CITY OF OTIS, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2023

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For the Year Ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Otis, Kansas
Otis, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Otis, 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 matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 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 balance of the City 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 1.

Basis for Adverse and Unmodified Opinions

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (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 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated April 12, 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 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 – actual and budget 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 1.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

April 10, 2024

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 34,717	-	107,783	106,062	**36,438**	510	**36,948**
Special Purpose Funds							
Federal Funds Fund	15,585	-	-	14,172	**1,413**	-	**1,413**
Employee Benefit Fund	2,013	-	23,205	18,531	**6,687**	1,518	**8,205**
Library Fund	-	-	4,144	4,144	**-**	-	**-**
Special Highway Fund	97,248	-	12,991	17,289	**92,950**	54	**93,004**
Capital Improvement Fund	9	-	17,000	8,904	**8,105**	-	**8,105**
Business Funds							
Water Utility Fund	398,387	650	360,447	385,905	**373,579**	537	**374,116**
Sanitation Fund	319	-	30,731	30,932	**118**	-	**118**
Sewer Reserve Fund	27,969	-	77	11,121	**16,925**	-	**16,925**
Total Primary Government	$ 576,247	650	556,378	597,060	**536,215**	2,619	**538,834**

Composition of Cash		
Certificates of Deposit	$	**61,957**
Savings Accounts		**168,867**
Checking Accounts		**308,010**
Total Primary Government	**$**	**538,834**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Otis, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected five-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Public Library

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

Basis of Presentation – Fund Accounting

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

The following types of funds comprise the financial activities of the City for the year ended December 31, 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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Business Fund – fund financed in whole or in part by fees charged to users of the goods or services (enterprise and internal service funds).

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Reimbursements
The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Federal Funds Fund and Capital Improvement Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Otis, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

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

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

At December 31, 2023, the City's carrying amount of deposits was $538,834 and the bank balance was $539,642. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance for the year ending December 31, 2023.

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

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Otis, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2023 were as follows:

From	To	Regulatory Authority	Amount
Water Utility Fund	Special Highway Fund	K.S.A. 12-825d	$ 5,000
Water Utility Fund	General Fund	K.S.A. 12-825d	15,000
Water Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	5,000
Water Utility Fund	Sanitation Fund	Council Approved	2,500

NOTE 5 – LITIGATION

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

NOTE 6 – RISK MANAGEMENT

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

The City has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other public entities in the State of Kansas and Missouri to participate in the Midwest Public Risk Pool (MPR), a public entity risk pool currently operating as a common risk management and insurance program for 166 participating members. The City joined MPR in July 2017. The agreement to participate provides that MPR will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $500,000 for each insured event. During 2023, the City contributed $29,420 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by MPR management.

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 177 participating members. The City joined KMIT in March 2022. The agreement to participate provides that 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. During 2023, the City contributed $1,688 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Otis, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 8 – RELATED PARTY TRANSACTIONS

City of Otis, Kansas entered into a transaction with a council member. The City paid a total of $38,200 to Sharkey Construction, Inc. for services and equipment during the year ended December 31, 2023. A council member is the owner of the business.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City did not publish an annual financial statement, which is in violation of K.S.A. 12-1608.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
City of Otis, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $7,713 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 $89,476. 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 valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Otis, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2023.

NOTE 12 – COMPENSATED ABSENCES

Paid Time Off

Regular full-time employees are entitled to 12 paid time off (PTO) days per year. Part-time employees do not earn PTO. Employees may not accrue more than 20 days of PTO. Employees are allowed to carryover 5 days of PTO to the next year. Upon termination, employees will be paid all accrued unused time off.

NOTE 13 – LONG-TERM DEBT

City of Otis, Kansas has the following type of long-term debt.

General Obligation Bonds

On September 26, 2019, the City issued $2,383,000 in General Obligation Bonds Series 2019 to pay off General Obligation Temporary Notes Series 2018 for the purpose of acquiring, constructing, reconstructing, improving or enlarging the water system.

Finance Lease Obligations

The City has entered into a lease agreement for equipment. The lease contains a fiscal funding clause.

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
General Obligation Bonds									
Series 2019	2.75%	2019	$ 2,383,000	2059	$ 2,227,266	-	(36,272)	**2,190,994**	61,250
Finance Lease									
1995 John Deere Grader	5.55%	2023	32,000	2026	-	32,000	-	**32,000**	-
Total Indebtedness					$ 2,227,266	32,000	(36,272)	**2,222,994**	61,250

Current maturities of long-term debt and interest through maturity are as follows:

	Year												
	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2048	2049-2053	2054-2058	2059	**Total**
Principal													
General Obligation Bonds	$ 37,270	38,295	39,348	40,430	41,542	225,485	258,242	295,758	338,724	387,931	444,287	43,682	**2,190,994**
Finance Lease	10,086	10,661	11,253	-	-	-	-	-	-	-	-	-	**32,000**
Total Principal	**47,356**	**48,956**	**50,601**	**40,430**	**41,542**	**225,485**	**258,242**	**295,758**	**338,724**	**387,931**	**444,287**	**43,682**	**2,222,994**
Interest													
General Obligation Bonds	61,700	60,675	59,622	58,540	57,428	269,363	236,606	199,090	156,124	106,917	50,561	2,647	**1,319,273**
Finance Lease	1,791	1,216	625	-	-	-	-	-	-	-	-	-	**3,632**
Total Interest	**63,491**	**61,891**	**60,247**	**58,540**	**57,428**	**269,363**	**236,606**	**199,090**	**156,124**	**106,917**	**50,561**	**2,647**	**1,322,905**
Total Principal and Interest	$ **110,847**	**110,847**	**110,848**	**98,970**	**98,970**	**494,848**	**494,848**	**494,848**	**494,848**	**494,848**	**494,848**	**46,329**	**3,545,899**

CITY OF OTIS, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Type Funds					
General Fund	$ 80,692	32,000	112,692	**106,062**	(6,630)
Special Purpose Funds					
Employee Benefit Fund	25,500	-	25,500	**18,531**	(6,969)
Library Fund	4,202	-	4,202	**4,144**	(58)
Special Highway Fund	21,269	-	21,269	**17,289**	(3,980)
Business Funds					
Water Utility Fund	825,700	-	825,700	**385,905**	(439,795)
Sanitation Fund	37,906	-	37,906	**30,932**	(6,974)

CITY OF OTIS, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes	$ 16,669	**5,285**	8,862	(3,577)
Franchise Tax	18,808	**18,597**	17,500	1,097
Licenses	25	**-**	300	(300)
Sewer Collections	28,224	**26,891**	25,000	1,891
Fines and Permits	477	**131**	500	(369)
Insurance Reimbursements	45,060	**43**	500	(457)
Rent	2,045	**900**	2,100	(1,200)
Federal Aid	10,064	**-**	-	-
State Aid	452	**-**	-	-
Sale of Assets	5,547	**257**	-	257
Miscellaneous	4,400	**8,679**	-	8,679
Lease Proceeds	-	**32,000**	-	32,000
Transfers In	15,000	**15,000**	15,000	-
Total Receipts	146,771	**107,783**	69,762	38,021
Expenditures				
Salaries and Wages	9,998	**11,544**	17,000	(5,456)
Parks and Maintenance	5,711	**4,915**	2,500	2,415
Street Lights	9,163	**7,950**	9,000	(1,050)
Sewer	8,469	**14,886**	12,000	2,886
Liability Insurance	7,436	**-**	-	-
Insurance	7,842	**227**	13,000	(12,773)
Legal	1,305	**330**	2,500	(2,170)
Office Supplies	7,181	**4,363**	2,000	2,363
Repairs and Maintenance	1,043	**2,894**	3,892	(998)
Travel Expenses	3,638	**3,911**	3,000	911
Utilities	10,363	**9,864**	10,000	(136)
Rental Expenses	2,990	**3,277**	-	3,277
Library	2,400	**4,900**	4,800	100
Contractual Services	6,976	**-**	1,000	(1,000)
Miscellaneous	5,248	**5,001**	-	5,001
Capital Outlay	33,531	**32,000**	-	32,000
(a) Adjustment for Qualifying Budget Credits	-	**-**	32,000	(32,000)
Total Expenditures	123,294	**106,062**	112,692	(6,630)
Receipts Over (Under) Expenditures	23,477	**1,721**		
Unencumbered Cash - Beginning	11,240	**34,717**		
Unencumbered Cash - Ending	$ 34,717	**36,438**		

(a) Adjustment for Qualifying Budget Credits

Lease Proceeds Over Amount Budgeted	$ 32,000

CITY OF OTIS, KANSAS
Federal Funds 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			
Federal Aid	$	19,839	**-**
Expenditures			
Premium Pay		2,600	**-**
Contractual Services		5,968	**1,766**
Capital Outlay		15,525	**12,406**
Total Expenditures		24,093	**14,172**
Receipts Over (Under) Expenditures		(4,254)	**(14,172)**
Unencumbered Cash - Beginning		19,839	**15,585**
Unencumbered Cash - Ending	$	15,585	**1,413**

CITY OF OTIS, KANSAS
Employee Benefit 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					
Taxes	$	7,756	**18,205**	14,510	3,695
Transfers In		8,300	**5,000**	10,000	(5,000)
Total Receipts		16,056	**23,205**	24,510	(1,305)
Expenditures					
Employee Benefits		20,377	**18,531**	25,500	(6,969)
Receipts Over (Under) Expenditures		(4,321)	**4,674**		
Unencumbered Cash - Beginning		6,334	**2,013**		
Unencumbered Cash - Ending	$	2,013	**6,687**		

CITY OF OTIS, KANSAS
Library 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					
Taxes	$	3,737	**4,144**	4,202	(58)
Expenditures					
Appropriations		3,737	**4,144**	4,202	(58)
Receipts Over (Under) Expenditures		-	**-**		
Unencumbered Cash - Beginning		-	**-**		
Unencumbered Cash - Ending	$	-	**-**		

CITY OF OTIS, 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)

		Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts					
State Highway Tax	$	7,422	**7,991**	7,260	731
Federal Aid		78,922	**-**	-	-
State Aid		5,540	**-**	-	-
Transfers In		5,000	**5,000**	5,000	-
Total Receipts		96,884	**12,991**	12,260	731
Expenditures					
Salaries and Wages		6,250	**7,557**	10,000	(2,443)
Commodities		1,555	**9,084**	11,269	(2,185)
Capital Outlay		694	**648**	-	648
Total Expenditures		8,499	**17,289**	21,269	(3,980)
Receipts Over (Under) Expenditures		88,385	**(4,298)**		
Unencumbered Cash - Beginning		8,863	**97,248**		
Unencumbered Cash - Ending	$	97,248	**92,950**		

CITY OF OTIS, 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)

		Prior Year Actual	**Current Year Actual**
Receipts			
Sale of Assets	$	-	**17,000**
Expenditures			
Contractual		-	**8,904**
Receipts Over (Under) Expenditures		-	**8,096**
Unencumbered Cash - Beginning		9	**9**
Unencumbered Cash - Ending	$	9	**8,105**

CITY OF OTIS, KANSAS
Water 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					
Charges to Customers	$	343,474	**354,342**	315,000	39,342
Interest		1,772	**4,720**	-	4,720
Deposits		1,300	**1,000**	900	100
Water Connection		-	**-**	800	(800)
Sale of Assets		3,113	**-**	-	-
Miscellaneous		209	**385**	-	385
Total Receipts		349,868	**360,447**	316,700	43,747
Expenditures					
Production		151,751	**165,491**	21,000	144,491
Distribution		97,584	**93,143**	63,000	30,143
Meter Refunds		241	**-**	400	(400)
Sales Tax		358	**485**	350	135
Miscellaneous		4,644	**1,764**	23,500	(21,736)
Bond Principal		35,302	**36,272**	36,748	(476)
Bond Interest		62,220	**61,250**	62,221	(971)
Capital Outlay		23,600	**-**	588,481	(588,481)
Transfers Out		28,300	**27,500**	30,000	(2,500)
Total Expenditures		404,000	**385,905**	825,700	(439,795)
Receipts Over (Under) Expenditures		(54,132)	**(25,458)**		
Unencumbered Cash - Beginning		452,519	**398,387**		
Prior Year Cancelled Encumbrances		-	**650**		
Unencumbered Cash - Ending	$	398,387	**373,579**		

CITY OF OTIS, KANSAS
Sanitation 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				
Charges to Customers	$ 27,659	**25,027**	32,000	(6,973)
Polycarts and Dumpster Fees	2,508	**2,454**	4,000	(1,546)
Administration Fees	786	**750**	1,000	(250)
Miscellaneous	-	**-**	600	(600)
Transfers In	-	**2,500**	-	2,500
Total Receipts	30,953	**30,731**	37,600	(6,869)
Expenditures				
Clean-Up	-	**-**	1,906	(1,906)
Contractual - Hauling	28,268	**28,233**	32,000	(3,767)
Contractual - Polycarts & Dumpsters	2,672	**2,699**	4,000	(1,301)
Total Expenditures	30,940	**30,932**	37,906	(6,974)
Receipts Over (Under) Expenditures	13	**(201)**		
Unencumbered Cash - Beginning	306	**319**		
Unencumbered Cash - Ending	$ 319	**118**		

CITY OF OTIS, KANSAS
Sewer 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			
Interest	$	59	**77**
Expenditures			
Commodities		1,827	**-**
Capital Outlay		5,812	**11,121**
Total Expenditures		7,639	**11,121**
Receipts Over (Under) Expenditures		(7,580)	**(11,044)**
Unencumbered Cash - Beginning		35,549	**27,969**
Unencumbered Cash - Ending	$	27,969	**16,925**