CITY OF MONTEZUMA, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
Montezuma, 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 Montezuma, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the 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 Montezuma, Kansas, as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Montezuma, Kansas, as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 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 Montezuma, 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 Montezuma, 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 Montezuma, 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 Montezuma, 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, that raise substantial doubt about the City of Montezuma, 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 Montezuma, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated August 18, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the 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 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 basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

August 2, 2024

CITY OF MONTEZUMA, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2023

Fund	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General fund:		
General	$ 117,353	$ -
Special purpose funds:		
Special highway	68,357	-
PBC sales tax	528,333	-
Special street equipment	33,664	-
Capital improvement	812,197	-
ARPA	89,656	-
Walking trail	(70,346)	-
Donations	(4,425)	-
Fire department donations	-	-
Housing grant	-	-
Total special purpose funds	1,457,436	-
Bond and interest fund:		
PBC bond reserve	315,000	-
Business funds:		
Electric utility	192,145	-
Water - sewer utility	271,357	-
Trash utility	63,636	-
Total business funds	527,138	-
Total City of Montezuma	$ 2,416,927	$ -
Composition of cash:		
Checking account		
Sweep account		
PBC checking account		
PBC sweep account		
Total City of Montezuma		

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

STATEMENT 1

Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
$ 651,599	$ 560,541	$ 208,411	$ 8,341	$ 216,752
26,222	17,120	77,459	-	77,459
554,675	358,203	724,805	30,766	755,571
6,523	5,050	35,137	-	35,137
275,957	172,057	916,097	-	916,097
-	12,609	77,047	-	77,047
161,054	402	90,306	-	90,306
11,124	5,213	1,486	-	1,486
830	-	830	-	830
415,300	415,300	-	-	-
1,451,685	985,954	1,923,167	30,766	1,953,933
-	-	315,000	-	315,000
1,289,244	1,405,050	76,339	61,318	137,657
424,629	358,302	337,684	3,497	341,181
180,464	208,607	35,493	11,543	47,036
1,894,337	1,971,959	449,516	76,358	525,874
$ 3,997,621	$ 3,518,454	$ 2,896,094	$ 115,465	$ 3,011,559

	$ 91,557
	2,605,002
	100,000
	215,000
	$ 3,011,559

CITY OF MONTEZUMA, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2023

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 Montezuma is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Montezuma (the municipality) and the Public Building Commission (part of the municipality). The Public Building Commission is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Public Building Commission. The Commission was authorized by City Ordinance No. 429, pursuant to K.S.A. 12-1757 et. seq., and all amendments thereto, establishing the composition thereof and purpose for which established.

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, 2023:

REGULATORY BASIS FUND TYPES

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

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

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

Business fund – funds financed in whole or in part by fees charged to users for goods or services (i.e., enterprise and internal service funds, etc.).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the official 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.

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 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.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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 Special Street Equipment, Capital Improvement, ARPA, Walking Trail, Donations, Fire Department Donations, Housing Grant, and PBC Bond Reserve 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 to 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.

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, 2023.

At December 31, 2023, the City's carrying amount of deposits was $3,011,559 and the bank balance was $2,956,763, all of which was covered by federal depository insurance.

C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2023 were as follows:

Issue	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest paid
Revenue bonds:					
Public Building Commission					
Issued January 24, 2019					
In the amount of $3,150,000					
At interest rates of 2.0%-4.4%					
Maturing July 1, 2039	$2,855,000	$ -	$ 125,000	$2,730,000	$ 110,925
Weather event loan:					
Kansas State Treasurer					
Issued March 26, 2021					
In the amount of $200,000					
At interest rates of 0.25%-2.81%					
Maturing January 1, 2031	160,304	-	18,221	142,083	4,175
Total contractual indebtedness	$3,015,304	$ -	$ 143,221	$2,872,083	$ 115,100

Current maturities of revenue bonds and interest for the next five years and through maturity are as follows:

	Principal due	Interest due	Total due
2024	$ 125,000	$ 107,550	$ 232,550
2025	130,000	103,850	233,850
2026	135,000	99,740	234,740
2027	140,000	95,200	235,200
2028	145,000	90,283	235,283
2029-2033	815,000	358,969	1,173,969
2034-2038	1,010,000	165,301	1,175,301
2039	230,000	5,060	235,060
Total	$ 2,730,000	$ 1,025,953	$ 3,755,953

Current maturities of the weather event loan and interest for the next five years and through maturity are as follows:

	Principal due	Interest due	Total due
2024	$ 18,639	$ 3,862	$ 22,501
2025	19,166	3,335	22,501
2026	19,708	2,793	22,501
2027	20,266	2,235	22,501
2028	20,839	1,662	22,501
2029-2030	43,465	1,537	45,002
Total	$ 142,083	$ 15,424	$ 157,507

D. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

From	To	Regulatory authority	Amount
Operating transfers:			
Electric Utility	General	K.S.A. 12-825d	$ 150,000
Water-Sewer Utility	General	K.S.A. 12-825d	25,000
Trash Utility	General	K.S.A. 12-825d	25,000
Special Highway	Special Street Equipment	K.S.A. 68-141g	6,523
Electric Utility	Capital Improvement	K.S.A. 12-825d	150,000
Water-Sewer Utility	Capital Improvement	K.S.A. 12-825d	25,000
Trash Utility	Capital Improvement	K.S.A. 12-825d	40,000
			$ 421,523

E. 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 the 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.

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 $4,501 for the year ended December 31, 2023.

Deferred compensation plan. The City offers employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457.

Compensated absences. The City's compensated absence policy permits employees to earn ten vacation days after one year of service and fifteen days after ten years of service plus one day for each additional year of service after ten years. The City's policy does not allow employees to carryover accumulated vacation past their anniversary date unless approved. Unused vacation is paid upon termination or resignation.

Sick leave is accumulated at the rate of one-half day per month for eligible employees. The maximum number of days eligible to be carried over to a subsequent year is unlimited. Unused sick leave is not paid upon termination or resignation. The City's policy is to recognize the costs of compensated absences when actually paid.

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $37,943 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $399,567. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

G. RELATED PARTIES

For the year ended December 31, 2023, the City transacted business with Stanley Construction Inc. and American Implement in the amounts of $8,872 and $14,321 respectively. The owner of Stanley Construction Inc. serves on the City Council and two other Council members are managers at American Implement.

H. 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.

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.

I. CAPITAL PROJECTS

On January 24, 2019, the City issued $3,150,000 in revenue bonds for a city pool and a community building. Of this total, $252,742 was for the costs of issuance, $315,000 was put into a reserve, and the remaining $2,582,258 is for the projects.

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception as of December 31, 2023 are as follows:

	Project authorization	Cash disbursements and accounts payable to date
Community building	$ 1,534,436	$ 1,534,436
Airport runway project	983,123	37,478
Community building chair lift	38,000	19,250
Total	$ 2,555,559	$ 1,591,164

J. CONTINGENCIES

The City has received $147,116 from the Department of the Treasury through the American Rescue Plan Act (ARPA). As of December 31, 2023, $77,047 remains in the ARPA fund. These funds must be obligated by December 31, 2024 and expended by December 31, 2026.

K. SUBSEQUENT EVENTS

The City has evaluated events subsequent to year end through August 2, 2024 and does not believe any events have occurred which affect the financial statement as presented.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF MONTEZUMA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2023

Fund	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General fund:					
General	$ 619,000	$ -	$ 619,000	$ 560,541	$ 58,459
Special purpose funds:					
Special highway	79,700	-	79,700	17,120	62,580
PBC sales tax	476,925	-	476,925	358,203	118,722
Business funds:					
Electric utility	1,544,252	-	1,544,252	1,405,050	139,202
Water - sewer utility	613,500	-	613,500	358,302	255,198
Trash utility	209,000	-	209,000	208,607	393
	$ 3,542,377	$ -	$ 3,542,377	$ 2,907,823	$ 634,554

See Independent Auditor's Report.

CITY OF MONTEZUMA, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	$ 157,366	$ 172,146	$ 173,014	$ (868)
Delinquent tax	480	1,398	-	1,398
Motor vehicle tax	19,443	21,046	24,743	(3,697)
Recreational vehicle tax	398	420	458	(38)
16/20M truck tax	8	89	9	80
Commercial vehicle tax	1,004	967	1,144	(177)
Local sales tax	115,721	126,481	80,000	46,481
Airport income	18,919	15,477	4,000	11,477
Fines	2,251	3,485	500	2,985
Fire department	16,976	12,189	6,000	6,189
Community building	-	33,889	-	33,889
Franchise fees	23,426	31,253	15,000	16,253
Licenses and fees	579	412	200	212
RV park income	10,747	8,297	5,000	3,297
Miscellaneous	16,401	35,493	-	35,493
Operating transfers in	50,000	200,000	200,000	-
Neighborhood revitalization	(10,692)	(11,443)	(10,735)	(708)
Total receipts	423,027	651,599	$ 499,333	$ 152,266
Expenditures:				
General government:				
Personal services	107,603	128,728	$ 121,500	$ (7,228)
Contractual services	65,645	80,202	75,000	(5,202)
Commodities	29,794	29,628	25,000	(4,628)
Subtotal	203,042	238,558	221,500	(17,058)
Employee benefits:				
FICA	31,334	31,059	36,000	4,941
KPERS	40,111	42,444	50,000	7,556
Medicare	7,328	7,264	10,000	2,736
Workmen's compensation	9,228	86	12,000	11,914
Subtotal	88,001	80,853	108,000	27,147
Fire department:				
Personal services	3,240	3,570	5,000	1,430
Contractual services	920	851	2,000	1,149
Commodities	1,295	1,700	1,000	(700)
Capital outlay	3,703	6,440	10,000	3,560
Subtotal	9,158	12,561	18,000	5,439

CITY OF MONTEZUMA, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Expenditures (continued):				
Noxious weed department:				
Commodities	$ 11,548	$ 12,400	$ 26,000	$ 13,600
Emergency management:				
Contractual services	1,220	-	-	-
Police department:				
Personal services	20,973	22,199	26,000	3,801
Contractual services	1,306	733	1,000	267
Commodities	2,429	3,133	2,500	(633)
Subtotal	24,708	26,065	29,500	3,435
Street department:				
Contractual services	49,371	63,703	-	(63,703)
Commodities	16,229	4,999	80,000	75,001
Subtotal	65,600	68,702	80,000	11,298
Golf course:				
Personal services	38,913	43,898	50,000	6,102
Contractual services	59,678	49,213	60,000	10,787
Subtotal	98,591	93,111	110,000	16,889
Swimming pool	5,660	13,190	7,500	(5,690)
Pickleball court	17,636	-	-	-
Airport	9,419	8,820	7,500	(1,320)
City beautification	2,928	1,453	5,000	3,547
RV park expense	2,857	1,643	5,000	3,357
ADA van	-	-	1,000	1,000
Community building	-	3,185	-	(3,185)
Total expenditures	540,368	560,541	$ 619,000	$ 58,459
Receipts over (under) expenditures	(117,341)	91,058		
Unencumbered cash, beginning of year	234,694	117,353	$ 119,667	$ (2,314)
Unencumbered cash, end of year	$ 117,353	$ 208,411		

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

SPECIAL 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State of Kansas gas tax	$ 25,812	$ 26,093	$ 26,800	$ (707)
Miscellaneous	-	129	-	129
Total receipts	25,812	26,222	$ 26,800	$ (578)
Expenditures:				
Street repair and maintenance	-	10,597	$ 73,000	$ 62,403
Operating transfers out	6,198	6,523	6,700	177
Total expenditures	6,198	17,120	$ 79,700	$ 62,580
Receipts over (under) expenditures	19,614	9,102		
Unencumbered cash, beginning of year	48,743	68,357	$ 52,900	$ 15,457
Unencumbered cash, end of year	$ 68,357	$ 77,459		

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

PBC SALES TAX FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Local sales tax	$ 533,702	$ 554,675	$ 400,000	$ 154,675
Expenditures:				
Debt service:				
Principal	120,000	125,000	$ 125,000	$ -
Interest	113,990	110,925	110,925	-
Commissions and postage	-	1,500	1,000	(500)
Capital outlay	308,884	120,778	240,000	119,222
Total expenditures	542,874	358,203	$ 476,925	$ 118,722
Receipts over (under) expenditures	(9,172)	196,472		
Unencumbered cash, beginning of year	537,505	528,333	$ 477,515	$ 50,818
Unencumbered cash, end of year	$ 528,333	$ 724,805	$ 400,590	$ 324,215

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

SPECIAL STREET EQUIPMENT 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)

	2022	2023
Receipts:		
Operating transfers in	$ 6,198	$ 6,523
Expenditures:		
Capital outlay	3,744	5,050
Receipts over (under) expenditures	2,454	1,473
Unencumbered cash, beginning of year	31,210	33,664
Unencumbered cash, end of year	$ 33,664	$ 35,137

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022	2023
Receipts:		
Interest and assessments	$ 16,824	$ 56,947
Street assessments	1,774	3,729
Miscellaneous	-	281
Operating transfers in	345,000	215,000
Total receipts	363,598	275,957
Expenditures:		
General government	10,919	88,859
Street improvements	-	56,000
Culture and recreation	184,462	27,198
Total expenditures	195,381	172,057
Receipts over (under) expenditures	168,217	103,900
Unencumbered cash, beginning of year	643,980	812,197
Unencumbered cash, end of year	$ 812,197	$ 916,097

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

ARPA 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)

	2022	2023
Receipts:		
Federal aid	$ 73,558	$ -
Expenditures:		
Capital outlay	57,460	12,609
Receipts over (under) expenditures	16,098	(12,609)
Unencumbered cash, beginning of year	73,558	89,656
Unencumbered cash, end of year	$ 89,656	$ 77,047

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

WALKING TRAIL 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)

	2022	2023
Receipts:		
Federal aid	$ 108,946	$ 161,054
Donations	40,873	-
Total receipts	149,819	161,054
Expenditures:		
Capital outlay	305,265	402
Receipts over (under) expenditures	(155,446)	160,652
Unencumbered cash (deficit), beginning of year	85,100	(70,346)
Unencumbered cash (deficit), end of year	$ (70,346)	$ 90,306

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

DONATIONS 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)

	2022	2023
Receipts:		
Donations	$ 131,657	$ 11,124
Expenditures:		
Capital outlay	136,082	5,213
Receipts over (under) expenditures	(4,425)	5,911
Unencumbered cash (deficit), beginning of year	-	(4,425)
Unencumbered cash (deficit), end of year	$ (4,425)	$ 1,486

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

FIRE DEPARTMENT DONATIONS 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)

	2022	2023
Receipts:		
Donations	$ -	$ 830
Expenditures	-	-
Receipts over (under) expenditures	-	830
Unencumbered cash, beginning of year	-	-
Unencumbered cash, end of year	$ -	$ 830

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

HOUSING 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)

	2022	2023
Receipts:		
State aid	$ -	$ 415,300
Expenditures:		
Capital outlay	-	415,300
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	-	-
Unencumbered cash, end of year	$ -	$ -

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

PBC BOND 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)

	2022	2023
Receipts	$ -	$ -
Expenditures	-	-
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	315,000	315,000
Unencumbered cash, end of year	$ 315,000	$ 315,000

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

ELECTRIC 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Charges for services	$ 1,373,182	$ 1,213,546	$ 1,300,000	$ (86,454)
Fees	300	4,453	-	4,453
Reimbursements	-	70,946	-	70,946
Miscellaneous	10,102	299	-	299
Total receipts	1,383,584	1,289,244	$ 1,300,000	$ (10,756)
Expenditures:				
Administrative and general	26,265	29,914	$ 41,500	$ 11,586
Distribution	79,970	82,430	75,000	(7,430)
Non-operating	1,750	7,558	52,500	44,942
Personal services	166,739	154,237	200,000	45,763
Employee benefits	125,712	134,842	175,000	40,158
Capital outlay	649	15,601	-	(15,601)
Production	801,359	598,489	625,000	26,511
Sales tax	86,654	59,382	55,000	(4,382)
Miscellaneous	68	201	-	(201)
Operating transfers out	75,000	300,000	300,000	-
Debt service:				
Principal	19,814	18,221	19,863	1,642
Interest	438	4,175	389	(3,786)
Total expenditures	1,384,418	1,405,050	$ 1,544,252	$ 139,202
Receipts over (under) expenditures	(834)	(115,806)		
Unencumbered cash, beginning of year	192,979	192,145	$ 244,870	$ (52,725)
Unencumbered cash, end of year	$ 192,145	$ 76,339	$ 618	$ 75,721

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

WATER - 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Charges for services	$ 484,946	$ 424,629	$ 370,000	$ 54,629
Reimbursements	208	-	5,000	(5,000)
Sale of equipment	3,488	-	-	-
Miscellaneous	126	-	-	-
Total receipts	488,768	424,629	$ 375,000	$ 49,629
Expenditures:				
Administrative and general	931	3,606	$ 3,500	$ (106)
Production	34,366	26,683	20,000	(6,683)
Distribution	85,913	111,967	165,000	53,033
Personal services	167,927	148,121	200,000	51,879
Non-operating	4,036	2,324	55,000	52,676
Capital outlay	649	15,601	120,000	104,399
Operating transfers out	250,000	50,000	50,000	-
Total expenditures	543,822	358,302	$ 613,500	$ 255,198
Receipts over (under) expenditures	(55,054)	66,327		
Unencumbered cash, beginning of year	326,411	271,357	$ 238,852	$ 32,505
Unencumbered cash, end of year	$ 271,357	$ 337,684	$ 352	$ 337,332

See Independent Auditor's Report.

CITY OF MONTEZUMA, KANSAS

TRASH 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Charges for services	$ 105,483	$ 116,885	$ 90,000	$ 26,885
County fees	62,858	63,579	67,500	(3,921)
Total receipts	168,341	180,464	$ 157,500	$ 22,964
Expenditures:				
Contractual services	93,569	110,141	$ 85,000	$ (25,141)
County fees	30,997	33,466	35,000	1,534
Other	-	-	9,000	9,000
Operating transfers out	70,000	65,000	80,000	15,000
Total expenditures	194,566	208,607	$ 209,000	$ 393
Receipts over (under) expenditures	(26,225)	(28,143)		
Unencumbered cash, beginning of year	89,861	63,636	$ 52,319	$ 11,317
Unencumbered cash, end of year	$ 63,636	$ 35,493	$ 819	$ 34,674

See Independent Auditor's Report.