

CITY OF SOLOMON, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

December 31, 2022

CITY OF SOLOMON, KANSAS
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August 22, 2023

Mayor and Council Members
City of Solomon, 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 Solomon, Kansas (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.

August 22, 2023
City of Solomon, Kansas
(Continued)

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, 2 and 3 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 SOLOMON, 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	Cash Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	\$ 246,328	\$ -	\$ 801,470	\$ 861,468	\$ 186,330	\$ 6,702	\$ 193,032
Special Purpose Funds							
Library	2,027	-	35,742	35,742	2,027	-	2,027
Special Highway	28,443	-	26,828	28,579	26,692	-	26,692
Employee Benefits	1,510	-	96,471	92,086	5,895	-	5,895
TIF Bond and Interest	161,997	-	82,141	32,675	211,463	-	211,463
Capital Project Fund							
Capital Improvement	2,475	-	-	1,785	690	-	690
Bond and Interest Fund							
Debt Service	30,205	-	75,943	76,804	29,344	-	29,344
Business Funds							
Water Utility	116,456	-	210,109	210,754	115,811	1,768	117,579
Sewer Utility	34,500	-	104,529	122,567	16,462	-	16,462
Storm Drainage	64,640	-	7,708	2,405	69,943	-	69,943
Total Reporting Entity	\$ 688,581	\$ -	\$ 1,440,941	\$ 1,464,865	\$ 664,657	\$ 8,470	\$ 673,127
Composition of Cash:							
			Checking and Savings Accounts				\$ 549,841
			Petty Cash				235
			Certificates of Deposit				123,051
			Total Cash				<u>\$ 673,127</u>
			Less: Agency Funds per Schedule 3				-
			Total Reporting Entity				<u>\$ 673,127</u>

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

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The City of Solomon, Kansas (the City) is a municipal corporation governed by a citizen-elected mayor and five elected council members.

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.

Solomon Housing Authority. The Solomon Housing Authority operates the City's low income public housing complex known as the Heritage Manor. The Solomon Housing Authority Board is appointed by the City Council. The Solomon Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The Solomon Housing Authority's financial records were not audited and not included in this report. The financial records are available at the Solomon Housing Authority's office located at 105 W. 6th St., Solomon, Kansas.

Regulatory Basis Fund Types

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.

Fund Descriptions. The following types of funds comprise the financial activities of the City:

General Fund - The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Projects and tax levies for long-term debt) that are intended for specified purposes.

Capital Project Fund – Used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Debt Service Fund – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of long-term debt.

Business Fund - Funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Agency Fund - Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

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

Note 1: Summary of Significant Accounting Policies (Continued)

Stewardship, Compliance and Accountability

The City entered into a secured loan agreement with Solomon State Bank on August 6, 2019 in the amount of \$418,466 at 3.75% interest. The loan was issued as a credit line to construct a new swimming pool.

The loan is secured by two Certificates of Deposit currently existing at the Solomon State Bank, together with a perfected security interest in the 2007 Peterbilt firetruck and the 2009 International firetruck.

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 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 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 and the following special purpose fund:

TIF Bond and Interest Fund

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

Note 2: Deposits and Investments

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

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

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 required coverage is 50%. The City has not designated a "peak period." All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$673,127 and the bank balance was \$676,519. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$426,519 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Note 3: 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, etc. 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 South 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 of 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(b) 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) was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$26,026 for the year ended December 31, 2022.

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

Note 3: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At December 31, 2022, the City of Solomon's proportionate share of the net pension liability reported by KPERS was \$271,786. 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 nonemployer 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 4: 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 provides 50% participation in the monthly group health coverage premium until the retiree becomes eligible for Medicare benefits. During the year ended December 31, 2022, no retirees participated in this plan and the City paid no premium under 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.

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 is set at 1% for the year ended June 30, 2022.

Note 5: Compensated Absences

The City provides compensation for absences. Full-time employees are entitled to paid vacation leave time according to the following schedule:

Years of Service	Hours Per Year
6 months - 1 year	40 Hours
1 year - 6 years	80 Hours
7 years - 12 years	120 Hours
13+ years	160 Hours

Vacation leave is allowed for part-time employees what work between 20 and 40 hours per week. It is accrued on a prorated amount based on average hours worked on a weekly basis. Employees are allowed to carryover up to 160 hours of vacation annually into the following year. Employees have the option to take pay in lieu of time off with the restriction they must take at least one consecutive week of vacation time off per year. Any vacation leave in excess of 160 hours will be lost on the employee's anniversary date.

The City also allows full-time employees to earn sick leave at the rate of 4 hours per pay period. No employee may accrue more than 120 days of sick leave. Upon termination, employees are not paid for any unused sick leave, unless due to retirement or separation after 20 or more years of regular service. Under those circumstances, employees can receive payment for one-fourth of the unused sick leave, up to a maximum of one calendar month's salary.

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

Note 6: Interfund Transfers

Transfers for the year ended December 31, 2022 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Employee Benefits Fund	K.S.A. 12-16, 102	\$ 20,000

Note 7: Long-Term Debt

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures To Date
Water Supply Improvements	\$ 1,391,452	\$ 123,087

Note 8: Risk Management and Uncertainties

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 purchased commercial insurance to protect itself from these risks.

As a results of significant disruption in the U.S. economy due to the outbreak of the COVID-19 Coronavirus in 2020, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

Note 9: Subsequent Events

Management is not aware of any other subsequent events from the financial statement date through August 22, 2023, the date at which this financial statement was available to be issued, and determined there are no other items to disclose.

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

Note 10: Changes in 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>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Revenue Bond Series 2005	3.25 - 5.0%	9/1/2005	\$ 400,000	7/1/2025	\$ 116,000	\$ -	\$ 27,000	\$ (27,000)	\$ 89,000	\$ 5,674
Go Bond Series 2014	1.75 - 3.625%	3/31/2014	865,000	10/1/2029	530,000	-	60,000	(60,000)	470,000	16,804
KDHE Loan										
Water Pollution Control Loan	2.30%	8/1/2012	280,675	9/1/2032	118,957	-	9,497	(9,497)	109,460	2,973
Water Supply Loan - Drawn*	1.55%	3/2/2020	1,391,452	8/1/2041	115,186	-	-	-	115,186	-
Loan										
Pool Remodel	3.75%	8/6/2019	418,466	8/6/2029	346,529	-	38,005	(38,005)	308,524	12,995
Capital Leases										
Equipment Lease	5.69%	10/28/2019	89,582	10/28/2023	35,833	-	17,916	(17,916)	17,917	1,019
2021 Mower	2.90%	5/25/2021	10,408	8/25/2022	5,408	-	5,408	(5,408)	-	159
TOTAL LONG-TERM DEBT					<u>\$ 1,267,913</u>	<u>\$ -</u>	<u>\$ 157,826</u>	<u>\$ (157,826)</u>	<u>\$ 1,110,087</u>	<u>\$ 39,624</u>

*As of December 31, 2022, the City has not drawn down the entire balance of the Water Supply Loan. Therefore this schedule only shows the partial drawdown and no future interest payments are reported.

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

Note 11: Maturity of Long-Term Debt

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2032</u>	<u>Total</u>
PRINCIPAL							
Revenue Bond Series 2005	\$ 28,000	\$ 30,000	\$ 31,000	\$ -	\$ -	\$ -	\$ 89,000
GO Bond Series 2014	60,000	60,000	65,000	65,000	70,000	150,000	470,000
Water Pollution Control Loan	9,741	9,990	10,247	10,510	10,780	58,192	109,460
Water Supply Loan	-	-	115,186	-	-	-	115,186
Pool Remodel	39,430	40,898	42,452	44,035	45,686	96,023	308,524
Equipment Lease	17,917	-	-	-	-	-	17,917
Total Principal	<u>\$ 155,088</u>	<u>\$ 140,888</u>	<u>\$ 263,885</u>	<u>\$ 119,545</u>	<u>\$ 126,466</u>	<u>\$ 304,215</u>	<u>\$ 1,110,087</u>
INTEREST							
Revenue Bond Series 2005	\$ 4,378	\$ 3,020	\$ 1,550	\$ -	\$ -	\$ -	\$ 8,948
GO Bond Series 2014	15,364	13,744	11,944	9,994	7,800	8,156	67,002
Water Pollution Control Loan	2,730	2,480	2,223	1,960	1,691	4,160	15,244
Water Supply Loan	-	-	-	-	-	-	-
Pool Remodel	11,570	10,102	8,548	6,965	5,314	5,427	47,926
Equipment Lease	1,018	-	-	-	-	-	1,018
Total Interest	<u>\$ 35,060</u>	<u>\$ 29,346</u>	<u>\$ 24,265</u>	<u>\$ 18,919</u>	<u>\$ 14,805</u>	<u>\$ 17,743</u>	<u>\$ 140,138</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 190,148</u>	<u>\$ 170,234</u>	<u>\$ 288,150</u>	<u>\$ 138,464</u>	<u>\$ 141,271</u>	<u>\$ 321,958</u>	<u>\$ 1,250,225</u>

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

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

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Funds					
General Fund	\$ 711,400	\$ 151,799	\$ 863,199	\$ 861,468	\$ (1,731)
Special Purpose Funds					
Library	41,400	-	41,400	35,742	(5,658)
Special Highway	47,697	-	47,697	28,579	(19,118)
Employee Benefits	97,000	-	97,000	92,086	(4,914)
Bond and Interest Fund					
Debt Service	107,804	-	107,804	76,804	(31,000)
Business Funds					
Water Utility	293,152	-	293,152	210,754	(82,398)
Sewer Utility	160,005	-	160,005	122,567	(37,438)
Storm Drainage	67,643	-	67,643	2,405	(65,238)
	<u>\$ 1,526,101</u>	<u>\$ 151,799</u>	<u>\$ 1,677,900</u>	<u>\$ 1,430,405</u>	<u>\$ (247,495)</u>

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
Taxes and Shared Revenue			
Ad Valorem	\$ 348,248	\$ 376,343	\$ (28,095)
Delinquent	3,882	1,700	2,182
Motor vehicle	44,853	38,821	6,032
Recreational vehicle	1,317	6,294	(4,977)
Local alcoholic liquor	7,890	-	7,890
Local sales and compensating use tax	131,341	110,000	21,341
Franchise tax	74,609	65,000	9,609
Court revenue	14,043	10,000	4,043
Fire protection	28,134	30,000	(1,866)
License and permits	4,465	6,000	(1,535)
Animal fees	1,635	2,000	(365)
Interest	949	500	449
Miscellaneous	63,799	2,000	61,799
Intergovernmental	76,305	-	76,305
Total Receipts	<u>\$ 801,470</u>	<u>\$ 648,658</u>	<u>\$ 152,812</u>
Expenditures			
Personnel services	\$ 212,284	\$ 120,000	\$ 92,284
Legal and publication	6,936	4,000	2,936
Administration	1,058	3,500	(2,442)
Accounting and auditing	4,241	12,000	(7,759)
Supplies	6,685	10,000	(3,315)
Insurance	41,575	92,000	(50,425)
Dues and fees	6,455	6,000	455
Animal costs	582	2,000	(1,418)
Fuel	13,032	8,200	4,832
Postage	721	1,000	(279)
Maintenance	21,270	30,000	(8,730)
Street	83,985	50,000	33,985
Utilities	21,276	20,000	1,276
Fire	59,828	60,000	(172)
Parks	1,698	4,000	(2,302)
Law enforcement	117,530	120,000	(2,470)
Library	8,639	200	8,439
Uniforms	2,686	2,500	186
Tools	10,537	6,000	4,537
Special projects	161,874	80,000	81,874
Swimming Pool Loan - Principal	38,005	-	38,005
Swimming Pool Loan - Interest	12,995	-	12,995
Miscellaneous	7,035	-	7,035
Training	541	-	541
Transfers out	20,000	-	20,000
Cash forward line	-	80,000	(80,000)
Adjustments for qualifying budget credits		151,799	(151,799)
Total Expenditures	<u>\$ 861,468</u>	<u>\$ 863,199</u>	<u>\$ (1,731)</u>
Receipts Over (Under) Expenditures	\$ (59,998)		
Unencumbered Cash - Beginning	<u>246,328</u>		
Unencumbered Cash - Ending	<u>\$ 186,330</u>		

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

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Revenue			
Ad Valorem	\$ 30,065	\$ 33,867	\$ (3,802)
Delinquent	345	300	45
Motor vehicle	5,216	3,412	1,804
Recreational vehicle tax	116	554	(438)
Total Receipts	\$ 35,742	\$ 38,133	\$ (2,391)
 EXPENDITURES			
Appropriation	\$ 35,742	\$ 41,400	\$ (5,658)
 Receipts Over (Under) Expenditures	 \$ -		
 Unencumbered Cash - Beginning	 2,027		
 Unencumbered Cash - Ending	 \$ 2,027		

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

	Actual	Budget	Variance Over (Under)
Receipts			
State of Kansas gas tax	\$ 26,828	\$ 25,690	\$ 1,138
EXPENDITURES			
Utilities	\$ 28,579	\$ 24,000	\$ 4,579
Cash forward	-	23,697	(23,697)
Total Expenditures	\$ 28,579	\$ 47,697	\$ (19,118)
Receipts Over (Under) Expenditures	\$ (1,751)		
Unencumbered Cash - Beginning	28,443		
Unencumbered Cash - Ending	\$ 26,692		

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
Taxes and Shared Revenue			
Ad Valorem	\$ 68,254	\$ 73,762	\$ (5,508)
Delinquent	617	500	117
Motor vehicle	7,384	6,390	994
Recreational vehicle tax	216	1,036	(820)
Transfers in	20,000	15,000	5,000
Total Receipts	<u><u>\$ 96,471</u></u>	<u><u>\$ 96,688</u></u>	<u><u>\$ (217)</u></u>
 EXPENDITURES			
KPERS	\$ 27,615	\$ 85,000	\$ (57,385)
Health insurance and other	64,471	-	64,471
Cash forward	-	12,000	(12,000)
Total Expenditures	<u><u>\$ 92,086</u></u>	<u><u>\$ 97,000</u></u>	<u><u>\$ (4,914)</u></u>
 Receipts Over (Under) Expenditures	\$ 4,385		
 Unencumbered Cash - Beginning	<u>1,510</u>		
 Unencumbered Cash - Ending	<u><u>\$ 5,895</u></u>		

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

Receipts	
Dickinson County - TIF distribution	<u>\$ 82,141</u>
 EXPENDITURES	
Revenue bond principal	\$ 27,001
Revenue bond interest	5,674
Total Expenditures	<u>\$ 32,675</u>
 Receipts Over (Under) Expenditures	 \$ 49,466
 Unencumbered Cash - Beginning	 <u>161,997</u>
 Unencumbered Cash - Ending	 <u><u>\$ 211,463</u></u>

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

Receipts	
CDBG	<u>\$ -</u>
EXPENDITURES	
Capital improvements	<u>\$ 1,785</u>
Receipts Over (Under) Expenditures	\$ (1,785)
Unencumbered Cash - Beginning	<u>2,475</u>
Unencumbered Cash - Ending	<u><u>\$ 690</u></u>

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

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts			
Taxes and Shared Revenue			
Ad Valorem	\$ 30,035	\$ 32,460	\$ (2,425)
Delinquent	323	300	23
Motor vehicle	3,779	3,273	506
Recreational vehicle tax	111	531	(420)
Special assessments	41,695	40,000	1,695
Total Receipts	<u>\$ 75,943</u>	<u>\$ 76,564</u>	<u>\$ (621)</u>
 EXPENDITURES			
GO bond principal	\$ 60,000	\$ 60,000	\$ -
GO bond interest	16,804	16,804	-
Cash basis reserve	-	31,000	(31,000)
Total Expenditures	<u>\$ 76,804</u>	<u>\$ 107,804</u>	<u>\$ (31,000)</u>
 Receipts Over (Under) Expenditures	\$ (861)		
 Unencumbered Cash - Beginning	<u>30,205</u>		
 Unencumbered Cash - Ending	<u>\$ 29,344</u>		

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

	Actual	Budget	Variance Over (Under)
Receipts			
User water fees	\$ 193,147	\$ 185,000	\$ 8,147
Swimming pool	14,810	12,000	2,810
Miscellaneous	2,152	3,000	(848)
Total Receipts	\$ 210,109	\$ 200,000	\$ 10,109
 EXPENDITURES			
Salaries	\$ 86,234	\$ 100,000	\$ (13,766)
Training	862	500	362
Utilities	9,497	10,000	(503)
Postage	3,448	3,500	(52)
Memberships and fees	4,526	5,000	(474)
Special projects and maintenance	43,193	50,000	(6,807)
Supplies	9,244	6,000	3,244
Swimming pool	31,770	31,000	770
Insurance	20,173	-	20,173
Miscellaneous	1,807	1,500	307
Cash forward	-	75,652	(75,652)
Transfers out	-	10,000	(10,000)
Total Expenditures	\$ 210,754	\$ 293,152	\$ (82,398)
 Receipts Over (Under) Expenditures	 \$ (645)		
 Unencumbered Cash - Beginning	 <u>116,456</u>		
 Unencumbered Cash - Ending	 <u><u>\$ 115,811</u></u>		

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
User fees	\$ 104,448	\$ 103,000	\$ 1,448
Miscellaneous	81	-	81
Total Receipts	<u>\$ 104,529</u>	<u>\$ 103,000</u>	<u>\$ 1,529</u>
EXPENDITURES			
Personnel services	\$ 41,559	\$ 75,000	\$ (33,441)
Contractual services	34,117	10,500	23,617
Commodities	3,973	2,000	1,973
Debt service - Principal	39,945	9,497	30,448
Debt service - Interest	2,973	2,974	(1)
Transfers out	-	5,000	(5,000)
Cash Forward	-	55,034	(55,034)
Total Expenditures	<u>\$ 122,567</u>	<u>\$ 160,005</u>	<u>\$ (37,438)</u>
Receipts Over (Under) Expenditures			\$ (18,038)
Unencumbered Cash - Beginning		<u>34,500</u>	
Unencumbered Cash - Ending		<u>\$ 16,462</u>	

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
User fees	\$ 7,701	\$ 7,800	\$ (99)
Miscellaneous	7	-	7
Total Receipts	<u>\$ 7,708</u>	<u>\$ 7,800</u>	<u>\$ (92)</u>
EXPENDITURES			
Contractual services	\$ 2,405	\$ 10,000	\$ (7,595)
Cash forward	-	57,643	(57,643)
Total Expenditures	<u>\$ 2,405</u>	<u>\$ 67,643</u>	<u>\$ (65,238)</u>
Receipts Over (Under) Expenditures	\$ 5,303		
Unencumbered Cash - Beginning	<u>64,640</u>		
Unencumbered Cash - Ending	<u>\$ 69,943</u>		

CITY OF SOLOMON, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
 For the Year Ended December 31, 2022

Fund	Beginning Cash Balance	Cash Receipts	Disbursements	Ending Cash Balance
Council Trust	\$ 334	\$ 330	\$ 664	\$ -