

CITY OF NESS CITY, KANSAS

FINANCIAL STATEMENT

WITH

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

December 31, 2022

CITY OF NESS CITY
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December 31, 2022

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July 12, 2023

Mayor and Council Members
City of Ness City, 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 City of Ness City, 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.

July 12, 2023
City of Ness City, Kansas
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not 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 NESS CITY, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2022

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Cash Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	\$ 540,152	\$ -	\$ 1,413,515	\$ 1,199,810	\$ 753,857	\$ -	\$ 753,857
Special Purpose Funds							
Special Highway Fund	5,432	-	35,676	33,399	7,709	-	7,709
Special Parks and Recreation Fund	32,921	-	5,905	-	38,826	-	38,826
Industrial Development Fund	18,535	-	4	-	18,539	-	18,539
Library Fund	4,486	-	83,978	83,978	4,486	-	4,486
Library Employee Benefit Fund	567	-	44,299	44,299	567	-	567
Guest Tax Fund	52,271	-	976	21,347	31,900	-	31,900
Capital Improvement Fund	1,421,870	-	403,179	639,067	1,185,982	-	1,185,982
Equipment Reserve Fund	354,722	-	149,000	-	503,722	-	503,722
ARPA Fund	99,425	-	99,425	198,850	-	-	-
Capital Project Fund							
Airport Improvements Fund	17,283	-	293,130	273,256	37,157	-	37,157
Business Funds							
Water Utility Fund	316,892	-	456,992	460,261	313,623	-	313,623
Sewer Utility Fund	107,354	-	147,974	167,068	88,260	-	88,260
Solid Waste Disposal Fund	187,656	-	135,373	112,391	210,638	-	210,638
Subtotal Primary Government	<u>\$ 3,159,566</u>	<u>\$ -</u>	<u>\$ 3,269,426</u>	<u>\$ 3,233,726</u>	<u>\$ 3,195,266</u>	<u>\$ -</u>	<u>\$ 3,195,266</u>
Related Municipal Entity							
Ness City Public Library	<u>\$ 191,591</u>	<u>\$ -</u>	<u>\$ 155,946</u>	<u>\$ 136,326</u>	<u>\$ 211,211</u>	<u>\$ -</u>	<u>\$ 211,211</u>
Total Financial Reporting Entity	<u><u>\$ 3,351,157</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,425,372</u></u>	<u><u>\$ 3,370,052</u></u>	<u><u>\$ 3,406,477</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,406,477</u></u>

Composition of Cash:	Checking Accounts	\$ 2,174,089
	Certificates of Deposit	606,177
	Kansas Municipal Investment Pool	415,000
	Subtotal Primary Government	<u>\$ 3,195,266</u>
	Related Municipal Entity	<u>211,211</u>
	Total Primary Government	<u><u>\$ 3,406,477</u></u>

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

Note 1: Summary of Significant Accounting Policies

The City of Ness City, Kansas (the City) is a municipal corporation governed by an elected five-member council. The accounting policies of the City conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies.

Municipal Financial Reporting Entity

The municipal financial reporting entity is comprised of the primary government and the one related municipal entity, the Ness City Public Library. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entities Ness City Airport Authority and Ness City Cemetery District.

Regulatory Basis Fund Types

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

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

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

Capital Projects Fund - Capital projects fund is used to account for capital projects.

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

Basis of Accounting

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

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.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 City did not 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and airport improvement fund.

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

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.

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

Note 2: Deposits and Investments (Continued)

At December 31, 2022, the City has the following investment:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$415,000	\$415,000	\$ -	\$ -	\$ -	N/A

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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. The City's investments were composed entirely of KMIP deposits, treasury bills and certificates of deposit as of the fiscal year ended December 31, 2022.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when coverage is 50%. The City does not utilize "peak periods". All deposits were legally secured at December 31, 2022.

As of December 31, 2022, the City's carrying amount of the deposits was \$2,780,266 and the bank balance was \$2,928,462. The bank balance was held by one bank, in checking, money market and certificates of deposit. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance 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 Municipality will not be able to recover the value of its investments to be adequately secured.

Note 3: Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1st of each year. The county treasurer is the tax collection agent for all taxing entities within the county. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20th of the ensuing year. State statutes prohibit the county treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 4: Defined Benefit Pension Plan

Plan Description

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

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

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

Note 4: 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 the Death and Disability Program) was 8.90% for fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$37,888 for the year ended December 31, 2022.

Net Pension Liability. At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$372,997. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 5: Interfund Transfers

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

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	K.S.A. 12-1, 117	\$ 361,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1, 117	149,000
Sewer Utility Fund	Sewer Replacement Fund	K.S.A. 12-825d	2,500
Water Utility Fund	Water Reserve Fund	K.S.A. 12-825d	18,000
ARPA	General Fund	Per Council	125,402
Total Transfers			\$ 655,902

Note 6: Long-Term Debt

The City has the following types of long-term debt:

KDHE Revolving Loan

The City entered into a \$1,150,000 revolving loan agreement on November 18, 2004 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance Public Water Supply System Project #2416. The City will use proceeds generated by the operation of the facility for loan repayment, which began February 1, 2007.

Lease Obligations

The City has entered into lease agreements for equipment. The leases contain a fiscal funding clause.

General Obligation Bonds

The City has one outstanding general obligation bond.

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

Note 7: Debt Restrictions and Covenants

KDHE Public Water Supply Loan

The City entered into a loan agreement with the Kansas Department of Health and Environment to fund the improvements to the public water supply system in the amount of \$1,150,000. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with the requirement as of December 31, 2022 as it is providing dedicated funds through water rates and fees charged.

Note 8: 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no decreases in insurance coverage from the prior year.

Note 9: Compliance with Finance-Related Legal and Contractual Provisions

There were no budget or cash violations during 2022.

Note 10: 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. There is no cost to the City under this program.

Note 11: Related Party Transactions

During 2022, the City entered into arms length transactions with council member Travis Snyder. The City paid \$2,180 for services provided by Yesterday's Body Shop, owned by Travis Snyder.

Note 12: Capital Projects

At year end, capital project authorizations compared with cash disbursements and accounts payable from inception are as follows:

	Project Authorizations	Expenditures To Date
Airport Runway Connector	\$ 2,970,096	\$ 1,951,492

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

Note 13: 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>
General Obligation Bonds										
2015 Series	2.50 - 4.50%	7/1/2015	\$ 85,000	10/01/35	\$ 67,000	\$ -	\$ 4,000	\$ (4,000)	\$ 63,000	\$ 2,505
KDHE Loan										
Public Water Supply System Project	3.66%	11/18/04	1,150,000	8/1/26	344,802	-	64,051	(64,051)	280,751	12,038
TOTAL LONG-TERM DEBT					<u>\$ 411,802</u>	<u>\$ -</u>	<u>\$ 68,051</u>	<u>\$ (68,051)</u>	<u>\$ 343,751</u>	<u>\$ 14,543</u>

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

Note 14: Maturity of Long-Term Debt

PRINCIPAL

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2032</u>	<u>2033-2035</u>	<u>Total</u>
General Obligation Bond	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 25,000	\$ 18,000	\$ 63,000
KDHE Loan	66,417	68,870	71,414	74,050	-	-	-	280,751
Total Principal	<u>\$ 70,417</u>	<u>\$ 72,870</u>	<u>\$ 75,414</u>	<u>\$ 78,050</u>	<u>\$ 4,000</u>	<u>\$ 25,000</u>	<u>\$ 18,000</u>	<u>\$ 343,751</u>

INTEREST

General Obligation Bond	\$ 2,405	\$ 2,305	\$ 2,205	\$ 2,065	\$ 1,925	\$ 7,125	\$ 1,620	\$ 19,650
KDHE Loan	9,673	7,220	4,677	2,039	-	-	-	23,609
Total Interest	<u>\$ 12,078</u>	<u>\$ 9,525</u>	<u>\$ 6,882</u>	<u>\$ 4,104</u>	<u>\$ 1,925</u>	<u>\$ 7,125</u>	<u>\$ 1,620</u>	<u>\$ 43,259</u>

TOTAL PRINCIPAL AND INTEREST

	<u>\$ 82,495</u>	<u>\$ 82,395</u>	<u>\$ 82,296</u>	<u>\$ 82,154</u>	<u>\$ 5,925</u>	<u>\$ 32,125</u>	<u>\$ 19,620</u>	<u>\$ 387,010</u>
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REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

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

<u>Fund</u>	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Funds			
General Fund	\$ 1,346,773	\$ 1,199,810	\$ (146,963)
Special Purpose Funds			
Special Highway Fund	34,000	33,399	(601)
Special Parks and Recreation Fund	30,000	-	(30,000)
Industrial Development Fund	18,520	-	(18,520)
Library Fund	89,600	83,978	(5,622)
Library Employee Benefit Fund	47,445	44,299	(3,146)
Guest Tax Fund	25,000	21,347	(3,653)
Business Funds			
Water Utility Fund	579,090	460,261	(118,829)
Sewer Utility Fund	211,909	167,068	(44,841)
Solid Waste Disposal Fund	167,000	112,391	(54,609)
TOTAL	<u>\$ 2,549,337</u>	<u>\$ 2,122,553</u>	<u>\$ (426,784)</u>

CITY OF NESS CITY, 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			
Ad Valorem	\$ 431,879	\$ 459,938	\$ (28,059)
Delinquent	11,288	-	11,288
Motor Vehicle	76,653	96,092	(19,439)
Intangible	14,827	14,387	440
Total Taxes	<u>\$ 534,647</u>	<u>\$ 570,417</u>	<u>\$ (35,770)</u>
Intergovernmental			
Local City Sales Tax	\$ 575,381	\$ 420,000	\$ 155,381
Local Alcoholic Liquor Tax	5,905	2,000	3,905
Connecting Links	8,540	5,000	3,540
Total Intergovernmental	<u>\$ 589,826</u>	<u>\$ 427,000</u>	<u>\$ 162,826</u>
Licenses			
Franchise Fees	\$ 119,788	\$ 90,000	\$ 29,788
Licenses and Permits	4,495	5,000	(505)
Total Licenses and Permits	<u>\$ 124,283</u>	<u>\$ 95,000</u>	<u>\$ 29,283</u>
Fines and Forfeitures			
Fines	\$ 1,236	\$ 5,000	\$ (3,764)
Use of Money and Property			
Interest	\$ 4,291	\$ 3,000	\$ 1,291
Miscellaneous			
Swimming Pool	\$ -	\$ 2,500	\$ (2,500)
Recycling Revenue	6,358	2,500	3,858
Community Building Donations	5,700	1,500	4,200
Other	21,772	5,000	16,772
Transfers In	125,402	-	125,402
Total Miscellaneous	<u>\$ 159,232</u>	<u>\$ 11,500</u>	<u>\$ 147,732</u>
Total Receipts	<u>\$ 1,413,515</u>	<u>\$ 1,111,917</u>	<u>\$ 301,598</u>

(continued)

CITY OF NESS CITY, 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>
Expenditures			
General and Administrative			
Personnel Services	\$ 92,289	\$ 110,000	\$ (17,711)
Contractual Services	30,399	35,000	(4,601)
Commodities	40,789	35,000	5,789
Capital Outlay	10	20,000	(19,990)
Total General and Administrative	<u>\$ 163,487</u>	<u>\$ 200,000</u>	<u>\$ (36,513)</u>
Police Department			
Contractual - Code Enforcement	\$ -	\$ 5,000	\$ (5,000)
Street Department			
Personnel Services	\$ 74,293	\$ 75,000	\$ (707)
Contractual Services	116,041	55,000	61,041
Commodities	64,125	150,000	(85,875)
Capital Outlay	35,187	73,000	(37,813)
Total Street Department	<u>\$ 289,646</u>	<u>\$ 353,000</u>	<u>\$ (63,354)</u>
Employee Benefits			
Health Insurance	\$ 32,993	\$ 45,000	\$ (12,007)
Social Security	14,486	20,000	(5,514)
KPERS	17,630	20,000	(2,370)
Unemployment	367	1,500	(1,133)
Total Employee Benefits	<u>\$ 65,476</u>	<u>\$ 86,500</u>	<u>\$ (21,024)</u>
Street Lighting			
Contractual Services	\$ 25,996	\$ 30,000	\$ (4,004)
Swimming Pool			
Personnel Services	\$ -	\$ 20,000	\$ (20,000)
Contractual Services	5,246	5,000	246
Commodities	1,258	20,000	(18,742)
Total Swimming Pool	<u>\$ 6,504</u>	<u>\$ 45,000</u>	<u>\$ (38,496)</u>
Park Improvement			
Personnel Services	\$ -	\$ 2,500	\$ (2,500)
Contractual Services	4,425	2,500	1,925
Commodities	2,108	5,000	(2,892)
Capital Outlay	23,788	2,000	21,788
Total Park Improvement	<u>\$ 30,321</u>	<u>\$ 12,000</u>	<u>\$ 18,321</u>
Recycling			
Personnel Services	\$ 24,616	\$ 15,000	\$ 9,616
Contractual Services	-	10,000	(10,000)
Commodities	6,073	10,000	(3,927)
Capital Outlay	-	15,000	(15,000)
Total Recycling	<u>\$ 30,689</u>	<u>\$ 50,000</u>	<u>\$ (19,311)</u>

(continued)

CITY OF NESS CITY, 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>
Expenditures (Continued)			
Community Building			
Contractual Services	\$ 9,188	\$ 6,000	\$ 3,188
Commodities	6,000	14,000	(8,000)
Capital Outlay	56,900	30,000	26,900
Total Community Building	<u>\$ 72,088</u>	<u>\$ 50,000</u>	<u>\$ 22,088</u>
Appropriations			
Airport	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>
Debt Payments	<u>\$ 2,603</u>	<u>\$ 2,273</u>	<u>\$ 330</u>
Transfers Out	<u>\$ 510,000</u>	<u>\$ 510,000</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 1,199,810</u>	<u>\$ 1,346,773</u>	<u>\$ (146,963)</u>
Receipts Over (Under) Expenditures	\$ 213,705		
Unencumbered Cash - Beginning	<u>540,152</u>		
Unencumbered Cash - Ending	<u><u>\$ 753,857</u></u>		

CITY OF NESS CITY, KANSAS
SPECIAL HIGHWAY 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			
Intergovernmental			
State Gasoline Tax	\$ 35,676	\$ 33,510	\$ 2,166
Expenditures			
Personnel Services	\$ -	\$ 5,000	\$ (5,000)
Contractual Services	10,399	15,000	(4,601)
Commodities	23,000	14,000	9,000
Total Expenditures	<u>\$ 33,399</u>	<u>\$ 34,000</u>	<u>\$ (601)</u>
Receipts Over (Under) Expenditures	\$ 2,277		
Unencumbered Cash - Beginning	<u>5,432</u>		
Unencumbered Cash - Ending	<u>\$ 7,709</u>		

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

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ 5,905	\$ 4,500	\$ 1,405
 EXPENDITURES			
Culture and Recreation	\$ -	\$ 30,000	\$ (30,000)
 Receipts Over (Under) Expenditures	\$ 5,905		
 Unencumbered Cash - Beginning	32,921		
 Unencumbered Cash - Ending	\$ 38,826		

CITY OF NESS CITY, KANSAS
INDUSTRIAL DEVELOPMENT 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			
Delinquent	\$ 4	\$ -	\$ 4
Expenditures			
Industrial Development	\$ -	\$ 18,520	\$ (18,520)
Receipts Over (Under) Expenditures	\$ 4		
Unencumbered Cash - Beginning	<u>18,535</u>		
Unencumbered Cash - Ending	<u>\$ 18,539</u>		

CITY OF NESS CITY, 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			
Ad Valorem	\$ 70,714	\$ 75,305	\$ (4,591)
Delinquent	1,803	-	1,803
Motor Vehicle	11,461	14,295	(2,834)
Total Receipts	\$ 83,978	\$ 89,600	\$ (5,622)
 Expenditures			
Appropriations	\$ 83,978	\$ 89,600	\$ (5,622)
 Receipts Over (Under) Expenditures	\$ -		
 Unencumbered Cash - Beginning	4,486		
 Unencumbered Cash - Ending	\$ 4,486		

CITY OF NESS CITY, KANSAS
LIBRARY EMPLOYEE BENEFIT 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			
Ad Valorem	\$ 36,600	\$ 38,976	\$ (2,376)
Delinquent	975	-	975
Motor Vehicle	6,724	8,410	(1,686)
Total Receipts	\$ 44,299	\$ 47,386	\$ (3,087)
 Expenditures			
Appropriations	\$ 44,299	\$ 47,445	\$ (3,146)
 Receipts Over (Under) Expenditures	\$ -		
 Unencumbered Cash - Beginning	567		
 Unencumbered Cash - Ending	\$ 567		

CITY OF NESS CITY, KANSAS
GUEST TAX 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			
Guest Tax	\$ 976	\$ 10,000	\$ (9,024)
Expenditures			
Convention and Tourism	\$ 21,347	\$ 25,000	\$ (3,653)
Receipts Over (Under) Expenditures	\$ (20,371)		
Unencumbered Cash - Beginning	<u>52,271</u>		
Unencumbered Cash - Ending	<u>\$ 31,900</u>		

CITY OF NESS CITY, KANSAS
WATER 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			
Water Sales	\$ 427,624	\$ 380,000	\$ 47,624
Interest	5,316	7,500	(2,184)
Late Charges	6,052	5,000	1,052
Transfer In	18,000	18,000	-
Total Cash Receipts	<u>\$ 456,992</u>	<u>\$ 410,500</u>	<u>\$ 46,492</u>
EXPENDITURES			
Personnel Services	\$ 167,084	\$ 250,000	\$ (82,916)
Contractual	41,931	55,000	(13,069)
Commodities	154,756	125,000	29,756
Capital Outlay	2,400	55,000	(52,600)
Debt Service	76,090	76,090	-
Transfers Out	18,000	18,000	-
Total Expenditures	<u>\$ 460,261</u>	<u>\$ 579,090</u>	<u>\$ (118,829)</u>
Receipts Over (Under) Expenditures	\$ (3,269)		
Unencumbered Cash - Beginning	<u>316,892</u>		
Unencumbered Cash - Ending	<u>\$ 313,623</u>		

CITY OF NESS CITY, KANSAS
SEWER 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			
Sewer Service Charges	\$ 108,010	\$ 105,000	\$ 3,010
Interest	1,200	1,500	(300)
Commercial Utility	36,264	40,000	(3,736)
Transfer In	2,500	2,500	-
Total Receipts	\$ 147,974	\$ 149,000	\$ (1,026)
 EXPENDITURES			
Personal Services	\$ 58,273	\$ 65,000	\$ (6,727)
Contractual Services	21,998	25,000	(3,002)
Commodities	46,591	60,000	(13,409)
Capital Outlay	1,423	25,000	(23,577)
Employee Benefits	32,379	31,000	1,379
Debt Service	3,904	3,409	495
Transfers Out	2,500	2,500	-
Total Expenditures	\$ 167,068	\$ 211,909	\$ (44,841)
 Receipts Over (Under) Expenditures			\$ (19,094)
 Unencumbered Cash - Beginning			107,354
 Unencumbered Cash - Ending			\$ 88,260

CITY OF NESS CITY, KANSAS
SOLID WASTE DISPOSAL 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	\$ 135,373	\$ 125,000	\$ 10,373
Expenditures			
Contractual Services	\$ 112,391	\$ 140,000	\$ (27,609)
Commodities	-	2,000	(2,000)
Capital Outlay	-	25,000	(25,000)
Total Expenditures	<u>\$ 112,391</u>	<u>\$ 167,000</u>	<u>\$ (54,609)</u>
Receipts Over (Under) Expenditures	\$ 22,982		
Unencumbered Cash - Beginning	<u>187,656</u>		
Unencumbered Cash - Ending	<u>\$ 210,638</u>		

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

Receipts	
Miscellaneous	\$ 42,179
Transfers out	361,000
Total Receipts	<u>\$ 403,179</u>
 Expenditures	
Capital Outlay	<u>\$ 639,067</u>
 Receipts Over (Under) Expenditures	 \$ (235,888)
 Unencumbered Cash - Beginning	 <u>1,421,870</u>
 Unencumbered Cash - Ending	 <u><u>\$ 1,185,982</u></u>

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

Receipts	
Federal Aid	<u>\$ 293,130</u>
Expenditures	
Fees - Professional Services	\$ 54,734
Contractual	<u>218,522</u>
Total Expenditures	<u><u>\$ 273,256</u></u>
Receipts Over (Under) Expenditures	\$ 19,874
Unencumbered Cash - Beginning	<u>17,283</u>
Unencumbered Cash - Ending	<u><u>\$ 37,157</u></u>

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

Receipts	
Transfers In	<u>\$ 149,000</u>
Expenditures	
Capital Outlay	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 149,000
Unencumbered Cash - Beginning	<u>354,722</u>
Unencumbered Cash - Ending	<u><u>\$ 503,722</u></u>

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

Receipts		
Federal aid		\$ 99,425
		<hr/>
Expenditures		
Commodities		\$ 73,448
Transfer out		125,402
Total Expenditures		<hr/> \$ 198,850 <hr/>
Receipts Over (Under) Expenditures		\$ (99,425)
Unencumbered Cash - Beginning		<hr/> 99,425
Unencumbered Cash - Ending		<hr/> \$ - <hr/> <hr/>

CITY OF NESS CITY, KANSAS
RELATED MUNICIPAL ENTITY
NESS CITY PUBLIC LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
 For the Year Ended December 31, 2022

Receipts	
Intergovernmental	\$ 17,375
Interest	282
Miscellaneous	10,010
Appropriations	128,279
Total Receipts	<u>\$ 155,946</u>
Expenditures	
Personnel Services	\$ 106,203
Contractual Services	1,865
Commodities	28,258
Total Expenditures	<u>\$ 136,326</u>
Receipts Over (Under) Expenditures	\$ 19,620
Unencumbered Cash - Beginning	<u>191,591</u>
Unencumbered Cash - Ending	<u><u>\$ 211,211</u></u>