

**CITY OF CLAY CENTER, KANSAS**

**FINANCIAL STATEMENTS**

**Year ended December 31, 2022**

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CITY OF CLAY CENTER, KANSAS

Financial Statements  
Year ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Clay Center, Kansas

### ***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 Clay Center, 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 of 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 the 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* 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 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.

## ***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 and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for 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 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.

*Other Matter*

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Clay Center, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated May 12, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 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/oar/municipalservices>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in Note 1.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

May 24, 2023

CITY OF CLAY CENTER, KANSAS  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
General Fund:							
General	\$ 703,885	\$ -	\$ 3,799,112	\$ 3,709,363	\$ 793,634	\$ 127,799	\$ 921,433
Special Purpose Funds:							
Airport	35,610	-	79,980	87,583	28,007	912	28,919
Connecting Link Improvement	102,073	-	48,780	1,017	149,836	-	149,836
Industrial	5,973	-	25,277	31,250	-	-	-
Library	-	-	210,911	210,911	-	-	-
Public Recreation	14,610	-	66,076	65,407	15,279	658	15,937
Special Highway	118,689	-	109,961	48,402	180,248	-	180,248
Special Improvement	39,791	-	-	10,000	29,791	-	29,791
Sales Tax	267,709	-	560,626	597,598	230,737	-	230,737
Special Park and Recreation	6,190	-	13,039	2,151	17,078	-	17,078
Airport Improvement	32,240	-	183,869	261,082	[44,973]	2,629	[42,344]
Street, Building, Machinery and Equipment	626,785	-	219,577	198,252	648,110	-	648,110
Cemetery Perpetual Care	145,152	-	945	-	146,097	-	146,097
Pool Sales Tax	753,508	-	560,626	390,775	923,359	-	923,359
ARPA	303,921	-	303,921	93,971	513,871	-	513,871
Bond and Interest Funds:							
Bond and Interest	79,946	-	89,732	98,700	70,978	-	70,978
Capital Project Funds:							
Pool Project	41,408	-	-	3,480	37,928	-	37,928
Zoo Improvement	288,876	-	73,551	152,602	209,825	-	209,825
Business Funds:							
Waste Water	104,486	-	471,084	487,524	88,046	16,163	104,209
Water Utility	1,498,045	-	2,683,738	2,639,932	1,541,851	22,380	1,564,231
Electric Utility	3,251,155	-	8,297,600	8,370,621	3,178,134	608,419	3,786,553
Trust Funds:							
FSA	4,212	-	503	-	4,715	-	4,715
Refuse Disposal Maintenance	384,159	-	277,955	361,591	300,523	3,405	303,928
Animal Shelter	2,446	-	-	-	2,446	-	2,446
Undercover	2,590	-	-	-	2,590	-	2,590
Public Building Commission	17	-	329,118	329,100	35	-	35
Total Reporting Entity [Excluding Agency Funds]	<u>\$ 8,813,476</u>	<u>\$ -</u>	<u>\$ 18,405,981</u>	<u>\$ 18,151,312</u>	<u>\$ 9,068,145</u>	<u>\$ 782,365</u>	<u>\$ 9,850,510</u>

Composition of Cash:

Union State Bank	
Checking	\$ 1,330,800
Money Market	1,361,994
Certificates of Deposit	2,417,217
United Bank & Trust	
Checking	4,417,703
Money Market	452,312
Petty Cash	5,000
Total Cash	<u>9,985,026</u>
Agency Funds per Schedule 3	<u>[134,516]</u>
Total	<u>\$ 9,850,510</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Clay Center (City) is a municipal corporation governed by a mayor and eight-member council. These financial statements present the City (the primary government) and exclude its related municipal entities, of which the City is considered financially accountable. The excluded related municipal entities of the City are as follows:

Clay Center Recreation Commission  
Clay Center Public Library  
Clay Center Public Housing Authority

Separate financial statements may be obtained directly from the above.

The City has included the Public Building Commission as a blended related municipal entity.

Basis of Accounting

*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.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2022:

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

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



CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Bond and Interest Fund - 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 - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business 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.)

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

Agency 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.).

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 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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 20<sup>th</sup>. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General Fund budget was amended during the year ended December 31, 2022.

The statutes permit transferring budgeted amounts between accounts 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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds and the follow special purpose funds: Airport Improvement Fund, Street, Building, Machinery, and Equipment Fund, Cemetery Perpetual Care Fund and the ARPA Fund.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 city council.

NOTE 2 - Deposits

*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.

*Investments.* 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. As of December 31, 2022, the City held no such investments.

*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 no designated "peak periods." All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$9,985,026 and the bank balance was \$10,150,320. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$9,650,320 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*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.

NOTE 3 - 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](http://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 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.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 3 - Defined Benefit Pension Plan (Continued)

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 Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City and Public Utility were \$293,243 for the year ended December 31, 2022.

*Net Pension Liability.* At December 31, 2022, the City's and Public Utility's proportionate share of the collective net pension liability reported by KPERS was \$3,031,390. 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 of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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 KPERS website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

NOTE 4 - Long-Term Debt

During the year ended December 31, 2022, the following changes occurred in long-term liabilities:

<u>Issue</u>	<u>Balance</u> <u>January 1,</u> <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>December 31,</u> <u>2022</u>	<u>Interest</u> <u>Paid</u>
General Obligation Bonds	\$ 6,315,000	\$ -	\$ 565,000	\$ 5,750,000	\$ 89,328
Revenue Bonds	2,885,000	-	255,000	2,630,000	74,100
Promissory Notes	3,606,920	-	137,906	3,469,014	169,968
Revolving Loan	392,590	-	61,155	331,434	10,115
Finance Lease	1,019,752	-	59,234	960,519	33,477
Totals	<u>\$ 14,219,262</u>	<u>\$ -</u>	<u>\$ 1,078,295</u>	<u>\$ 13,140,967</u>	<u>\$ 376,988</u>

*General Obligation Bonds.* The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund regulatory basis receipts. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 4 - Long-Term Debt (Continued)

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
Series 2019	2.00 - 3.00%	9/5/2019	11/1/2029	\$ 875,000	\$ 640,000
Series 2020	1.29%	6/4/2021	8/1/2032	6,060,000	<u>5,110,000</u>
					<u>\$ 5,750,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 570,000	\$ 80,639	\$ 650,639
2024	570,000	71,865	641,865
2025	585,000	63,026	648,026
2026	595,000	53,908	648,908
2027	600,000	44,694	644,694
2028 - 2032	<u>2,830,000</u>	<u>100,457</u>	<u>2,930,457</u>
	<u>\$ 5,750,000</u>	<u>\$ 414,588</u>	<u>\$ 6,164,588</u>

*Revenue Bonds.* The Public Building Commission issued Series 2014 Revenue Bonds in the amount of \$4,720,000 on March 25, 2014, for the construction of a new community swimming pool and associated appurtenances in the City at the site of the existing swimming pool. These bonds were refunded by Series 2021 Refunding Revenue Bonds issued in the amount of \$3,120,000 on June 3, 2021. Due dates on the bonds range from September 2021 through September 2031. As a result of the refunding, the Series 2014 bonds were considered to be defeased and the liability was removed from the City's financial statements.

Revenue Bonds currently outstanding are as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
Series 2021, Refunding	2.00 - 3.00%	6/3/2021	9/1/2031	\$ 3,120,000	<u>\$ 2,630,000</u>

Annual debt service requirements to maturity for the revenue bonds are as follows:

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 4 - Long-Term Debt (Continued)

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 260,000	\$ 66,450	\$ 326,450
2024	270,000	58,650	328,650
2025	280,000	50,550	330,550
2026	285,000	42,150	327,150
2027	290,000	33,600	323,600
2028 - 2031	<u>1,245,000</u>	<u>63,100</u>	<u>1,308,100</u>
	<u>\$ 2,630,000</u>	<u>\$ 314,500</u>	<u>\$ 2,944,500</u>

*State Agency Loans.* The City has entered into a loan agreement with the Kansas Department of Health and Environment for improving the wastewater system in Clay Center. At December 31, 2022, the outstanding principal balance for the loan is as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
KDHE Sewer Improvements	2.68%	5/24/2006	9/1/2027	\$ 896,930	<u>\$ 331,434</u>

The following displays annual debt service requirements to maturity for loan payable to be paid from service regulatory basis receipts:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 62,825	\$ 8,467	\$ 71,292
2024	64,520	6,772	71,292
2025	66,261	5,031	71,292
2026	68,049	3,244	71,292
2027	<u>69,779</u>	<u>1,533</u>	<u>71,311</u>
	<u>\$ 331,434</u>	<u>\$ 25,047</u>	<u>\$ 356,481</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 4 - Long-Term Debt (Continued)

*Finance Lease.* On September 23, 2014, the City entered into a finance lease agreement in the amount of \$600,000 for financing the acquisition of a street maintenance facility. The interest rate on the lease is 3.68% and has a final maturity of August 1, 2034. As of December 31, 2022, the balance on the lease was \$409,052.

On May 19, 2021, the City entered into a finance lease agreement in the amount of \$599,968 to finance the purchase of a fire truck. The interest rate on the lease is 2.99% and has a final maturity date of . As of December 31, 2022, the balance on the lease was \$551,466.

Annual lease payment requirements to maturity for the finance leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 61,232	\$ 31,478	\$ 92,710
2024	63,218	29,493	92,710
2025	65,433	27,277	92,710
2026	67,643	25,067	92,710
2027	69,929	22,781	92,710
2028 - 2032	386,666	76,885	463,551
2033 - 2036	<u>246,397</u>	<u>14,152</u>	<u>260,549</u>
	<u>\$ 960,519</u>	<u>\$ 227,132</u>	<u>\$ 1,187,651</u>

*Promissory Notes.* On January 15, 2015, the Clay Center Public Utility signed a promissory note with Union State Bank in the amount of \$436,342 for the construction of the water line to Morganville. The interest rate on the note is 3.95% with a final maturity of January 15, 2035. As of December 31, 2022, the balance on the note was \$299,573.

On March 4, 2019, the Clay Center Public Utility signed a promissory note with Union State Bank in the amount of \$3,500,000 for the construction of a pump station. The interest rate on the note is 4.69% with a final maturity of January 25, 2040. As of December 31, 2022, the balance on the note was \$3,169,441.

The annual payments required to maturity for the promissory notes payable are as follows:

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 4 - Long-Term Debt (Continued)

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 144,077	\$ 157,623	\$ 301,700
2024	150,394	151,306	301,700
2025	157,875	143,825	301,700
2026	165,274	136,426	301,700
2027	173,021	128,679	301,700
2028 - 2032	994,011	514,487	1,508,498
2033 - 2037	1,149,524	263,217	1,412,741
2038 - 2040	<u>534,839</u>	<u>27,599</u>	<u>562,438</u>
	<u>\$ 3,469,014</u>	<u>\$ 1,523,160</u>	<u>\$ 4,992,174</u>

NOTE 5 - Compensated Absences

It is the City's policy to pay employees' accrued vacation and personal leave pay upon termination of employment. As of December 31, 2022, the City's liability for accrued vacation pay was \$82,360 and accrued personal leave pay was \$8,604.

It is the Public Utility's policy to pay employees' accrued vacation leave pay upon termination of employment. As of December 31, 2022, the Public Utility's liability for accrued vacation pay was \$92,909.

NOTE 6 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2022.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements  
December 31, 2022

NOTE 8 - Interfund Transfers

A reconciliation of transfers by fund type for 2022 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Street, Building, Machinery & Equipment	\$ 197,570	K.S.A 12-1, 117
General	Airport	60,000	K.S.A 12-197
General	Industrial	65	Council resolution
Pool Sales Tax	Public Building Commission	<u>329,100</u>	Bond covenant
		<u>586,735</u>	
Transfer from Public Utility Recorded As:			
	Transfer In - General Fund	422,944	K.S.A. 12-825d
	Charges for Services - Wastew Water Fund	466,409	K.S.A. 12-825d
	Charges for Services - Refuse Disposal Maintenance Fund	<u>277,586</u>	K.S.A. 12-825d
		<u>1,166,939</u>	
Total transfers		<u>\$ 1,753,674</u>	

NOTE 9 - Other Long-Term Obligations from Operations

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

*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 December 31, 2022.

NOTE 10 - Statutory Violation

Actual exceeded budgeted expenditures in the Industrial and Pool Sales Tax funds, which is a violation of K.S.A. 79-2935.



CITY OF CLAY CENTER, KANSAS  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 4,177,681	\$ -	\$ 4,177,681	\$ 3,709,363	\$ [468,318]
Special Purpose Funds:					
Airport	96,267	-	96,267	87,583	[8,684]
Connecting Link Improvement	555,172	-	555,172	1,017	[554,155]
Industrial	25,000	-	25,000	31,250	6,250
Library	216,300	-	216,300	210,911	[5,389]
Public Recreation	83,250	-	83,250	65,407	[17,843]
Special Highway	181,642	-	181,642	48,402	[133,240]
Special Improvement	39,791	-	39,791	10,000	[29,791]
Sales Tax	975,333	-	975,333	597,598	[377,735]
Special Park and Recreation	14,406	-	14,406	2,151	[12,255]
Pool Sales Tax	329,100	-	329,100	390,775	61,675
Bond and Interest	168,700	-	168,700	98,700	[70,000]
Business Funds:					
Waste Water	501,780	-	501,780	487,524	[14,256]
Water Utility	3,889,000	-	3,889,000	2,639,932	[1,249,068]
Electric Utility	12,306,500	-	12,306,500	8,370,621	[3,935,879]
Refuse Disposal Maintenance	553,372	-	553,372	361,591	[191,781]

See independent auditor's report on the financial statements.

SCHEDULE 2 - 1

CITY OF CLAY CENTER, KANSAS  
 General Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and shared revenue				
Property taxes	\$ 1,762,506	\$ 1,777,611	\$ 1,995,365	\$ [217,754]
Alcohol tax	10,119	13,039	7,595	5,444
Franchise tax	124,793	160,736	175,000	[14,264]
Sales tax	1,436,620	1,436,233	1,015,000	421,233
Licenses and permits	55,901	43,493	71,000	[27,507]
Fines and fees	42,600	43,846	477,000	[433,154]
Charges for services	125,218	111,499	93,000	18,499
Reimbursed expenses	14	828	20,000	[19,172]
Miscellaneous	1,558	842	-	842
Transfer in	192,610	192,280	250,000	[57,720]
Lease proceeds	424,968	-	-	-
Use of money and property	15,046	18,705	20,000	[1,295]
<b>Total Receipts</b>	<u>4,191,953</u>	<u>3,799,112</u>	<u>\$ 4,123,960</u>	<u>\$ [324,848]</u>
<b>Expenditures</b>				
General government	538,390	620,432	\$ 724,731	\$ [104,299]
Police department	713,663	749,695	849,800	[100,105]
Fire department	1,106,512	746,030	770,800	[24,770]
Highway department	518,308	557,650	665,400	[107,750]
Parks department	240,522	296,474	319,500	[23,026]
Pool department	137,680	164,064	197,000	[32,936]
Cemetery department	183,703	187,985	217,500	[29,515]
Municipal court	119,443	129,398	167,950	[38,552]
Neighborhood revitalization program	-	-	55,000	[55,000]
Transfers out	206,570	257,635	210,000	47,635
<b>Total Expenditures</b>	<u>3,764,791</u>	<u>3,709,363</u>	<u>\$ 4,177,681</u>	<u>\$ [468,318]</u>
Receipts Over [Under] Expenditures	427,162	89,749		
Unencumbered Cash, Beginning	<u>276,723</u>	<u>703,885</u>		
Unencumbered Cash, Ending	<u>\$ 703,885</u>	<u>\$ 793,634</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Airport Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property	\$ 10,964	\$ 11,076	\$ 15,000	\$ [3,924]
Miscellaneous	60,923	8,904	47,000	[38,096]
Transfer in	<u>15,000</u>	<u>60,000</u>	<u>30,000</u>	<u>30,000</u>
Total Receipts	<u>86,887</u>	<u>79,980</u>	<u>\$ 92,000</u>	<u>\$ [12,020]</u>
Expenditures				
Contractual services	26,744	31,863	\$ 53,267	\$ [21,404]
Commodities	<u>40,985</u>	<u>55,720</u>	<u>43,000</u>	<u>12,720</u>
Total Expenditures	<u>67,729</u>	<u>87,583</u>	<u>\$ 96,267</u>	<u>\$ [8,684]</u>
Receipts Over [Under] Expenditures	19,158	[7,603]		
Unencumbered Cash, Beginning	<u>16,452</u>	<u>35,610</u>		
Unencumbered Cash, Ending	<u>\$ 35,610</u>	<u>\$ 28,007</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 3

CITY OF CLAY CENTER, KANSAS  
 Connecting Link Improvement Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Connecting link distribution	\$ 48,746	\$ 48,780	\$ 500,000	\$ [451,220]
Total Receipts	<u>48,746</u>	<u>48,780</u>	<u>\$ 500,000</u>	<u>\$ [451,220]</u>
Expenditures				
Capital outlay	<u>1,845</u>	<u>1,017</u>	<u>\$ 555,172</u>	<u>\$ [554,155]</u>
Total Expenditures	<u>1,845</u>	<u>1,017</u>	<u>\$ 555,172</u>	<u>\$ [554,155]</u>
Receipts Over [Under] Expenditures	46,901	47,763		
Unencumbered Cash, Beginning	<u>55,172</u>	<u>102,073</u>		
Unencumbered Cash, Ending	<u>\$ 102,073</u>	<u>\$ 149,836</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Industrial Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 22,751	\$ 25,212	\$ 25,341	\$ [129]
Transfer in	<u>-</u>	<u>65</u>	<u>-</u>	<u>65</u>
Total Receipts	<u>22,751</u>	<u>25,277</u>	<u>\$ 25,341</u>	<u>\$ [64]</u>
Expenditures				
Appropriations	18,750	25,000	\$ 25,000	\$ -
Contractual services	<u>-</u>	<u>6,250</u>	<u>-</u>	<u>6,250</u>
Total Expenditures	<u>18,750</u>	<u>31,250</u>	<u>\$ 25,000</u>	<u>\$ 6,250</u>
Receipts Over [Under] Expenditures	4,001	[5,973]		
Unencumbered Cash, Beginning	<u>1,972</u>	<u>5,973</u>		
Unencumbered Cash, Ending	<u>\$ 5,973</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Library Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 195,841	\$ 210,911	\$ 219,205	\$ [8,294]
Total Receipts	<u>195,841</u>	<u>210,911</u>	<u>\$ 219,205</u>	<u>\$ [8,294]</u>
Expenditures				
Appropriations	<u>199,824</u>	<u>210,911</u>	<u>\$ 216,300</u>	<u>\$ [5,389]</u>
Total Expenditures	<u>199,824</u>	<u>210,911</u>	<u>\$ 216,300</u>	<u>\$ [5,389]</u>
Receipts Over [Under] Expenditures	[3,983]	-		
Unencumbered Cash, Beginning	<u>3,983</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
Public Recreation Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 31,294	\$ 32,129	\$ 33,537	\$ [1,408]
Charges for services	32,571	33,947	33,000	947
Miscellaneous	-	-	5,000	[5,000]
Total Receipts	<u>63,865</u>	<u>66,076</u>	<u>\$ 71,537</u>	<u>\$ [5,461]</u>
Expenditures				
Personal services	20,019	17,100	\$ 20,600	\$ [3,500]
Contractual services	1,485	1,474	9,800	[8,326]
Commodities	48,314	46,833	7,200	39,633
Fees	-	-	45,650	[45,650]
Capital outlay	<u>4,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>73,962</u>	<u>65,407</u>	<u>\$ 83,250</u>	<u>\$ [17,843]</u>
Receipts Over [Under] Expenditures	[10,097]	669		
Unencumbered Cash, Beginning	<u>24,707</u>	<u>14,610</u>		
Unencumbered Cash, Ending	<u>\$ 14,610</u>	<u>\$ 15,279</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 7

CITY OF CLAY CENTER, KANSAS  
 Special Highway Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 115,716	\$ 109,961	\$ 102,420	\$ 7,541
Reimbursements	<u>-</u>	<u>-</u>	<u>60</u>	<u>[60]</u>
Total Receipts	<u>115,716</u>	<u>109,961</u>	<u>\$ 102,480</u>	<u>\$ 7,481</u>
Expenditures				
Commodities	<u>148,269</u>	<u>48,402</u>	<u>\$ 181,642</u>	<u>\$ [133,240]</u>
Total Expenditures	<u>148,269</u>	<u>48,402</u>	<u>\$ 181,642</u>	<u>\$ [133,240]</u>
Receipts Over [Under] Expenditures	[32,553]	61,559		
Unencumbered Cash, Beginning	<u>151,242</u>	<u>118,689</u>		
Unencumbered Cash, Ending	<u>\$ 118,689</u>	<u>\$ 180,248</u>		

See independent auditor's report on the financial statements.



CITY OF CLAY CENTER, KANSAS  
 Special Improvement Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Reimbursements	\$ -	\$ -	\$ -	\$ -
 Total Receipts	 -	 -	 \$ -	 \$ -
Expenditures				
Capital outlay	-	10,000	\$ 39,791	\$ [29,791]
 Total Expenditures	 -	 10,000	 \$ 39,791	 \$ [29,791]
 Receipts Over [Under] Expenditures	 -	 [10,000]		
 Unencumbered Cash, Beginning	 39,791	 39,791		
 Unencumbered Cash, Ending	 \$ 39,791	 \$ 29,791		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 9

CITY OF CLAY CENTER, KANSAS  
 Sales Tax Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax	\$ 566,566	\$ 560,626	\$ 634,000	\$ [73,374]
Total Receipts	<u>566,566</u>	<u>560,626</u>	<u>\$ 634,000</u>	<u>\$ [73,374]</u>
Expenditures				
Construction costs	<u>496,790</u>	<u>597,598</u>	<u>\$ 975,333</u>	<u>\$ [377,735]</u>
Total Expenditures	<u>496,790</u>	<u>597,598</u>	<u>\$ 975,333</u>	<u>\$ [377,735]</u>
Receipts Over [Under] Expenditures	69,776	[36,972]		
Unencumbered Cash, Beginning	<u>197,933</u>	<u>267,709</u>		
Unencumbered Cash, Ending	<u>\$ 267,709</u>	<u>\$ 230,737</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Special Parks and Recreation Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 10,119	\$ 13,039	\$ 7,595	\$ 5,444
Total Receipts	<u>10,119</u>	<u>13,039</u>	<u>\$ 7,595</u>	<u>\$ 5,444</u>
Expenditures				
Commodities	10,250	2,151	\$ 14,406	\$ [12,255]
Capital outlay	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>20,250</u>	<u>2,151</u>	<u>\$ 14,406</u>	<u>\$ [12,255]</u>
Receipts Over [Under] Expenditures	[10,131]	10,888		
Unencumbered Cash, Beginning	<u>16,321</u>	<u>6,190</u>		
Unencumbered Cash, Ending	<u>\$ 6,190</u>	<u>\$ 17,078</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Airport Improvement Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
County grant	\$ 183,869	\$ 116,984
Transfers in	<u>          -</u>	<u>20,000</u>
 Total Receipts	 <u>183,869</u>	 <u>136,984</u>
 Expenditures		
Contractual services	<u>261,082</u>	<u>93,421</u>
 Total Expenditures	 <u>261,082</u>	 <u>93,421</u>
 Receipts Over [Under] Expenditures	 [77,213]	 43,563
 Unencumbered Cash, Beginning	 <u>32,240</u>	 <u>[11,323]</u>
 Unencumbered Cash, Ending	 <u>\$ [44,973]</u>	 <u>\$ 32,240</u>

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Street, Building, Machinery and Equipment Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Sale of equipment	\$ 785	\$ 20,097
Donations	2,250	37,000
Miscellaneous	18,972	10,918
Lease proceeds	-	175,000
Transfer in	<u>197,570</u>	<u>160,652</u>
 Total Receipts	 <u>219,577</u>	 <u>403,667</u>
Expenditures		
Capital outlay	137,996	300,786
Commodities	<u>60,256</u>	<u>27,455</u>
 Total Expenditures	 <u>198,252</u>	 <u>328,241</u>
 Receipts Over [Under] Expenditures	 21,325	 75,426
 Unencumbered Cash, Beginning	 <u>626,785</u>	 <u>551,359</u>
 Unencumbered Cash, Ending	 <u>\$ 648,110</u>	 <u>\$ 626,785</u>

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Cemetery Perpetual Care Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Perpetual care payments	\$ 945	\$ 2,620
 Total Receipts	945	2,620
 Expenditures		
Contractual	-	31,123
 Total Expenditures	-	31,123
 Receipts Over [Under] Expenditures	945	[28,503]
 Unencumbered Cash, Beginning	145,152	173,655
 Unencumbered Cash, Ending	\$ 146,097	\$ 145,152

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Pool Sales Tax Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax	\$ 566,566	\$ 560,626	\$ 634,000	\$ [73,374]
Total Receipts	<u>566,566</u>	<u>560,626</u>	<u>\$ 634,000</u>	<u>\$ [73,374]</u>
Expenditures				
Transfer out	326,649	329,100	\$ 329,100	\$ -
Contractual services	<u>-</u>	<u>61,675</u>	<u>-</u>	<u>61,675</u>
Total Expenditures	<u>326,649</u>	<u>390,775</u>	<u>\$ 329,100</u>	<u>\$ 61,675</u>
Receipts Over [Under] Expenditures	239,917	169,851		
Unencumbered Cash, Beginning	<u>513,591</u>	<u>753,508</u>		
Unencumbered Cash, Ending	<u>\$ 753,508</u>	<u>\$ 923,359</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 ARPA Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Intergovernmental	\$ 303,921	\$ 303,921
Total Receipts	<u>303,921</u>	<u>303,921</u>
Expenditures		
Contractual services	47,659	-
Capital outlay	<u>46,312</u>	<u>-</u>
Total Expenditures	<u>93,971</u>	<u>-</u>
Receipts Over [Under] Expenditures	209,950	303,921
Unencumbered Cash, Beginning	<u>303,921</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 513,871</u>	<u>\$ 303,921</u>

\* This fund is not required to be budgeted.



CITY OF CLAY CENTER, KANSAS  
 Bond and Interest Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 91,434	\$ 89,732	\$ 90,593	\$ [861]
Total Receipts	<u>91,434</u>	<u>89,732</u>	<u>\$ 90,593</u>	<u>\$ [861]</u>
Expenditures				
Bond principal	80,000	80,000	\$ 80,000	\$ -
Interest	21,100	18,700	18,700	-
Reserve	-	-	70,000	[70,000]
Total Expenditures	<u>101,100</u>	<u>98,700</u>	<u>\$ 168,700</u>	<u>\$ [70,000]</u>
Receipts Over [Under] Expenditures	[9,666]	[8,968]		
Unencumbered Cash, Beginning	<u>89,612</u>	<u>79,946</u>		
Unencumbered Cash, Ending	<u>\$ 79,946</u>	<u>\$ 70,978</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Pool Project Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Contributions	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Contractual services	3,480	-
Total Expenditures	3,480	-
Receipts Over [Under] Expenditures	[3,480]	-
Unencumbered Cash, Beginning	41,408	41,408
Unencumbered Cash, Ending	\$ 37,928	\$ 41,408

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Zoo Improvement Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Donations	\$ 73,551	\$ 103,850
Total Receipts	<u>73,551</u>	<u>103,850</u>
Expenditures		
Contractual services	40,025	-
Transfers out	<u>112,577</u>	<u>71,780</u>
Total Expenditures	<u>152,602</u>	<u>71,780</u>
Receipts Over [Under] Expenditures	[79,051]	32,070
Unencumbered Cash, Beginning	<u>288,876</u>	<u>256,806</u>
Unencumbered Cash, Ending	<u>\$ 209,825</u>	<u>\$ 288,876</u>

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Waste Water Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year	Current Year		Variance- Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
<b>Receipts</b>				
Charges for services	\$ 446,129	\$ 470,109	\$ 443,000	\$ 27,109
Reimbursements	<u>12</u>	<u>975</u>	<u>-</u>	<u>975</u>
<b>Total Receipts</b>	<u>446,141</u>	<u>471,084</u>	<u>\$ 443,000</u>	<u>\$ 28,084</u>
<b>Expenditures</b>				
Personal services	253,578	272,672	\$ 275,000	\$ [2,328]
Commodities	52,460	73,338	54,000	19,338
Contractual services	52,825	70,244	94,500	[24,256]
Capital outlay	-	-	6,987	[6,987]
Debt service	<u>98,996</u>	<u>71,270</u>	<u>71,293</u>	<u>[23]</u>
<b>Total Expenditures</b>	<u>457,859</u>	<u>487,524</u>	<u>\$ 501,780</u>	<u>\$ [14,256]</u>
Receipts Over [Under] Expenditures	[11,718]	[16,440]		
Unencumbered Cash, Beginning	<u>116,204</u>	<u>104,486</u>		
Unencumbered Cash, Ending	<u>\$ 104,486</u>	<u>\$ 88,046</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
Water Utility Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2022  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,467,775	\$ 2,531,911	\$ 3,665,500	\$ [1,133,589]
Use of money and property	8,903	7,484	20,000	[12,516]
Miscellaneous	37,308	31,863	75,000	[43,137]
Flexible spending account	-	-	40,000	[40,000]
Transfers in	<u>244,188</u>	<u>112,480</u>	<u>130,000</u>	<u>[17,520]</u>
Total Receipts	<u>2,758,174</u>	<u>2,683,738</u>	<u>\$ 3,930,500</u>	<u>\$ [1,246,762]</u>
Expenditures				
Personal services	473,981	480,990	\$ 1,020,000	\$ [539,010]
Contractual	51,599	92,778	525,000	[432,222]
Capital outlay	88,887	135,721	829,000	[693,279]
Commodities	497,271	563,822	830,000	[266,178]
Debt service	585,695	567,224	610,000	[42,776]
Transfer out	<u>775,467</u>	<u>799,397</u>	<u>75,000</u>	<u>724,397</u>
Total Expenditures	<u>2,472,900</u>	<u>2,639,932</u>	<u>\$ 3,889,000</u>	<u>\$ [1,249,068]</u>
Receipts Over [Under] Expenditures	<u>285,274</u>	<u>43,806</u>		
Unencumbered Cash, Beginning	1,115,738	1,498,045		
Prior Period Adjustment	<u>97,033</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>1,212,771</u>	<u>1,498,045</u>		
Unencumbered Cash, Ending	<u>\$ 1,498,045</u>	<u>\$ 1,541,851</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 Electric Utility Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 7,146,250	\$ 7,740,929	\$ 10,150,500	\$ [2,409,571]
Taxes	205,860	234,866	400,000	[165,134]
Use of money and property	18,244	13,537	50,000	[36,463]
Loan proceeds	-	-	-	-
Miscellaneous	5,643,736	77,996	150,000	[72,004]
Flexible spending account	-	-	100,000	[100,000]
Transfer in	369,300	230,272	25,000	205,272
<b>Total Receipts</b>	<u>13,383,390</u>	<u>8,297,600</u>	<u>\$ 10,875,500</u>	<u>\$ [2,577,900]</u>
Expenditures				
Personal services	1,761,766	1,842,094	\$ 7,550,000	\$ [5,707,906]
Contractual	64,690	65,645	893,000	[827,355]
Capital outlay	6,422,560	5,027	1,500,000	[1,494,973]
Commodities	4,613,295	5,586,022	1,433,000	4,153,022
Debt service	270,101	270,102	270,500	[398]
Sales tax	203,318	234,189	375,000	[140,811]
Transfer out	680,939	367,542	285,000	82,542
<b>Total Expenditures</b>	<u>14,016,669</u>	<u>8,370,621</u>	<u>\$ 12,306,500</u>	<u>\$ [3,935,879]</u>
Receipts Over [Under] Expenditures	<u>[633,279]</u>	<u>[73,021]</u>		
Unencumbered Cash, Beginning	3,840,925	3,251,155		
Prior Period Adjustment	43,509	-		
Unencumbered Cash, Beginning, Restated	<u>3,884,434</u>	<u>3,251,155</u>		
Unencumbered Cash, Ending	<u>\$ 3,251,155</u>	<u>\$ 3,178,134</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS  
 FSA Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Use of money and property	\$ 14	\$ 50
Miscellaneous	<u>489</u>	<u>-</u>
Total Receipts	<u>503</u>	<u>50</u>
Expenditures		
Transfer out	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	503	50
Unencumbered Cash, Beginning	<u>4,212</u>	<u>4,162</u>
Unencumbered Cash, Ending	<u>\$ 4,715</u>	<u>\$ 4,212</u>

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Refuse Disposal Maintenance Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2022  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 276,158	\$ 277,586	\$ 277,000	\$ 586
Miscellaneous	2,489	369	1,000	[631]
	<u>278,647</u>	<u>277,955</u>	<u>\$ 278,000</u>	<u>\$ [45]</u>
Total Receipts				
Expenditures				
Commodities	26,066	24,750	\$ 49,250	\$ [24,500]
Personal services	164,977	192,134	195,000	[2,866]
Contractual services	69,397	63,707	80,200	[16,493]
Capital outlay	1,500	81,000	228,922	[147,922]
	<u>261,940</u>	<u>361,591</u>	<u>\$ 553,372</u>	<u>\$ [191,781]</u>
Total Expenditures				
Receipts Over [Under] Expenditures	16,707	[83,636]		
Unencumbered Cash, Beginning	<u>367,452</u>	<u>384,159</u>		
Unencumbered Cash, Ending	<u>\$ 384,159</u>	<u>\$ 300,523</u>		

See independent auditor's report on the financial statements.



CITY OF CLAY CENTER, KANSAS  
 Animal Shelter Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Donations	\$ -	\$ -
 Total Receipts	-	-
Expenditures		
Animal feed and care	-	-
 Total Expenditures	-	-
 Receipts Over [Under] Expenditures	-	-
 Unencumbered Cash, Beginning	2,446	2,446
 Unencumbered Cash, Ending	\$ 2,446	\$ 2,446

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
 Undercover Fund\*  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Miscellaneous	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Operational equipment	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	2,590	2,590
Unencumbered Cash, Ending	<u>\$ 2,590</u>	<u>\$ 2,590</u>

\* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS  
Public Building Commission Fund\*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Transfer in	\$ 329,100	\$ 326,649
Reimbursements	-	5
Bond proceeds	-	3,319,300
Use of money and property	<u>18</u>	<u>788</u>
Total Receipts	<u>329,118</u>	<u>3,646,742</u>
Expenditures		
Contractual services	-	70,534
Bond principal	255,000	3,875,000
Interest	<u>74,100</u>	<u>174,402</u>
Total Expenditures	<u>329,100</u>	<u>4,119,936</u>
Receipts Over [Under] Expenditures	18	[473,194]
Unencumbered Cash, Beginning	<u>17</u>	<u>473,211</u>
Unencumbered Cash, Ending	<u>\$ 35</u>	<u>\$ 17</u>

\* This fund is not required to be budgeted.

SCHEDULE 3

CITY OF CLAY CENTER, KANSAS  
 Agency Funds  
 Summary of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended December 31, 2022

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Employee Health Insurance	\$ 134,565	\$ 729	\$ 875	\$ 134,419
Crime Stoppers	<u>92</u>	<u>5</u>	<u>-</u>	<u>97</u>
 Total Agency Funds	 <u>\$ 134,657</u>	 <u>\$ 734</u>	 <u>\$ 875</u>	 <u>\$ 134,516</u>

See independent auditor's report on the financial statements.