CITY OF SUBLETTE, KANSAS

REGULATORY BASIS FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

CITY OF SUBLETTE, KANSAS

REGULATORY BASIS FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2023

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LEWIS, HOOPER & DICK LLC
certified public accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council Members
City of Sublette, Kansas

Report on the Audit of the Financial Statement

Opinions

We have audited the regulatory basis fund summary statement of receipts, expenditures and unencumbered cash of the City of Sublette, Kansas (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the basis of accounting practices prescribed or permitted by the State of Kansas to demonstrate compliance with the *Kansas Municipal Audit and Accounting Guide's* (*KMAAG*) regulatory basis of accounting and budget laws as described in Note 1.

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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City as of December 31, 2023, or changes in net position and cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *KMAAG*. 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 audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of accounting practices prescribed or permitted by the State of Kansas to demonstrate compliance with the *KMAAG*'s regulatory basis of accounting and budget laws, 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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the accounting practices prescribed or permitted by the State of Kansas to demonstrate compliance with the *KMAAG*'s regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

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 and the *KMAAG* 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 and the *KMAAG*, 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the regulatory basis fund summary statement of receipts, expenditures and unencumbered cash (the financial statement) as a whole. The regulatory basis summary of expenditures - actual and budget, and the regulatory basis individual fund schedules of 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 financial statement; however, they are required to be presented under the provisions of the *KMAAG*. 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 financial statement.

The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with GAAS and the *KMAAG*. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with GAAS and the *KMAAG*, the financial statement of the City of Sublette, as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated March 6, 2023, which contained an unmodified opinion on the financial statement. The 2022 financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2023, (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 financial statement or to the 2022 financial statement itself, and other additional procedures in accordance with GAAS and the *KMAAG*. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the financial statement. The other information comprises the other information section (Graphs as listed in the table of contents) but does not include the financial statement and our auditor's report thereon. Our opinions on the financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lewis, Hooper + Dick, LLC

LEWIS, HOOPER & DICK, LLC

May 20, 2024

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

Fund	Unencumbered Cash 1/1/23	Receipts	Expenditures	Unencumbered Cash 12/31/23	Outstanding Encumbrances and Payables	Treasurer's Cash 12/31/23
Governmental Type Funds						
General	$ 440,617	$ 1,209,867	$ 1,147,604	$ 502,880	$ 2,523	$ 505,403
Special Purpose Funds:						
Police	49,081	129,754	126,255	52,580	-	52,580
Fire	22,860	64,395	51,940	35,315	8,781	44,096
Special Streets and Highway	38,702	66,617	-	105,319	-	105,319
Airport	46,940	5,500	7,395	45,045	-	45,045
Equipment Reserve	380,409	175,000	-	555,409	-	555,409
Firemen Equipment Reserve	3,986	-	-	3,986	-	3,986
Capital Improvement Reserve	815,910	204,479	30,000	990,389	-	990,389
Memorial Contribution	-	3,825	-	3,825	-	3,825
KDOT Grant	-	3,981	3,981	-	-	-
American Rescue Plan Act	188,174	-	131,571	56,603	38,698	95,301
Bond and Interest	87,272	179,000	164,633	101,639	-	101,639
Business Funds:						
Water and Sewer Utility	121,056	456,671	521,062	56,665	967	57,632
Water Depreciation Reserve	650,369	50,000	32,843	667,526	-	667,526
Water Deposits	27,056	2,264	1,302	28,018	-	28,018
Total Reporting Entity (memorandum only)	$ 2,872,432	$ 2,551,353	$ 2,218,586	$ 3,205,199	$ 50,969	$ 3,256,168

Composition of cash:		
Centera Bank:		
Money market checking account	$ 2,585,554	
Checking account	70,014	
Petty cash checking account	500	
Total cash in bank		$ 2,656,068
Certificates of deposit		600,000
Change fund		100
Total cash		$ 3,256,168

The accompanying Notes to the Financial Statement are an integral part of this statement.

CITY OF SUBLETTE, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2023

1. Summary of significant accounting policies

The City of Sublette, Kansas (the City), was incorporated under the provisions of the State of Kansas. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities operations.

A. Financial reporting entity

The City is governed by an elected five-member council and a mayor. This financial statement presents the City of Sublette (the municipality) and its related municipal entities. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents.

The City has no organizations, functions or activities which are considered related municipal entities.

B. 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.

C. Regulatory basis fund types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types are used by the City:

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

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific receipt sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

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

1. Summary of significant accounting policies (continued)

C. Regulatory basis fund types (continued)
Capital Project funds – 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 funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e., enterprise and internal service fund etc...).

Trust funds – used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e., pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc...).

Agency funds – used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e., payroll clearing fund, etc...).

D. Cash and investments
Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City (except for investments in the Kansas Municipal Investment Pool). Cash includes amounts in demand deposits, time deposits and certificates of deposit. Interest income earned, unless specifically designated, is allocated to the general fund.

E. Property taxes and special assessments
The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas are the responsibility of the counties. The County Appraiser annually determines assessed valuations based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities within the County.

Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. One-half of the property taxes are due December 20th and distributed to the City by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the City by June 5th. The City Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments received prior to or after the issuance of general obligation bonds are recorded as receipts in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Bond and Interest Fund to finance delinquent special assessments receivable.

1. Summary of significant accounting policies (continued)

   F. Interfund transactions and reimbursements
   Quasi-external transactions (i.e., transactions that would be treated as receipts or expenditures if they involved organizations external to the governmental unit, such as internal service fund billings to departments) are accounted for as receipts or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

   All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

   G. Memorandum totals
   Totals on the financial statement are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. No consolidated financial information is presented nor are all required disclosures presented for these amounts.

2. Stewardship, compliance and accountability

   A. 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:

      1. Preparation of the budget for the succeeding calendar year on or before August 1st.
      2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
      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 held 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 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 budget amendments during the 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.

2. Stewardship, compliance and accountability (continued)

A. Budgetary information (continued)
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 capital projects funds, trust funds, and the following special purpose and business funds:

Equipment Reserve Fund
Firemen Equipment Reserve Fund
Capital Improvement Reserve Fund
Memorial Contribution Fund
KDOT Grant Fund
American Rescue Plan Act Fund
Water Depreciation Reserve Fund
Water Deposits Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

B. Noncompliance with finance-related legal and contractual provisions
References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Kansas Department of Administration's Chief Financial Officer and interpretation by the County Attorney and the legal representative of the City.

There are no known material violations of finance-related legal and contractual provisions including Kansas statutes, regulations, contracts, debt covenants, or other agreements for the year ended December 31, 2023.

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3. Detailed notes on all funds

A. Deposits and investments

A reconciliation of cash and investments as shown in the composition of cash on the summary statement of receipts, expenditures and unencumbered cash on Statement 1 is as follows:

Cash on hand	$ 100
Carrying amount of deposits	3,256,068
Total cash	$ 3,256,168

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

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

Concentration of credit risk

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

Custodial credit risk - deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka except during designated "peak periods" when required coverage is 50%. The City does not use designated "peak periods". All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $3,256,068 and the bank balance was $3,286,048. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $350,494 was covered by federal depository insurance and $2,935,554 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City's cash deposits at year-end are as follows:

	Centera Bank
FDIC coverage	$ 350,494
Pledged securities at market value	3,375,764
Total coverage	$ 3,726,258
Funds on deposit	$ 3,286,048
Funds at risk	$ -

3. Detailed notes on all funds (continued)

A. Deposits and investments (continued)

Custodial credit risk - investments
Custodial credit risk for an investment is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments of this type at December 31, 2023.

B. Capital projects in process
Capital project authorizations with approved change orders compared to expenditures from inception at December 31, 2023 are as follows:

	Project Authorization	Expenditures to Date	Committed
2022 Manhole rehabilitation	$ 15,000	$ 12,528	$ -
2023 Manhole rehabilitation	12,000	12,000	-
Bloomfield project	388,319	20,519	367,800
Cain well pump repairs	60,000	52,584	-
Stoppel well pump repairs	40,602	38,698	-
Well #7 pump repairs	30,000	29,039	-

In addition, subsequent to year end, the City approved additional expenses for the Broomfield project totaling $47,000.

C. Long-term debt
Changes in long-term debt for the year ended December 31, 2023 were as follows:

Issue	Date of Issue	Maximum Rate	Amount of Issue	Date of Final Maturity	Balance 1/1/23	Additions	Reductions/ Payments	Balance 12/31/23	Interest Paid
General obligation bonds payable:									
Series 2021	02/24/21	1.00%	1,600,000	09/01/31	$ 1,445,000	$ -	$ 155,000	$ 1,290,000	$ 8,883
Total general obligation bonds payable					$ 1,445,000	$ -	$ 155,000	$ 1,290,000	$ 8,883

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

	Year						
	2024	2025	2026	2027	2028	2029-2031	Total
Principal:							
General obligation bonds payable	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 160,000	$ 490,000	$ 1,290,000
Interest:							
General obligation bonds payable	8,495	7,935	7,295	6,495	5,535	9,200	44,955
Total principal and interest	$ 168,495	$ 167,935	$ 167,295	$ 166,495	$ 165,535	$ 499,200	$ 1,334,955

Legal debt margin
The debt limit per K.S.A. 10-308 is thirty percent of the assessed tangible valuation of the City given by the County Assessor to the County Clerk on the preceding August 25th each year. The amount of debt outstanding does not exceed the statutory limit.

3. Detailed notes on all funds (continued)

C. Long-term debt (continued)
Subsequent to year end, the City approved the issuance of general obligation temporary notes to finance water line improvements as follows:

	Date of Issue	Maximum Rate	Date of Final Maturity	Amount of Issue
General obligation temporary notes, Bloomfield project	01/24/24	3.30%	9/1/2026	$ 575,000

Current maturities of the temporary notes and interest through maturity are as follows:

Year	Principal	Interest	Total
2024	$ -	$ 11,438	$ 11,438
2025	-	18,975	18,975
2026	575,000	18,975	593,975
	$ 575,000	$ 49,388	$ 624,388

D. Interfund transfers between funds
Interfund operating transfers are as follows:

From	To	Statutory Authority	Amount
General	Airport		$ 1,000
General	Equipment Reserve	12-1117	175,000
General	Capital Improvement Reserve	12-1118	204,479
Capital Improvement Reserve	Special Street and Highway	12-1119	30,000
Water and Sewer Utility	General	12-825d	50,000
Water and Sewer Utility	Bond and Interest	13-1270	179,000
Water and Sewer Utility	Water Depreciation Reserve	12-825d	50,000
Total			$ 689,479

4. Other information

A. 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

4. Other information (continued)

B. Post-employment health care 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. There is no cost to the City under this program.

C. Compensated absences

The City's policy is to recognize the costs of compensated absences when actually paid.

The City's policy regarding vacation leave pay permits employees to accumulate vacation days at a maximum rate of 18 days per year. No more than 18 days can be accumulated and carried over from one calendar year to the next. Upon termination, employees are compensated for all accumulated vacation days at their final rate of pay.

The City's policy regarding sick leave pay permits employees to accumulate leave days at a maximum rate of 12 days per year for total accumulation of 60 days. Sick leave may be used for sick leave, bereavement leave and personal leave. The City does not pay employees for unused sick leave.

D. Retirement plan

In 2001 the City established SEP-IRA's for employees with contributions equaling 5% of the participants' gross salaries paid annually. Employees are covered after meeting length of service requirements. The total paid by the City for the year ended December 31, 2023 was $12,128.

E. Subsequent event

Subsequent to December 31, 2023, the City approved a bid for the purchase of a 2024 Chevy Silverado totaling $53,750. In addition the City approved the purchase of oil not to exceed $60,000, to be used for street sealing.

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE 1

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

Fund	Certified Budget	Expenditures Chargeable to Current Year Budget	Variance Over (Under)
General	$ 1,152,578	$ 1,147,604	$ (4,974)
Special Purpose Funds:			
Police	155,649	126,255	(29,394)
Fire	85,691	51,940	(33,751)
Special Streets and Highway	138,540	-	(138,540)
Airport	46,900	7,395	(39,505)
Bond and Interest	266,922	164,633	(102,289)
Business Funds:			
Water and Sewer Utility	553,430	521,062	(32,368)

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts:				
Ad valorem tax	$ 372,095	$ 410,456	$ 432,166	$ (21,710)
Delinquent tax	15,473	27,056	-	27,056
Motor and recreational vehicle tax	78,679	84,478	91,224	(6,746)
Sales and compensating use tax	404,052	408,747	237,408	171,339
Franchise taxes	90,878	85,467	64,750	20,717
Trash collections	80,676	78,060	62,900	15,160
Licenses and permits	2,464	1,476	1,000	476
Park	3,273	3,477	5,000	(1,523)
Fines and forfeitures	7,404	8,462	1,750	6,712
Miscellaneous	19,616	18,687	-	18,687
Interest on idle funds	3,057	33,501	-	33,501
Transfer from Water and Sewer Utility	-	50,000	50,000	-
Total receipts	1,077,667	1,209,867	$ 946,198	$ 263,669
Expenditures:				
General government:				
Personnel	27,446	15,168	$ 27,320	$ (12,152)
Contractual	69,609	67,300	92,237	(24,937)
Commodities	14,125	12,049	15,000	(2,951)
Capital outlay	-	-	27,000	(27,000)
Miscellaneous	10,694	21,955	28,936	(6,981)
Contingency	-	-	52,000	(52,000)
Total general government	121,874	116,472	242,493	(126,021)
Street:				
Personnel	193,460	192,339	210,850	(18,511)
Contractual	50,847	68,059	50,000	18,059
Commodities	79,123	91,387	90,000	1,387
Capital outlay	-	-	30,000	(30,000)
Miscellaneous	235	774	-	774
Total street	323,665	352,559	380,850	(28,291)
Swimming pool and parks:				
Personnel	13,459	13,968	29,250	(15,282)
Contractual	393	185	6,000	(5,815)
Commodities	29,066	31,949	22,000	9,949
Capital outlay	-	-	1,500	(1,500)
Total swimming pool and parks	42,918	46,102	58,750	(12,648)

(continued)

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
(continued)				
Expenditures: (continued)				
Health and sanitation:				
Contractual	$ 73,752	$ 81,674	$ 110,246	$ (28,572)
Commodities	3,433	5,153	-	5,153
Capital outlay	-	-	10,000	(10,000)
Miscellaneous	2,623	-	-	-
Total health and sanitation	79,808	86,827	120,246	(33,419)
Employee benefits:				
Employer FICA	17,866	16,903	29,190	(12,287)
Workmen's compensation	15,632	9,306	22,700	(13,394)
Medical insurance	129,166	126,828	172,920	(46,092)
Employee retirement	13,676	12,128	14,950	(2,822)
Total employee benefits	176,340	165,165	239,760	(74,595)
Transfers out	260,479	380,479	110,479	270,000
Total expenditures	1,005,084	1,147,604	$ 1,152,578	$ (4,974)
Receipts over expenditures	72,583	62,263		
Unencumbered cash, beginning	368,034	440,617		
Unencumbered cash, ending	$ 440,617	$ 502,880		

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
Ad valorem tax	$ 114,521	$ 96,925	$ 102,047	$ (5,122)
Delinquent tax	2,009	6,808	-	6,808
Motor and recreational vehicle tax	26,259	26,021	28,076	(2,055)
Total receipts	142,789	129,754	$ 130,123	$ (369)
Expenditures:				
Personnel	19,913	17,813	$ 26,367	$ (8,554)
Contractual	109,226	108,417	121,282	(12,865)
Commodities	25	25	1,000	(975)
Cash basis reserve	-	-	7,000	(7,000)
Total expenditures	129,164	126,255	$ 155,649	$ (29,394)
Receipts over expenditures	13,625	3,499		
Unencumbered cash, beginning	35,456	49,081		
Unencumbered cash, ending	$ 49,081	$ 52,580		

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
Ad valorem tax	$ 28,991	$ 53,378	$ 56,195	$ (2,817)
Delinquent tax	951	3,101	-	3,101
Motor and recreational vehicle tax	13,981	7,916	7,108	808
Total receipts	43,923	64,395	$ 63,303	$ 1,092
Expenditures:				
Personnel	31,800	20,314	$ 40,200	$ (19,886)
Contractual	3,970	4,263	8,291	(4,028)
Commodities	27,734	27,363	10,000	17,363
Capital outlay	10,087	-	24,200	(24,200)
Cash basis reserve	-	-	3,000	(3,000)
Total expenditures	73,591	51,940	$ 85,691	$ (33,751)
Receipts over (under) expenditures	(29,668)	12,455		
Unencumbered cash, beginning	52,528	22,860		
Unencumbered cash, ending	$ 22,860	$ 35,315		

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
State payments	$ 36,524	$ 36,617	$ 37,230	$ (613)
Transfer from Capital Improvement Reserve	30,000	30,000	30,000	-
Total receipts	66,524	66,617	$ 67,230	$ (613)
Expenditures:				
Personnel	-	-	$ 11,600	$ (11,600)
Commodities	85,535	-	126,940	(126,940)
Total expenditures	85,535	-	$ 138,540	$ (138,540)
Receipts over (under) expenditures	(19,011)	66,617		
Unencumbered cash, beginning	57,713	38,702		
Unencumbered cash, ending	$ 38,702	$ 105,319		

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
Miscellaneous	$ -	$ 4,500	$ -	$ 4,500
Transfer from General	1,000	1,000	1,000	-
Total receipts	1,000	5,500	$ 1,000	$ 4,500
Expenditures:				
Contractual	-	-	$ 6,825	$ (6,825)
Commodities	1,541	7,395	-	7,395
Capital outlay	5,357	-	40,075	(40,075)
Total expenditures	6,898	7,395	$ 46,900	$ (39,505)
Receipts under expenditures	(5,898)	(1,895)		
Unencumbered cash, beginning	52,838	46,940		
Unencumbered cash, ending	$ 46,940	$ 45,045		

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

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from General	$ 115,000	$ 175,000
Expenditures:		
Capital outlay	4,363	-
Receipts over expenditures	110,637	175,000
Unencumbered cash, beginning	269,772	380,409
Unencumbered cash, ending	$ 380,409	$ 555,409

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

	Prior Year Actual	Current Year Actual
Receipts:		
Donations	$ -	$ -
Expenditures:		
Capital outlay	-	-
Receipts over expenditures	-	-
Unencumbered cash, beginning	3,986	3,986
Unencumbered cash, ending	$ 3,986	$ 3,986

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

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from General	$ 144,479	$ 204,479
Expenditures:		
Transfer to Special Streets and Highway	30,000	30,000
Receipts over expenditures	114,479	174,479
Unencumbered cash, beginning	701,431	815,910
Unencumbered cash, ending	$ 815,910	$ 990,389

CITY OF SUBLETTE, KANSAS
Memorial Contribution Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts:		
Donations	$ -	$ 3,825
Expenditures:		
Contractual	-	-
Receipts over expenditures	-	3,825
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	$ -	$ 3,825

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

	Prior Year Actual	Current Year Actual
Receipts:		
Grants	$ 13,990	$ 3,981
Expenditures:		
Capital outlay	13,990	3,981
Receipts over expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	$ -	$ -

CITY OF SUBLETTE, KANSAS
American Rescue Plan Act Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts:		
Grants	$ 102,172	$ -
Expenditures:		
Contractual	16,170	131,571
Receipts over (under) expenditures	86,002	(131,571)
Unencumbered cash, beginning	102,172	188,174
Unencumbered cash, ending	$ 188,174	$ 56,603

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from Water and Sewer Utility	$ 179,000	$ 179,000	$ 179,000	$ -
Total receipts	179,000	179,000	$ 179,000	$ -
Expenditures:				
Principal	155,000	155,000	$ 155,000	$ -
Interest and closing costs	9,193	8,883	8,883	-
Commission and postage	750	750	100	650
Cash basis reserve	-	-	102,939	(102,939)
Total expenditures	164,943	164,633	$ 266,922	$ (102,289)
Receipts over expenditures	14,057	14,367		
Unencumbered cash, beginning	73,215	87,272		
Unencumbered cash, ending	$ 87,272	$ 101,639		

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts:				
Water collections	$ 333,439	$ 255,303	$ 286,500	$ (31,197)
Sewer collections	170,461	168,039	171,000	(2,961)
Royalties	41,080	23,020	10,900	12,120
Sale of water meters	-	3,930	1,500	2,430
Interest	6,112	6,379	2,000	4,379
Miscellaneous	-	-	2,500	(2,500)
Total receipts	551,092	456,671	$ 474,400	$ (17,729)
Expenditures:				
Personnel	86,508	66,908	$ 81,930	$ (15,022)
Repairs and maintenance	14,807	14,456	25,000	(10,544)
Electric power	137,389	97,636	71,000	26,636
Sales tax	3,163	2,938	7,500	(4,562)
Meters and supplies	23,182	27,585	28,000	(415)
Office supplies and postage	2,908	5,952	-	5,952
Gas, oil and service	3,083	9,653	6,000	3,653
Miscellaneous	15,451	16,934	5,000	11,934
Capital expenditures	35,352	-	50,000	(50,000)
Transfer to General	-	50,000	50,000	-
Transfer to Bond and Interest	179,000	179,000	179,000	-
Transfer to Water Depreciation Reserve	50,000	50,000	50,000	-
Total expenditures	550,843	521,062	$ 553,430	$ (32,368)
Receipts over (under) expenditures	249	(64,391)		
Unencumbered cash, beginning	120,807	121,056		
Unencumbered cash, ending	$ 121,056	$ 56,665		

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

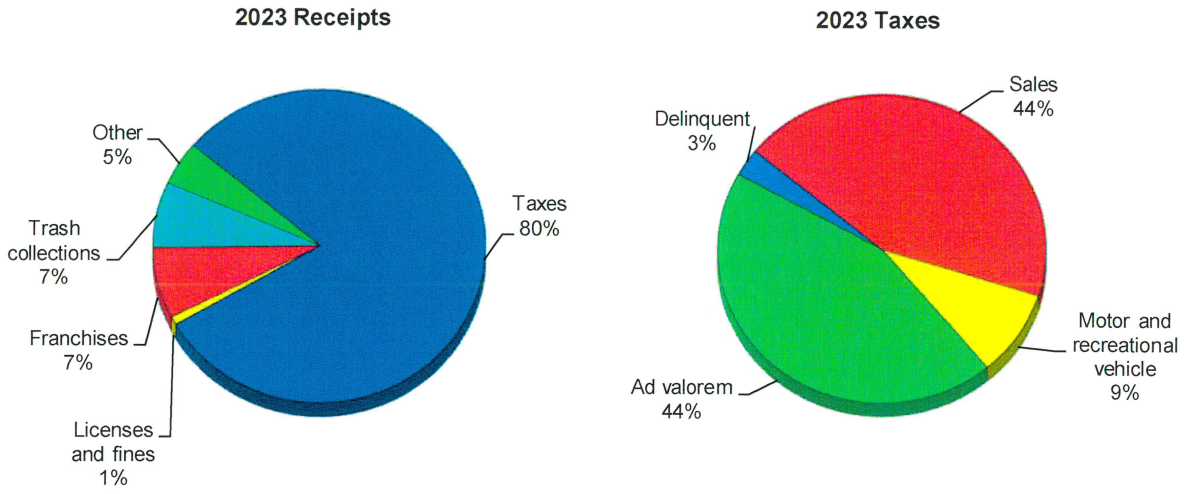
	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from Water and Sewer Utility	$ 50,000	$ 50,000
Expenditures:		
Capital outlay	12,264	32,843
Receipts over expenditures	37,736	17,157
Unencumbered cash, beginning	612,633	650,369
Unencumbered cash, ending	$ 650,369	$ 667,526

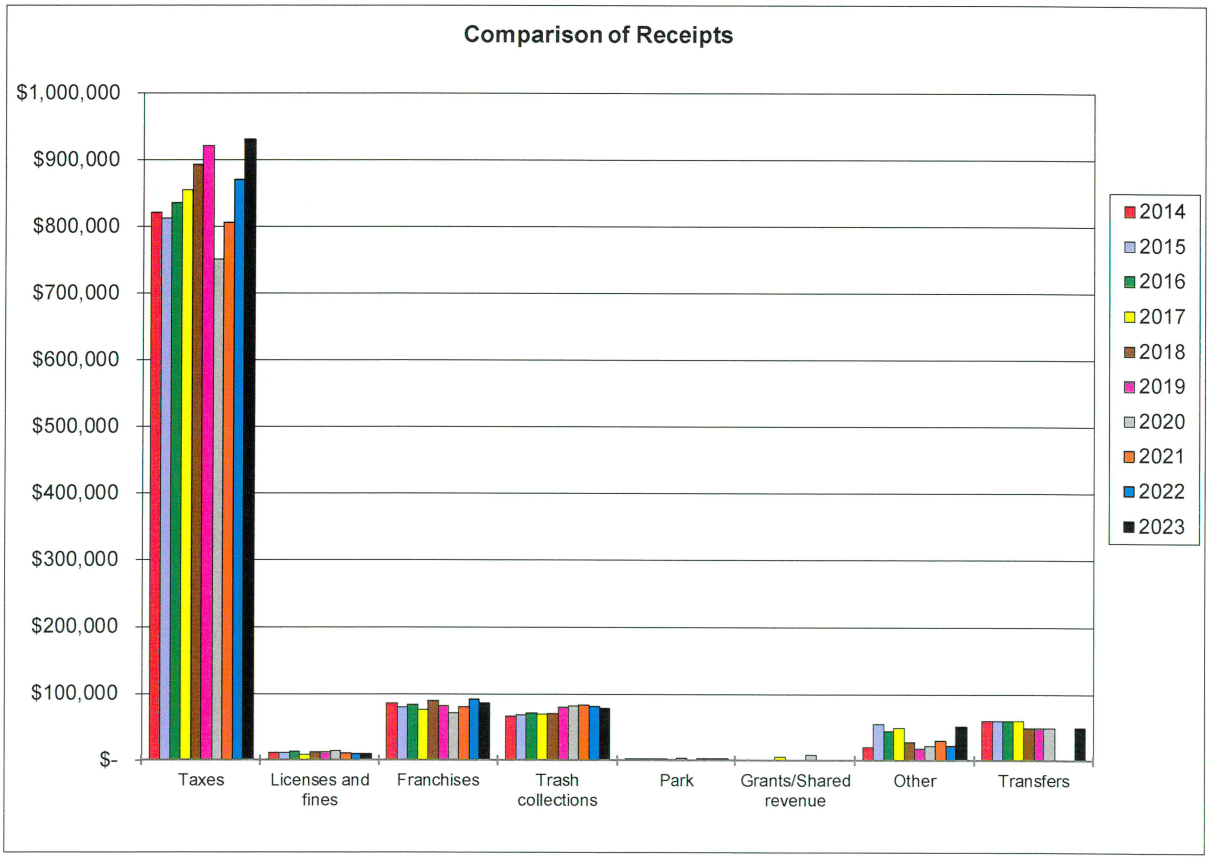
CITY OF SUBLETTE, KANSAS
Water Deposits Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	Current Year Actual
Receipts:		
Customer deposits	$ 2,522	$ 2,264
Expenditures:		
Customer deposit refunds	2,278	1,302
Receipts over expenditures	244	962
Unencumbered cash, beginning	26,812	27,056
Unencumbered cash, ending	$ 27,056	$ 28,018

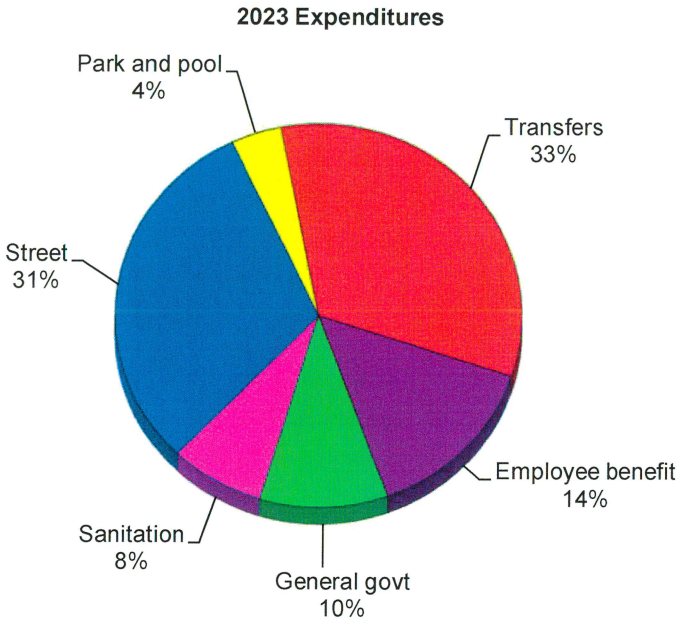
OTHER INFORMATION

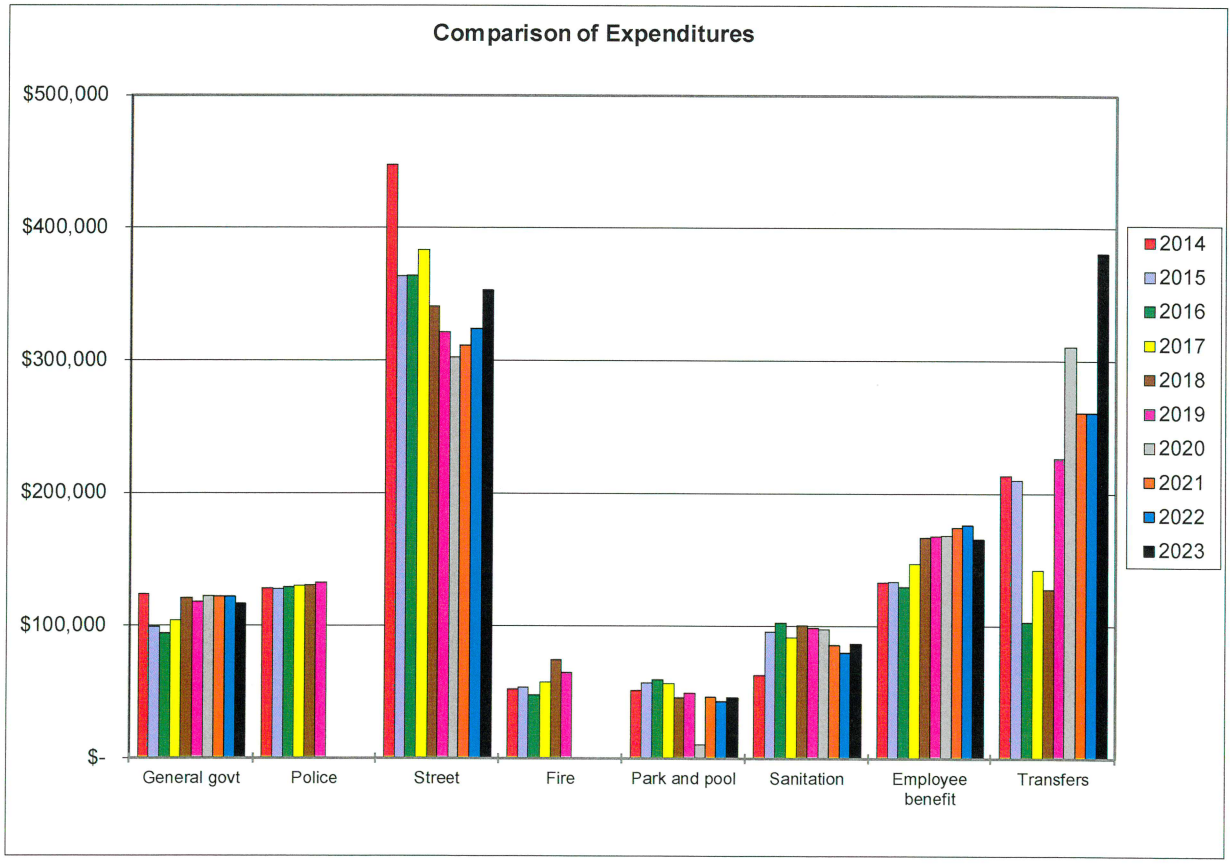
CITY OF SUBLETTE, KANSAS
Receipts - General Fund
Regulatory Basis
For the Year Ended December 31





CITY OF SUBLETTE, KANSAS
Expenditures - General Fund
Regulatory Basis
For the Year Ended December 31





CITY OF SUBLETTE, KANSAS
Comparison of Receipts and Expenditures - General Fund
Regulatory Basis
For the Year Ended December 31

