

CITY OF TOWANDA, KANSAS

FINANCIAL STATEMENT

WITH INDEPENDENT AUDITOR'S REPORT

AND

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

December 31, 2022

CITY OF TOWANDA, KANSAS
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December 31, 2022

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October 26, 2023

Mayor and City Council
City of Towanda, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) 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 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 audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

Varney & Associates, CPAs, LLC
Certified Public Accountants
Manhattan, Kansas

CITY OF TOWANDA, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 39,778	\$ -	\$ 806,499	\$ 791,945	\$ 54,332	\$ -	\$ 54,332
Special Purpose Funds							
Library	-	-	53,459	53,459	-	-	-
Fire Rescue	59,598	-	202,543	248,612	13,529	-	13,529
Special Parks/Recreation	11,887	-	92,645	40,486	64,046	-	64,046
Consolidated Streets	37,457	-	45,276	64,118	18,615	-	18,615
Community Center	40,551	-	3,135	27,498	16,188	-	16,188
Fire Rescue Reserve	232,657	-	159,057	35,012	356,702	-	356,702
Equipment Reserve	41,062	-	-	22,272	18,790	-	18,790
Street Reserve	105,035	-	38,706	7,640	136,101	-	136,101
Capital Improvement	97,376	-	-	20,385	76,991	-	76,991
Township Cemetery Fund	4,279	-	8,880	13,099	60	-	60
ARPA	110,292	-	110,947	-	221,239	-	221,239
Capital Projects Funds							
Lagoon Project	5	-	-	-	5	-	5
Bond and Interest	36,030	-	32,064	23,250	44,844	-	44,844
Business Funds							
Water Utility	69,386	-	393,535	380,893	82,028	-	82,028
Refuse Utility	4,519	-	129,398	123,265	10,652	-	10,652
Sewer Utility	1,141	-	147,366	139,883	8,624	-	8,624
Sewer Utility Reserve	130,529	-	130,717	78,968	182,278	-	182,278
Sewer Debt Service	(2,536)	-	4,393	-	1,857	-	1,857
Water Utility Reserve	105,631	-	25,302	13,420	117,513	-	117,513
Total Reporting Entity (Excluding Agency Funds)	\$ 1,124,677	\$ -	\$ 2,383,922	\$ 2,084,205	\$ 1,424,394	\$ -	\$ 1,424,394

CITY OF TOWANDA, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended December 31, 2022

	Ending Cash Balance
Composition of cash:	
Checking Account - Towanda State Bank	\$ 1,360,098
Checking Account - Vintage Bank	63,846
Petty cash	450
Total Cash	\$ 1,424,394

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2022

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of the City of Towanda, Kansas (the City), is presented to assist in understanding the City's financial statement. The financial statement and notes are representations of the City's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statement.

Municipal Financial Reporting Entity

The City is incorporated under the laws of the State of Kansas. The City operates under a Mayor-Council form of City government consisting of an elected Mayor and five council persons and provides services to the citizens in the areas of highways and streets, water and wastewater treatment services, public improvement, public safety, planning and zoning, recreation, and general administrative services.

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

General Fund - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

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

Capital Project Funds - Capital Project Funds are used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

Agency Funds - Agency funds are used to report assets held by the municipal reporting entity in a purely custodial capacity.

Basis of Accounting

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 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 revenues 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.

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest 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 on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral hearing, the budget timeline for adoption of the final budget has been adjusted to September 20th.

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 ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements 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: fire rescue reserve fund, equipment reserve fund, street reserve 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.

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 2: Defined Benefit Pension Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503) or by calling 1-888-275-5737.

Contributions. KSA 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 8.90% for the fiscal period ended December 31, 2022. Contributions to the pension plan from the City were \$28,774 for the year ended December 31, 2022.

Net Pension Liability. At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$308,306. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report, including all actuarial assumption 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 3: 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. The City pays 50% of the premium until age 62 to retirees with 10 or more years of service and each retiree is responsible for the balance. During the year ended December 31, 2022, there were no retirees participating in this plan.

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.

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 4: Compensated Absences

Full-time employees may earn between 10-20 vacation days during a calendar year, depending on their years of service, but no more than 5 days may be carried over from one year to the next. Upon termination or retirement, employees shall be compensated for all unused vacation days at their final pay rate. The cost of accumulated vacation is recorded at the time the benefits are paid to their employees.

Note 5: Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>K.S.A.</u>
General Fund	Fire Rescue Fund	\$ 30,000	Per Council
Fire Rescue Fund	Fire Rescue Reserve Fund	159,057	Per Council
Water Fund	Water Reserve Fund	1,578	12-825d
Sewer Fund	Sewer Reserve Fund	30,000	12-825d
Refuse Utility Fund	General Fund	28,000	12-825d
General Fund	Sewer Debt Service Fund	4,393	12-825d
		<u>\$ 253,028</u>	

Note 6: Capital Projects

At December 31, 2022, there were no significant city-funded capital project authorizations outstanding.

Note 7: Deposits

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 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 coverage is 50%. The City does not utilize "peak periods". All deposits were legally secured at December 31, 2022.

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 7: Deposits (Continued)

As of December 31, 2022, the City's carrying amount of the deposits was \$1,423,944 and the bank balance was \$1,385,489. The bank balance was held by two banks, resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$313,846 was covered by federal depository insurance and the remaining amount was collateralized with securities held by the pledging financial institutions' agents in the City's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the City, the pledging bank and the independent third-party bank holding the pledged securities.

Note 8: Risk Management

The City continues to carry commercial insurance for all other risks of loss, including property, liability, crime, inland marine, automobile, and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9: Subsequent Events

Subsequent events have been evaluated through October 26, 2023, which is the date the financial statement was available to be issued. Events requiring disclosure were identified and disclosed.

Note 10: Compliance with Kansas Statutes

There were no material statute violations noted.

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 11: Long-Term Debt

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Beginning Balance of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds									
Internal improvements - Series 2009A	1.75-4.0%	5/15/2009	\$ 209,000	10/1/2024	\$ 50,000	\$ -	\$ 15,000	\$ 35,000	\$ 2,200
Internal improvements - Series 2009B	3.5-5.25%	10/29/2009	66,400	9/1/2025	20,000	-	5,000	15,000	1,050
Total General Obligation Bonds					<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 50,000</u>	<u>\$ 3,250</u>
Revolving Loans									
KWPCRLF Project No. C20-1737-01	2.52%	4/4/2007	1,700,000	9/1/2029	\$ 503,869	\$ -	\$ 66,688	\$ 437,181	\$ 12,280
Total Revolving Loans					<u>\$ 503,869</u>	<u>\$ -</u>	<u>\$ 66,688</u>	<u>\$ 437,181</u>	<u>\$ 12,280</u>
Total Contractual Indebtness					<u>\$ 573,869</u>	<u>\$ -</u>	<u>\$ 86,688</u>	<u>\$ 487,181</u>	<u>\$ 15,530</u>

CITY OF TOWANDA, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2022

Note 11: Long-Term Debt (Continued)

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

<u>Issue</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2032</u>	<u>Total</u>
Principal							
General obligation bonds							
Internal improvements - Series 2009A	\$ 15,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Internal improvements - Series 2009B	5,000	5,000	5,000	-	-	-	15,000
Total General Obligation Bonds	<u>\$ 20,000</u>	<u>\$ 25,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Revolving loans							
KWPCRLF Project No. C20-1737-01	\$ 68,380	\$ 70,113	\$ 71,892	\$ 73,715	\$ 75,583	\$ 77,498	\$ 437,181
Total Revolving Loans	<u>\$ 68,380</u>	<u>\$ 70,113</u>	<u>\$ 71,892</u>	<u>\$ 73,715</u>	<u>\$ 75,583</u>	<u>\$ 77,498</u>	<u>\$ 437,181</u>
Total Principal	<u>\$ 88,380</u>	<u>\$ 95,113</u>	<u>\$ 76,892</u>	<u>\$ 73,715</u>	<u>\$ 75,583</u>	<u>\$ 77,498</u>	<u>\$ 487,181</u>
Interest							
General obligation bonds							
Internal improvements - Series 2009A	\$ 1,540	\$ 880	\$ -	\$ -	\$ -	\$ -	\$ 2,420
Internal improvements - Series 2009B	788	525	263	-	-	-	1,576
Total General Obligation Bonds	<u>\$ 2,328</u>	<u>\$ 1,405</u>	<u>\$ 263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,996</u>
Revolving loans							
KWPCRLF Project No. C20-1737-01	\$ 9,538	\$ 7,976	\$ 6,375	\$ 4,733	\$ 3,049	\$ 1,322	\$ 32,993
Total Revolving Loans	<u>\$ 9,538</u>	<u>\$ 7,976</u>	<u>\$ 6,375</u>	<u>\$ 4,733</u>	<u>\$ 3,049</u>	<u>\$ 1,322</u>	<u>\$ 32,993</u>
Total Interest	<u>\$ 11,866</u>	<u>\$ 9,381</u>	<u>\$ 6,638</u>	<u>\$ 4,733</u>	<u>\$ 3,049</u>	<u>\$ 1,322</u>	<u>\$ 36,989</u>
Total Principal and Interest	<u>\$ 100,246</u>	<u>\$ 104,494</u>	<u>\$ 83,530</u>	<u>\$ 78,448</u>	<u>\$ 78,632</u>	<u>\$ 78,820</u>	<u>\$ 524,170</u>

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

CITY OF TOWANDA, KANSAS
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Amended or Certified Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
General	\$ 961,052	\$ 791,945	\$ (169,107)
Special Purpose			
Library	56,250	53,459	(2,791)
Fire Rescue	258,593	248,612	(9,981)
Special Parks/Recreation	145,796	40,486	(105,310)
Consolidated Streets	64,942	64,118	(824)
Community Center	21,792	27,498	5,706
Bond and Interest	61,953	23,250	(38,703)
Business			
Water Utility	440,907	380,893	(60,014)
Refuse Utility	123,588	123,265	(323)
Sewer Utility	147,000	139,883	(7,117)
Cemetery	21,171	13,099	(8,072)
Total Receipts	\$ 2,303,044	\$ 1,906,508	\$ (396,536)

CITY OF TOWANDA, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	<u>Current Year Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
Taxes and Shared Revenue			
Ad Valorem Property Tax	\$ 296,507	\$ 322,705	\$ (26,198)
Delinquent Tax	35,558	15,000	20,558
Motor Vehicle Tax	60,318	58,348	1,970
Sales Tax - Local	161,113	120,000	41,113
Franchise Fees	117,872	100,000	17,872
Licenses, Permits and Fees	36,613	15,000	21,613
Swimming Pool	10,569	10,000	569
Fines, Forfeitures and Penalties	7,351	25,000	(17,649)
Interest	968	1,000	(32)
Other	51,630	15,000	36,630
Transfers In	28,000	28,000	-
Total Cash Receipts	<u>\$ 806,499</u>	<u>\$ 710,053</u>	<u>\$ 96,446</u>
Expenditures			
General Government			
Administration	\$ 361,407	\$ 411,524	\$ (50,117)
Municipal Court	6,922	500	6,422
Legal	13,389	50	13,339
Planning and Zoning	3,602	3,000	602
Parks, Pool and Recreation	73,657	27,000	46,657
Library and Museum	14,076	15,500	(1,424)
Senior Center	10,471	6,000	4,471
Public Safety			
Police Department	192,433	231,938	(39,505)
Animal Control	304	100	204
Public Works	81,291	74,940	6,351
Transfers Out	34,393	190,500	(156,107)
Total Expenditures	<u>\$ 791,945</u>	<u>\$ 961,052</u>	<u>\$ (169,107)</u>
Receipts Over (Under) Expenditures	\$ 14,554		
Unencumbered Cash - Beginning	<u>39,778</u>		
Unencumbered Cash - Ending	<u>\$ 54,332</u>		

CITY OF TOWANDA, KANSAS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Current Year Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
Taxes and Shared Revenue			
Ad Valorem Property Tax	\$ 40,585	\$ 44,168	\$ (3,583)
Delinquent Tax	4,650	2,500	2,150
Motor Vehicle Tax	8,224	8,018	206
Total Cash Receipts	<u>\$ 53,459</u>	<u>\$ 54,686</u>	<u>\$ (1,227)</u>
Expenditures			
Appropriations to Library Board	\$ 53,459	\$ 56,250	\$ (2,791)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash - Beginning	<u>-</u>		
Unencumbered Cash - Ending	<u>\$ -</u>		

CITY OF TOWANDA, KANSAS
FIRE RESCUE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Township Distributions	\$ 171,489	\$ 147,000	\$ 24,489
Miscellaneous	1,054	-	1,054
Transfers In	30,000	30,000	-
Total Cash Receipts	\$ 202,543	\$ 177,000	\$ 25,543
Expenditures			
Personnel Services (Salaries and Wages)	\$ 8,928	\$ 27,036	\$ (18,108)
Contractual Services	6,328	15,000	(8,672)
Commodities	28,936	15,000	13,936
Utilities	2,946	5,500	(2,554)
Insurance	10,750	12,000	(1,250)
Fuels	1,811	5,000	(3,189)
Equipment Repairs	16,453	20,000	(3,547)
Capital Outlay	13,138	-	13,138
Miscellaneous	265	-	265
Transfers Out	159,057	159,057	-
Total Expenditures	\$ 248,612	\$ 258,593	\$ (9,981)
Receipts Over (Under) Expenditures	\$ (46,069)		
Unencumbered Cash - Beginning	59,598		
Unencumbered Cash - Ending	\$ 13,529		

CITY OF TOWANDA, KANSAS
SPECIAL PARKS/RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Recreation Fees	\$ 92,645	\$ 80,000	\$ 12,645
Concessions	-	40,000	(40,000)
Total Cash Receipts	<u>\$ 92,645</u>	<u>\$ 120,000</u>	<u>\$ (27,355)</u>
Expenditures			
Contractual Services	\$ 1,621	\$ 60,000	\$ (58,379)
Commodities	38,865	60,000	(21,135)
Capital Outlay	-	25,796	(25,796)
Total Expenditures	<u>\$ 40,486</u>	<u>\$ 145,796</u>	<u>\$ (105,310)</u>
Receipts Over (Under) Expenditures	\$ 52,159		
Unencumbered Cash - Beginning	<u>11,887</u>		
Unencumbered Cash - Ending	<u>\$ 64,046</u>		

CITY OF TOWANDA, KANSAS
CONSOLIDATED STREETS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
State of Kansas Gas Tax	\$ 45,276	\$ 37,390	\$ 7,886
County Transfers Gas	-	5,553	(5,553)
Total Cash Receipts	<u>\$ 45,276</u>	<u>\$ 42,943</u>	<u>\$ 2,333</u>
Expenditures			
Personnel Services	\$ 28,738	\$ 38,514	\$ (9,776)
Contractual Services	3,337	3,000	337
Commodities	30,540	23,428	7,112
Capital Outlay	1,503	-	1,503
Total Expenditures	<u>\$ 64,118</u>	<u>\$ 64,942</u>	<u>\$ (824)</u>
Receipts Over (Under) Expenditures	\$ (18,842)		
Unencumbered Cash - Beginning	<u>37,457</u>		
Unencumbered Cash - Ending	<u>\$ 18,615</u>		

**CITY OF TOWANDA, KANSAS
COMMUNITY CENTER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022**

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Rent	\$ 3,135	\$ 2,800	\$ 335
Transfer from General Fund	-	5,000	(5,000)
Total Cash Receipts	\$ 3,135	\$ 7,800	\$ (4,665)
Expenditures			
Contractual Services	\$ 298	\$ -	\$ 298
Commodities	14,535	5,000	9,535
Building Repairs	12,665	5,000	7,665
Utilities	-	5,000	(5,000)
Building Project	-	6,792	(6,792)
Total Expenditures	\$ 27,498	\$ 21,792	\$ 5,706
Receipts Over (Under) Expenditures	\$ (24,363)		
Unencumbered Cash - Beginning	40,551		
Unencumbered Cash - Ending	\$ 16,188		

**CITY OF TOWANDA, KANSAS
 FIRE RESCUE RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 Regulatory Basis
 For the Year Ended December 31, 2022**

Receipts		
Transfer from Fire Rescue Fund		<u>\$ 159,057</u>
Expenditures		
Fire Equipment		<u>\$ 35,012</u>
Receipts Over (Under) Expenditures		\$ 124,045
Unencumbered Cash - Beginning		<u>232,657</u>
Unencumbered Cash - Ending		<u><u>\$ 356,702</u></u>

**CITY OF TOWANDA, KANSAS
EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022**

Receipts		
Transfer from General Fund		<u>\$ -</u>
Expenditures		
Equipment		<u>22,272</u>
Receipts Over (Under) Expenditures		<u>\$ (22,272)</u>
Unencumbered Cash - Beginning		<u>41,062</u>
Unencumbered Cash - Ending		<u><u>\$ 18,790</u></u>

CITY OF TOWANDA, KANSAS
STREET RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended December 31, 2022

Receipts		
Other		\$ 38,706
		<u> </u>
Expenditures		
Contractual Services		\$ 7,640
		<u> </u>
Receipts Over (Under) Expenditures		\$ 31,066
Unencumbered Cash - Beginning		<u>105,035</u>
Unencumbered Cash - Ending		<u><u>\$ 136,101</u></u>

**CITY OF TOWANDA, KANSAS
 CAPITAL IMPROVEMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 Regulatory Basis
 For the Year Ended December 31, 2022**

Receipts		
Transfers In		\$ <u> -</u>
Expenditures		
Services and Supplies		\$ <u> 20,385</u>
Receipts Over (Under) Expenditures		\$ (20,385)
Unencumbered Cash - Beginning		<u> 97,376</u>
Unencumbered Cash - Ending		<u><u> 76,991</u></u>

CITY OF TOWANDA, KANSAS
LAGOON PROJECT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2022

Unencumbered Cash - Beginning	\$ 5
Unencumbered Cash - Ending	<u>\$ 5</u>

CITY OF TOWANDA, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Special Assessments	\$ 6,837	\$ 5,000	\$ 1,837
Street Impact Fee	25,227	24,000	1,227
Total Cash Receipts	\$ 32,064	\$ 29,000	\$ 3,064
 Expenditures			
Principal	\$ 20,000	\$ 17,200	\$ 2,800
Interest	3,250	6,050	(2,800)
Other	-	38,703	(38,703)
Total Expenditures	\$ 23,250	\$ 61,953	\$ (38,703)
 Receipts Over (Under) Expenditures	 \$ 8,814		
 Unencumbered Cash - Beginning	 36,030		
 Unencumbered Cash - Ending	 \$ 44,844		

CITY OF TOWANDA, KANSAS
WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	\$ 368,298	\$ 340,000	\$ 28,298
Tapping Fees	2,175	4,000	(1,825)
Miscellaneous	10,480	14,500	(4,020)
Late Charges/Set-Off	11,982	6,000	5,982
Fire Protection	600	500	100
Total Cash Receipts	\$ 393,535	\$ 365,000	\$ 28,535
Expenditures			
Personnel Services	\$ 137,481	\$ 130,142	\$ 7,339
Contractual Services	2,452	15,000	(12,548)
Commodities	9,819	20,000	(10,181)
Gasoline/Fuel	11,349	15,000	(3,651)
Insurance	10,050	15,000	(4,950)
Permit and Fees	3,892	1,200	2,692
Vehicle/Mobile Equipment	4,379	2,000	2,379
Utilities	1,917	26,065	(24,148)
Testing	993	1,500	(507)
Water Purchase	196,983	190,000	6,983
Miscellaneous	-	5,000	(5,000)
Transfers Out	1,578	20,000	(18,422)
Total Expenditures	\$ 380,893	\$ 440,907	\$ (60,014)
Receipts Over (Under) Expenditures	\$ 12,642		
Unencumbered Cash - Beginning	69,386		
Unencumbered Cash - Ending	\$ 82,028		

CITY OF TOWANDA, KANSAS
REFUSE UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Charges for Service	\$ 129,398	\$ 121,500	\$ 7,898
Expenditures			
Collection Service/Landfill Charges	\$ 95,265	\$ 92,000	\$ 3,265
Commodities	-	3,588	(3,588)
Transfers Out	28,000	28,000	-
Total Expenditures	\$ 123,265	\$ 123,588	\$ (323)
Receipts Over (Under) Expenditures	\$ 6,133		
Unencumbered Cash - Beginning	4,519		
Unencumbered Cash - Ending	\$ 10,652		

CITY OF TOWANDA, KANSAS
SEWER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Charges for Service	\$ 137,950	\$ 140,000	\$ (2,050)
Late Payment Charge	9,216	7,000	2,216
Miscellaneous	200	-	200
Total Revenues	\$ 147,366	\$ 147,000	\$ 366
Expenditures			
Personnel Services	\$ 55,182	\$ 56,000	\$ (818)
Contractual Services	15,298	12,800	2,498
Commodities	39,403	41,700	(2,297)
Capital Outlay	-	6,500	(6,500)
Transfers	30,000	30,000	-
Total Expenditures	\$ 139,883	\$ 147,000	\$ (7,117)
Receipts Over (Under) Expenditures	\$ 7,483		
Unencumbered Cash - Beginning	1,141		
Unencumbered Cash - Ending	\$ 8,624		

CITY OF TOWANDA, KANSAS
SEWER DEBT SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended December 31, 2022

Receipts		
Transfer In		\$ 4,393
Expenditures		
Debt Service		\$ -
Cash Basis Reserve		-
Transfers Out		\$ -
Receipts Over (Under) Expenditures		\$ 4,393
Unencumbered Cash - Beginning		(2,536)
Unencumbered Cash - Ending		\$ 1,857

CITY OF TOWANDA, KANSAS
SEWER UTILITY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended December 31, 2022

Receipts	
Lagoon Fee	\$ 100,717
Transfers In	30,000
Total Receipts	<u>\$ 130,717</u>
 Expenditures	
Principal	\$ 66,688
Interest	12,280
Total Expenditures	<u>\$ 78,968</u>
Receipts Over (Under) Expenditures	\$ 51,749
Unencumbered Cash - Beginning	<u>130,529</u>
Unencumbered Cash - Ending	<u><u>\$ 182,278</u></u>

CITY OF TOWANDA, KANSAS
WATER UTILITY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended December 31, 2022

Receipts	
Antenna Rental	\$ 23,724
Transfers In	1,578
Total Cash Receipts	<u>\$ 25,302</u>
Expenditures	
Commodities	<u>\$ 13,420</u>
Receipts Over (Under) Expenditures	\$ 11,882
Unencumbered Cash - Beginning	<u>105,631</u>
Unencumbered Cash - Ending	<u><u>\$ 117,513</u></u>

CITY OF TOWANDA, KANSAS
TOWANDA TOWNSHIP CEMETERY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
 For the Year Ended December 31, 2022

	Current Year Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous	\$ 8,880	\$ 20,000	\$ (11,120)
Expenditures			
Miscellaneous	\$ 13,099	\$ 21,171	\$ (8,072)
Receipts Over (Under) Expenditures	\$ (4,219)		
Unencumbered Cash - Beginning	4,279		
Unencumbered Cash - Ending	\$ 60		

CITY OF TOWANDA, KANSAS
ARPA FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended December 31, 2022

Receipts		
Miscellaneous		\$ 110,947
Expenditures		
Miscellaneous		\$ -
Receipts Over (Under) Expenditures		\$ 110,947
Unencumbered Cash - Beginning		110,292
Unencumbered Cash - Ending		\$ 221,239