u>-</u>	<u>49,238</u>
Receipts over (under) expenditures	75,762	-	75,762
Unencumbered cash, beginning of year	<u>848,767</u>	<u>39,841</u>	<u>888,608</u>
Unencumbered cash, end of year	<u><u>\$ 924,529</u></u>	<u><u>\$ 39,841</u></u>	<u><u>\$ 964,370</u></u>

See Independent Auditor's Report.