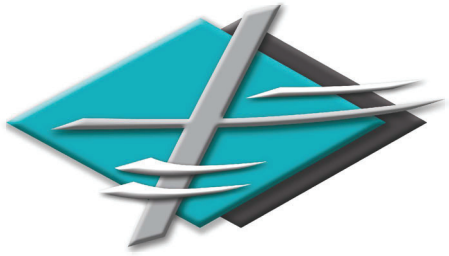
CITY OF FLORENCE, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2023



LOYD GROUP, LLC

Certified Public Accountants

CITY OF FLORENCE, KANSAS

CITY OF THE SECOND CLASS

For the Year Ended December 31, 2023

Robert B. Gayle Jr., Mayor

CITY COUNCIL

Matthew Willams

Paul Reid

Jeanie Meirowsky

Mary Shipman

CITY OFFICERS

Dana Gayle
Clerk

Brad Jantz
Attorney

Mary Jane Grimmett
Treasurer

Terry Britton
Fire Chief

Terry Britton
City Superintendent

CITY OF FLORENCE, KANSAS

For the Year Ended December 31, 2023

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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Florence, Kansas 66851

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 Florence, Kansas (City), a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the 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, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statement

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

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

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 (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated

in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Florence, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued their report thereon dated April 19, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and their 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 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
April 2, 2024

CITY OF FLORENCE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2023

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	$ 163,350	$ 309,840	$ 308,135	$ 165,055	$ 1,676	$ 166,731
SPECIAL PURPOSE FUNDS:						
Library Fund	224	10,633	10,857	-	-	-
Special Parks and Recreation Fund	629	436	-	1,065	-	1,065
Rural Fire Fund	21,336	3,660	2,469	22,527	-	22,527
Special Highway Fund	36,297	27,897	18,583	45,611	-	45,611
Fire Special Fund	19,619	10,577	1,583	28,613	-	28,613
Community Building Fund	775	425	-	1,200	-	1,200
Grand Prix Fund	23,674	22,851	7,246	39,279	-	39,279
ARPA Fund	36,143	-	803	35,340	-	35,340
Total Special Purpose Funds	138,697	76,479	41,541	173,635	-	173,635
CAPITAL PROJECTS FUNDS:						
Equipment Reserve Fund	14,158	6	-	14,164	-	14,164
Capital Improvement Fund	5,704	-	-	5,704	-	5,704
Total Capital Projects Funds	19,862	6	-	19,868	-	19,868
BUSINESS FUNDS:						
Sewer Utility Fund	16,805	64,835	37,803	43,837	30	43,867
Solid Waste Utility Fund	54,145	144,363	154,504	44,004	141	44,145
Water Utility Fund	148,941	162,001	112,274	198,668	2,523	201,191
Sewer Reserve Fund	84,422	-	5,500	78,922	-	78,922
Solid Waste Reserve Fund	20,702	-	5,500	15,202	-	15,202
Water Reserve Fund	42,894	1,041	5,500	38,435	-	38,435
Total Business Funds	367,909	372,240	321,081	419,068	2,694	421,762
TRUST FUND:						
Special Law Enforcement Trust Fund	1,026	-	-	1,026	-	1,026
Total Reporting Entity (Excluding Agency Funds)	$ 690,844	$ 758,565	$ 670,757	$ 778,652	$ 4,370	$ 783,022

COMPOSITION OF CASH:	
Petty Cash - City Clerk	$ 200
Checking Accounts - Cottonwood Valley Bank	528,488
Savings Accounts - Cottonwood Valley Bank	11,327
Certificate of Deposit - Cottonwood Valley Bank	243,007
Total Cash	783,022
Less Agency Funds per Schedule 3	-
Total Reporting Entity (Excluding Agency Funds)	$ 783,022

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

CITY OF FLORENCE, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of Florence is a municipal corporation governed by an elected five-member council. The regulatory financial statement presents the City of Florence (the municipality). In addition to the primary government, the City has two related municipal entities, their financial activities are not, however, included in the accompanying financial statement.

Housing Authority. The City of Florence Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issurances must be approved by the City. Financial statements can be obtained by contacting the Housing Authority.

Library Board. The City of Florence Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at the administrative offices of the entity.

(b) Regulatory Basis Fund Types

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

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

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

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 (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) 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.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1) Preparation of the budget for the succeeding calendar year on or before August 1st.
2) Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3) Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4) Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for the 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. There were budget amendments in the solid waste fund for the year 2023.

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Budgetary Information (cont.)

A legal operating budget is not required for Capital Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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.

(e) Reimbursements

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Deposits were not adequately secured as of December 31, 2023 per statute K.S.A. 9-1402 and K.S.A. 9-1405.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $782,822 and the bank balance was $787,299. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining $537,299 was collateralized with securities held by the pledging financial institutions' agents in the City's name, leaving $6,707 uncollateralized.

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.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Loan	4.77%	02-01-03	$ 155,316	08-01-23	$ 10,781	$ -	$ 10,781	$ -	$ 359
Trash Truck Lease Purchase	4.50%	02-25-19	83,000	02-25-24	22,522	-	22,522	-	714
Bobcat Lease Purchase	3.90%	07-26-22	27,225	07-26-27	27,255	-	5,034	22,221	1,086
Total Long-Term Debt					$ 60,558	$ -	$ 38,337	$ 22,221	$ 2,159

Current maturities of long-term debt and interest for the next five years through maturity are as follows:

	Year				
	2024	2025	2026	2027	Total
PRINCIPAL:					
Bobcat Lease Purchase	$ 5,232	$ 5,443	$ 5,660	$ 5,886	$ 22,221
TOTAL PRINCIPAL	5,232	5,443	5,660	5,886	22,221
INTEREST:					
Bobcat Lease Purchase	888	677	460	234	2,259
TOTAL INTEREST	888	677	460	234	2,259
TOTAL PRINCIPAL AND INTEREST	$ 6,120	$ 6,120	$ 6,120	$ 6,120	$ 24,480

5. 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 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 6.00% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City were $14,298 for the year ended December 31, 2023.

5. DEFINED BENEFIT PENSION PLAN (CONT.)

Net Pension Liability. At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $178,637. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statement.

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

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) 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.

(b) Death and Disability Other Post Employment Benefits

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

(c) Other Employee Benefits

Vacation – Vacation leave may be accumulated and carried over to the next year. No vacation leave shall be taken until a new employee has completed one year of service.

Each permanent full-time employee will accrue vacation leave as follows:

Year of Service	Per Year
After 1 year	5 days
After 3 years	10 days
After 10 years	15 days

Amount of sick leave – Full-time employees earn sick leave after the initial probation period at the rate of 12 days per year with a maximum accumulation of 240 hours. On termination of employment an employee shall not be paid for accumulated sick leave.

7. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2022 to 2023 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

8. RELATED PARTIES

During the calendar year 2023, the City engaged into a contract to an LLC who was wholy owned by an elected official. The work was in the water department as the water operator. Payments to this company totaled $24,151 in 2023.

9. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF FLORENCE, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2023

CITY OF FLORENCE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2023

	Certified Budget	Adjustment for for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND:					
General Fund	$ 359,896	$ -	$ 359,896	$ 308,135	$ (51,761)
SPECIAL PURPOSE FUNDS:					
Library Fund	11,125	-	11,125	10,857	(268)
Special Parks and Recreation Fund	191	-	191	-	(191)
Rural Fire Fund	7,443	-	7,443	2,469	(4,974)
Special Highway Fund	45,626	-	45,626	18,583	(27,043)
Fire Special Fund	6,000	-	6,000	1,583	(4,417)
Grand Prix Fund	8,000	-	8,000	7,246	(754)
BUSINESS FUNDS:					
Sewer Utility Fund	47,600	-	47,600	37,803	(9,797)
Solid Waste Utility Fund	175,868	-	175,868	154,504	(21,364)
Water Utility Fund	123,818	-	123,818	112,274	(11,544)

CITY OF FLORENCE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes -				
Ad valorem property tax	$ 121,867	$ 122,470	$ 130,782	$ (8,312)
Delinquent tax	6,362	5,293	3,000	2,293
Motor vehicle tax	16,010	17,603	16,527	1,076
Recreational vehicle tax	400	638	183	455
16/20M vehicle tax	41	165	53	112
Commercial vehicle tax	1,207	867	1,331	(464)
Watercraft tax	80	76	156	(80)
In lieu of tax	5,563	5,595	3,500	2,095
Local alcoholic liquor tax	340	436	190	246
Local sales tax	103,946	111,273	82,000	29,273
Total Taxes	255,816	264,416	237,722	26,694
Licenses and Permits -				
Utility franchise fees	25,031	25,201	19,000	6,201
Licenses and permits	834	1,032	865	167
Total Licenses and Permits	25,865	26,233	19,865	6,368
Fines, Forfeitures and Penalties -				
Police fines	-	1,073	300	773
Use of Money and Property -				
Interest received	59	249	150	99
Other -				
Miscellaneous	5,493	6,660	300	6,360
Cemetery	13,650	7,350	4,000	3,350
Parks	250	-	250	(250)
Swimming pool	3,694	3,337	2,500	837
Connecting Links	222	222	250	(28)
Donations	200	300	-	300
COVID relief revenue (SPARK)	5,357	-	-	-
Total Other	28,866	17,869	7,300	10,569
Total Receipts	310,606	309,840	$ 265,337	$ 44,503

CITY OF FLORENCE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
Administrative -				
Personal services	$ 37,975	$ 38,139	$ 28,400	$ 9,739
Contractual services	58,390	67,055	70,600	(3,545)
Commodities	15,694	13,692	3,800	9,892
Capital outlay	7,050	9,889	-	9,889
Total Administrative	119,109	128,775	102,800	25,975
Cemetery -				
Personal services	2,703	1,501	2,800	(1,299)
Contractual services	8,050	11,825	21,800	(9,975)
Commodities	4,654	5,363	-	5,363
Total Cemetery	15,407	18,689	24,600	(5,911)
Police -				
Personal services	1,418	157	35,500	(35,343)
Contractual services	8,168	6,340	7,700	(1,360)
Capital outlay	567	504	750	(246)
Total Police	10,153	7,001	43,950	(36,949)
Swimming pool -				
Personal services	13,541	13,606	16,350	(2,744)
Contractual services	2,546	2,641	7,000	(4,359)
Capital outlay	4,031	8,808	-	8,808
Total Swimming pool	20,118	25,055	23,350	1,705
Parks and recreation -				
Personal services	12,886	10,813	25,000	(14,187)
Contractual services	3,552	3,304	6,500	(3,196)
Commodities	3,078	2,284	2,000	284
Total Parks and Recreation	19,516	16,401	33,500	(17,099)

CITY OF FLORENCE, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Expenditures (cont.)				
Streets -				
Personal services	$ 19,355	$ 53,851	$ 57,000	$ (3,149)
Contractual services	16,294	15,338	22,750	(7,412)
Commodities	9,067	9,848	7,700	2,148
Capital outlay	1,580	4,557	-	4,557
Total Streets	46,296	83,594	87,450	(3,856)
Fire -				
Contractual services	14,580	14,067	16,200	(2,133)
Commodities	3,381	1,772	3,700	(1,928)
Capital outlay	2,620	1,962	-	1,962
Total Fire	20,581	17,801	19,900	(2,099)
Other -				
Special utilites	161	180	-	180
Historical society	1,300	-	1,596	(1,596)
Dike	1,225	138	8,500	(8,362)
Employee benefits	620	623	-	623
Ambulance	2,069	1,039	14,250	(13,211)
Land bank	-	8,375	-	8,375
SPARK expenses	-	464	-	464
Total Other	5,375	10,819	24,346	(13,527)
Total Expenditures	256,555	308,135	$ 359,896	$ (51,761)
Receipts Over (Under) Expenditures	54,051	1,705		
Unencumbered Cash, Beginning	109,299	163,350		
Unencumbered Cash, Ending	$ 163,350	$ 165,055		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 9,715	$ 8,685	$ 9,276	$ (591)
Delinquent tax	498	414	-	414
Motor vehicle tax	1,246	1,396	1,318	78
Recreational vehicle tax	31	50	15	35
16/20M vehicle tax	3	13	4	9
Commercial vehicle tax	94	69	106	(37)
Watercraft tax	6	6	12	(6)
Total Receipts	11,593	10,633	$ 10,731	$ (98)
Expenditures				
Appropriation to Library Treasurer	12,030	10,857	$ 11,125	$ (268)
Receipts Over (Under) Expenditures	(437)	(224)		
Unencumbered Cash, Beginning	661	224		
Unencumbered Cash, Ending	$ 224	$ -		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local alcoholic liquor tax	$ 340	$ 436	$ 191	$ 245
Expenditures				
Commodities	-	-	$ 191	$ (191)
Receipts Over (Under) Expenditures	340	436		
Unencumbered Cash, Beginning	289	629		
Unencumbered Cash, Ending	$ 629	$ 1,065		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

RURAL FIRE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Contractual services	$ -	$ -	$ 3,000	$ (3,000)
Contributions and other	3,660	3,660	-	3,660
Total Receipts	3,660	3,660	$ 3,000	$ 660
Expenditures				
Capital outlay	800	2,469	$ 7,443	$ (4,974)
Receipts Over (Under) Expenditures	2,860	1,191		
Unencumbered Cash, Beginning	18,476	21,336		
Unencumbered Cash, Ending	$ 21,336	$ 22,527		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State of Kansas - fuel tax	$ 11,125	$ 10,577	$ 12,090	$ (1,513)
Donations	-	17,320	-	17,320
Total Receipts	11,125	27,897	12,090	15,807
Expenditures				
Personal services	33,949	1,263	$ -	$ 1,263
Contracted services	-	17,320	45,626	(28,306)
Street repair and maintenance	946	-	-	-
Total Expenditures	34,895	18,583	$ 45,626	$ (27,043)
Receipts Over (Under) Expenditures	(23,770)	9,314		
Unencumbered Cash, Beginning	60,067	36,297		
Unencumbered Cash, Ending	$ 36,297	$ 45,611		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

FIRE SPECIAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Donations	$ 18,604	$ 10,577	$ 6,000	$ 4,577
Expenditures				
Supplies	456	1,210	$ 3,000	$ (1,790)
Contractual	28	373	3,000	(2,627)
Total Expenditures	484	1,583	$ 6,000	$ (4,417)
Receipts Over (Under) Expenditures	18,120	8,994		
Unencumbered Cash, Beginning	1,499	19,619		
Unencumbered Cash, Ending	$ 19,619	$ 28,613		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

COMMUNITY BUILDING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Donations	$ 775	$ 425	$ -	$ 425
Expenditures				
Contracted services	-	-	$ -	$ -
Receipts Over (Under) Expenditures	775	425		
Unencumbered Cash, Beginning	-	775		
Unencumbered Cash, Ending	$ 775	$ 1,200		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

COMMUNITY BUILDING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Camping rental	$ 5,466	$ 4,916	$ -	$ 4,916
Vendor permits	532	900	-	900
Button proceeds	13,666	7,035	25,000	(17,965)
Donations	9,000	10,000	-	10,000
Miscellaneous	690	-	-	-
Total Receipts	29,354	22,851	$ 25,000	$ (2,149)
Expenditures				
Contractual services	460	-	$ 1,000	$ (1,000)
Commodities	1,476	2,395	2,500	(105)
Bank service charge	5	-	-	-
Miscellaneous	481	4,851	-	4,851
Reimbursement	3,258	-	4,500	(4,500)
Total Expenditures	5,680	7,246	$ 8,000	$ (754)
Receipts Over (Under) Expenditures	23,674	15,605		
Unencumbered Cash, Beginning	-	23,674		
Unencumbered Cash, Ending	$ 23,674	$ 39,279		

CITY OF FLORENCE, KANSAS

SPECIAL PURPOSE FUND

ARPA FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Grant income	$ 33,193	$ -
Expenditures		
Capital outlay	30,243	803
Receipts Over (Under) Expenditures	2,950	(803)
Unencumbered Cash, Beginning	33,193	36,143
Unencumbered Cash, Ending	$ 36,143	$ 35,340

CITY OF FLORENCE, KANSAS

CAPITAL PROJECT FUND

EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Interest income	$ 6	$ 6
Expenditures		
Capital outlay	13,185	-
Receipts Over (Under) Expenditures	(13,179)	6
Unencumbered Cash, Beginning	27,337	14,158
Unencumbered Cash, Ending	$ 14,158	$ 14,164

CITY OF FLORENCE, KANSAS

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Grants	$ -	$ -
Expenditures		
Capital outlay	26,123	-
Receipts Over (Under) Expenditures	(26,123)	-
Unencumbered Cash, Beginning	31,827	5,704
Unencumbered Cash, Ending	$ 5,704	$ 5,704

CITY OF FLORENCE, KANSAS

BUSINESS FUND

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Service fees	$ 54,926	$ 64,835	$ 45,000	$ 19,835
Expenditures				
Personal services	33,812	28,363	$ 38,000	$ (9,637)
Contractual services	10,137	2,997	9,600	(6,603)
Commodities	5,527	2,147	-	2,147
Equipment	1,256	4,296	-	4,296
Total Expenditures	50,732	37,803	$ 47,600	$ (9,797)
Receipts Over (Under) Expenditures	4,194	27,032		
Unencumbered Cash, Beginning	12,611	16,805		
Unencumbered Cash, Ending	$ 16,805	$ 43,837		

CITY OF FLORENCE, KANSAS

BUSINESS FUND

SOLID WASTE UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Service fees	$ 147,978	$ 144,295	$ 117,704	$ 26,591
Other	228	68	3,879	(3,811)
Total Receipts	148,206	144,363	$ 121,583	$ 22,780
Expenditures				
Personal services	80,365	66,061	$ 102,400	$ (36,339)
Contractual services	9,553	7,511	58,468	(50,957)
Commodities	22,578	17,387	15,000	2,387
Capital outlay	27,831	63,545	-	63,545
Total Expenditures	140,327	154,504	$ 175,868	$ (21,364)
Receipts Over (Under) Expenditures	7,879	(10,141)		
Unencumbered Cash, Beginning	46,266	54,145		
Unencumbered Cash, Ending	$ 54,145	$ 44,004		

CITY OF FLORENCE, KANSAS

BUSINESS FUND

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2023

(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Service fees	$ 168,017	$ 154,117	$ 125,000	$ 29,117
Late fees	8,437	7,884	4,000	3,884
Total Receipts	176,454	162,001	$ 129,000	$ 33,001
Expenditures				
Personal services	37,787	38,141	$ 56,000	$ (17,859)
Contractual services	37,936	41,564	67,818	(26,254)
Commodities	12,682	10,264	-	10,264
Capital outlay	12,082	11,137	-	11,137
KDHE loan principal	11,168	11,168	-	11,168
Total Expenditures	111,655	112,274	$ 123,818	$ (11,544)
Receipts Over (Under) Expenditures	64,799	49,727		
Unencumbered Cash, Beginning	84,142	148,941		
Unencumbered Cash, Ending	$ 148,941	$ 198,668		

CITY OF FLORENCE, KANSAS

BUSINESS FUND

SEWER RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts	$ -	$ -
Expenditures		
Capital outlay	-	5,500
Receipts Over (Under) Expenditures	-	(5,500)
Unencumbered Cash, Beginning	84,422	84,422
Unencumbered Cash, Ending	$ 84,422	$ 78,922

CITY OF FLORENCE, KANSAS

BUSINESS FUND

SOLID WASTE RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Lease purchase proceeds	$ -	$ -
Expenditures		
Capital outlay	-	5,500
Receipts Over (Under) Expenditures	-	(5,500)
Unencumbered Cash, Beginning	20,702	20,702
Unencumbered Cash, Ending	$ 20,702	$ 15,202

CITY OF FLORENCE, KANSAS

BUSINESS FUND

WATER RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts	$ -	$ 1,041
Expenditures		
Capital outlay	-	5,500
Receipts Over (Under) Expenditures	-	(4,459)
Unencumbered Cash, Beginning	42,894	42,894
Unencumbered Cash, Ending	$ 42,894	$ 38,435

CITY OF FLORENCE, KANSAS

TRUST FUND

SPECIAL LAW ENFORCEMENT TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
State of Kansas - fuel tax	$ -	$ -
Expenditures		
Contracted services	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	1,026	1,026
Unencumbered Cash, Ending	$ 1,026	$ 1,026