

CITY OF ATWOOD, KANSAS
Atwood, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2022

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF ATWOOD, KANSAS
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Atwood
Atwood, Kansas 67730

Adverse and Unmodified Opinions

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Atwood, Atwood, Kansas, a Municipal Financial Reporting Entity 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 Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the 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 of Atwood, Kansas, 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Atwood, Kansas, 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 of Atwood, 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 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 of Atwood 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 of Atwood’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 Generally Accepted Auditing Standards (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

- 1) Exercise professional judgment and maintain professional skepticism throughout the audit.
- 2) 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.
- 3) 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 of Atwood’s internal control. Accordingly, no such opinion is expressed.
- 4) 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.
- 5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Atwood’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 regulatory basis summary of receipts and disbursements-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 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.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
July 20, 2023

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

STATEMENT 1
 Page 1

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General	\$ 188,228	0	887,315	802,242	273,301	5,910	279,211
Special Purpose Funds:							
Airport	5,212	0	14,279	7,810	11,681	0	11,681
Library	1,862	0	56,279	55,371	2,770	0	2,770
Special Highway	12,058	0	33,690	39,313	6,435	0	6,435
Special Parks and Recreation	10,358	0	3,011	4,499	8,870	102	8,972
Tourism and Convention Promotion	45,511	0	10,130	0	55,641	0	55,641
Atwood Township	685	0	101,991	83,514	19,162	858	20,020
Recycling	2,532	0	0	2,532	0	0	0
Special Equipment	14,633	0	30,000	0	44,633	0	44,633
Street Improvement	222,606	0	206,579	305,107	124,078	0	124,078
ARPA	92,863	0	92,862	0	185,725	0	185,725
Park Donation	11,531	0	0	0	11,531	0	11,531
Theater Reserve	48,055	0	1,840	21,233	28,662	0	28,662
Highway 36 Project	0	0	27,249	36,486	(9,237)	0	(9,237)
Drug Forfeiture	14,788	0	0	6,465	8,323	0	8,323
Pool Maintenance	311,243	0	0	29,900	281,343	0	281,343
Business Funds:							
Airport Fuel	22,327	0	21,862	24,268	19,921	0	19,921
Waterworks	546,861	0	683,022	505,134	724,749	7,688	732,437
Water Loan	797,536	0	185,329	194,500	788,365	0	788,365
Sewer	397,477	0	263,763	184,253	476,987	2	476,989
Sewer Loan	241,530	0	98,029	120,322	219,237	0	219,237
Landfill	28,324	0	913	29,237	0	0	0
Trust Funds:							
Obert Park	0	0	1,900	1,900	0	0	0
Total Primary Government (Excluding Agency Funds)	\$ <u>3,016,220</u>	<u>0</u>	<u>2,720,043</u>	<u>2,454,086</u>	<u>3,282,177</u>	<u>14,560</u>	<u>3,296,737</u>

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

CITY OF ATWOOD, KANSAS
Composition of Cash
Regulatory Basis
For the Year Ended December 31, 2022

STATEMENT 1
Page 2

Cash on Hand	\$ 100
The Bank of Atwood, Atwood, Kansas Checking Account	1,744,568
Farmers State Bank, Atwood, Kansas Certificate of Deposit	17,277
Farmers Bank & Trust, Atwood, Kansas Checking Account	8,048
Savings Accounts	<u>1,547,299</u>
Total Cash	3,317,292
Less Agency Funds per Schedule 3	<u>(20,555)</u>
Total Primary Government per Statement 1, Page 1	\$ <u><u>3,296,737</u></u>

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

CITY OF ATWOOD, KANSAS

Notes to the Financial Statement

December 31, 2022

1. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Atwood, Kansas, the primary government, operates as a third-class city in accordance with the laws of the State of Kansas. The City operates under a mayor-council form of government and provides the following services: public safety (police and fire protection), highways and streets, water, sewer, sanitation, social, culture and recreation, planning and zoning, public improvements, and general administrative services. The regulatory financial statement presents the City of Atwood, Kansas (the municipality). The following related municipal entity is not included in the financial statement.

Atwood Public Library. The City's 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. Unaudited financial statements can be obtained from the head librarian, 102 South 6th Street, Atwood, KS 67730.

Housing Authority of the City of Atwood. The City's 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 issuances must be approved by the City. Audited financial statements can be obtained from the Executive Director, Atwood Housing Authority, 801 South 3rd, Atwood, KS 67730.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year 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 receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

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.)

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 regularly 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 municipality 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 municipality to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in 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 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 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 Landfill and Airport Fuel budgets were amended in this manner for the year ended December 31, 2022.

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.

A legal operating budget is not required for capital projects funds, trust funds and the following special purpose funds: Special Equipment, Street Improvement, ARPA, Park Donation, Theater Reserve, Highway 36 Project, Drug Forfeiture, and Pool Maintenance.

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.

2. Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

Cash Basis Compliance. K.S.A 10-1113 requires that no indebtedness be created for a fund in excess of available monies in that fund. The Highway 36 Project Fund incurred indebtedness in excess of the available

cash balances by \$9,237. This grant requires the City to expend the monies and request reimbursement from the available awarded funds. This grant has sufficient remaining available grant award to cover their respective deficit cash balances as of December 31, 2022. The deficient cash balances will be eliminated when the grant proceeds are received subsequent to December 31, 2022. Although not specifically allowed as an exception to the cash basis law in the statutes, that State of Kansas, Division of Accounts and Reports, as a matter of practice, has allowed deficit fund balances as long as the fund is subsequently reimbursed by federal or state grant proceeds.

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 municipality's funds have a main or branch bank in the county in which the municipality 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 their investment choices.

Concentration of Credit Risk. State statutes place no limit on the amount the City and the Library 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 them. State statutes require the deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits was \$3,317,192 and the bank balance was \$3,361,332. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$525,325 was covered by federal depository insurance, and \$2,836,007 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. At December 31, 2022, the City held no investments except for certificates of deposit which are considered as a component of deposits.

4. **Defined Benefit Pension Plan**

Plan Description. The City of Atwood 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, Kansas 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.

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 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 of Atwood were \$36,828 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 \$416,714. 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 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.

5. 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 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.

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.

Compensated Absences

Vacation Leave. Employees are eligible for paid vacation after completing one full year of full-time employment with the City. Employees with less than twenty years of service receive one day of paid vacation for each month worked. Employees with more than twenty years of service receive one and one half days of paid vacation for each month worked. A maximum of thirty-six days of unused vacation is allowed to accumulate. Employees are compensated at a rate of 33% of regular pay per hour for all unused accumulated vacation time upon termination of employment.

Sick Leave. All full-time employees are eligible for paid sick leave immediately upon employment and receive one day of paid sick leave for each month worked with no limit on the number of days allowed to accumulate. Employees who voluntarily separate from employment with the City prior to retirement are compensated for a maximum of thirty days of unused accumulated sick leave at a rate of 33% of their regular pay rate. Employees who retire are compensated for a maximum of thirty days of unused accumulated sick leave at their current rate of pay.

6. Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Water	Water Loan	K.S.A. 12-825d	180,000
General	Street Improvement	K.S.A. 68-590	27,310
Sewer	Sewer Loan	K.S.A. 12-825d	96,000
Landfill	Street Improvement	K.S.A. 12-825d	29,237
Recycling	Street Improvement	K.S.A. 12-825d	2,532
General	Special Equipment	K.S.A. 12-1,117	30,000

7. 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 continues to carry commercial insurance for all other risk of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. 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 of any of the individual government funds or the overall financial position of the City. 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.

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.

10. Long-term Debt

Changes in long-term liabilities for the City of Atwood, Kansas for the year ended December 31, 2022, were as follows:

<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>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series A 2010 Water System	3.750%	12/28/10	1,500,000	12/28/50	1,277,152	0	25,096	1,252,056	47,893
Series B 2010 Water System	2.250%	12/28/10	867,000	12/28/50	699,230	0	17,355	681,875	15,733
Series 2013 Refunding	2.3% - 3.9%	06/01/13	1,575,000	06/01/41	1,245,000	0	45,000	1,200,000	43,423
Series 2016 Sewer System	2.250%	08/26/16	3,713,000	08/26/49	<u>2,456,079</u>	<u>0</u>	<u>65,061</u>	<u>2,391,018</u>	<u>55,261</u>
Total General Obligation Bonds					<u>5,677,461</u>	<u>0</u>	<u>152,512</u>	<u>5,524,949</u>	<u>162,310</u>
Capital Leases:									
Dodge Charger	3.750%	02/27/17	26,460	02/27/22	5,248	0	5,248	0	200
Dodge Ram 2500	3.750%	03/06/17	29,217	03/06/22	6,226	0	6,226	0	244
Dodge Ram 2500	3.750%	05/24/17	27,875	05/24/22	5,950	0	5,950	0	223
Dodge Charger	4.500%	07/25/18	20,216	07/25/22	4,227	0	4,227	0	189
Caterpillar Grader	3.540%	10/21/19	53,000	01/30/24	<u>32,005</u>	<u>0</u>	<u>10,365</u>	<u>21,640</u>	<u>1,135</u>
Total Capital Leases					<u>53,656</u>	<u>0</u>	<u>32,016</u>	<u>21,640</u>	<u>1,991</u>
Total Contractual Indebtedness					<u>5,731,117</u>	<u>0</u>	<u>184,528</u>	<u>5,546,589</u>	<u>164,301</u>

10. Long-term Debt - (Continued)

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

	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	Total
PRINCIPAL											
General Obligation Bonds:											
Series A 2010 Water System	26,037	27,013	28,026	29,077	30,168	168,682	202,772	243,752	293,013	203,516	1,252,056
Series B 2010 Water System	17,746	18,145	18,554	18,971	19,398	103,735	115,943	129,587	144,836	94,960	681,875
Series 2013 Refunding	45,000	45,000	50,000	50,000	50,000	285,000	345,000	330,000	0	0	1,200,000
Series 2016 Sewer System	66,524	68,021	69,551	71,116	72,716	388,872	434,633	485,780	542,946	190,859	2,391,018
Total General Obligation Bonds	155,307	158,179	166,131	169,164	172,282	946,289	1,098,348	1,189,119	980,795	489,335	5,524,949
Capital Lease:											
Dodge Charger	0	0	0	0	0	0	0	0	0	0	0
Dodge Ram 2500	0	0	0	0	0	0	0	0	0	0	0
Dodge Ram 2500	0	0	0	0	0	0	0	0	0	0	0
Dodge Charger	0	0	0	0	0	0	0	0	0	0	0
Caterpillar Grader	10,734	10,906	0	0	0	0	0	0	0	0	21,640
Total Capital Leases	10,734	10,906	0	0	0	0	0	0	0	0	21,640
Total Principal	166,041	169,085	166,131	169,164	172,282	946,289	1,098,348	1,189,119	980,795	489,335	5,546,589
INTEREST											
General Obligation Bonds:											
Series A 2010 Water System	46,952	45,976	44,963	43,912	42,821	196,265	162,174	121,194	71,932	15,451	791,640
Series B 2010 Water System	15,342	14,943	14,535	14,117	13,690	61,705	49,498	35,854	20,604	4,305	244,593
Series 2013 Refunding	42,387	41,285	40,050	38,650	37,150	157,483	98,657	26,715	0	0	482,377
Series 2016 Sewer System	53,798	52,301	50,771	49,206	47,606	212,738	166,976	115,829	58,664	5,978	813,867
Total General Obligation Bonds	158,479	154,505	150,319	145,885	141,267	628,191	477,305	299,592	151,200	25,734	2,332,477
Capital Lease:											
Dodge Charger	0	0	0	0	0	0	0	0	0	0	0
Dodge Ram 2500	0	0	0	0	0	0	0	0	0	0	0
Dodge Ram 2500	0	0	0	0	0	0	0	0	0	0	0
Dodge Charger	0	0	0	0	0	0	0	0	0	0	0
Caterpillar Grader	766	382	0	0	0	0	0	0	0	0	1,148
Total Capital Leases	766	382	0	0	0	0	0	0	0	0	1,148
Total Interest	159,245	154,887	150,319	145,885	141,267	628,191	477,305	299,592	151,200	25,734	2,333,625
Total Principal and Interest	\$ 325,286	323,972	316,450	315,049	313,549	1,574,480	1,575,653	1,488,711	1,131,995	515,069	7,880,214

CITY OF ATWOOD, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

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

SCHEDULE 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General	\$ 904,877	27,812	932,689	802,242	(130,447)
Special Purpose Funds:					
Airport	23,333	0	23,333	7,810	(15,523)
Library	55,371	0	55,371	55,371	0
Special Highway	42,250	0	42,250	39,313	(2,937)
Special Parks and Recreation	11,496	0	11,496	4,499	(6,997)
Tourism and Convention	21,225	0	21,225	0	(21,225)
Atwood Township	87,000	0	87,000	83,514	(3,486)
Recycling	2,532	0	2,532	2,532	0
Business Funds:					
Airport Fuel	25,705	0	25,705	24,268	(1,437)
Waterworks	563,260	3,800	567,060	505,134	(61,926)
Water Loan	198,720	0	198,720	194,500	(4,220)
Sewer	237,337	0	237,337	184,253	(53,084)
Sewer Loan	120,422	0	120,422	120,322	(100)
Landfill	30,000	0	30,000	29,237	(763)
Trust Funds:					
Obert Park	4,000	0	4,000	1,900	(2,100)

**CITY OF ATWOOD, KANSAS
GENERAL FUND**

SCHEDULE 2
Page 1

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes and Shared Receipts			
Ad Valorem	\$ 359,812	383,089	(23,277)
Delinquent	5,635	0	5,635
Motor Vehicle	53,914	55,870	(1,956)
Recreational Vehicle	1,760	1,177	583
16/20M Vehicle	2,139	2,107	32
Commercial Vehicle	2,759	3,344	(585)
Watercraft	0	182	(182)
Intangibles	18,937	21,642	(2,705)
Local Sales Tax	143,522	85,000	58,522
Intergovernmental			
Local Alcoholic Liquor	12,152	6,466	5,686
Franchise Fees	102,255	100,000	2,255
Licenses, Fees, Fines and Permits	44,325	40,000	4,325
Charges for Services			
Pool	21,724	14,000	7,724
Theater	46,785	75,000	(28,215)
Interest on Idle Funds	32,737	7,000	25,737
Miscellaneous	11,047	10,000	1,047
Donations	10,620	0	10,620
Reimbursed Expenses	17,192	0	17,192
Total Receipts	\$ 887,315	804,877	82,438

(Continued)

CITY OF ATWOOD, KANSAS
GENERAL FUND

SCHEDULE 2
Page 2

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

(Continued)	Actual	Budget	Variance Over (Under)
Expenditures:			
General Government	\$ 125,772	174,986	(49,214)
Police Department	235,130	268,417	(33,287)
Streets	90,318	113,701	(23,383)
Street Lighting	35,142	33,660	1,482
Fire Department	32,008	68,960	(36,952)
Court	11,179	6,700	4,479
Park and Pool	70,217	68,904	1,313
Theater	71,548	92,315	(20,767)
Employee Benefits	72,027	75,500	(3,473)
Library	1,591	1,734	(143)
Transfer to Street Improvement	27,310	0	27,310
Transfer to Special Equipment	30,000	0	30,000
Adjustments for Qualifying Budget Credits:			
Donations	0	10,620	(10,620)
Reimbursed Expenses	0	17,192	(17,192)
Total Expenditures	802,242	932,689	(130,447)
Receipts Over (Under) Expenditures	85,073		
Unencumbered Cash, Beginning	188,228		
Unencumbered Cash, Ending	\$ 273,301		

CITY OF ATWOOD, KANSAS
AIRPORT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes and Shared Receipts			
Ad Valorem	\$ 14,126	15,000	(874)
Delinquent	58	0	58
Motor Vehicle	73	0	73
Recreational Vehicle	2	0	2
16/20M Vehicle	20	0	20
Commercial Vehicle	0	0	0
Total Receipts	14,279	15,000	(721)
Expenditures:			
Appropriations to Board	7,810	23,333	(15,523)
Receipts Over (Under) Expenditures	6,469		
Unencumbered Cash, Beginning	5,212		
Unencumbered Cash, Ending	\$ 11,681		

CITY OF ATWOOD, KANSAS
LIBRARY FUND

SCHEDULE 2
Page 4

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes and Shared Receipts			
Ad Valorem	\$ 15,026	15,878	(852)
Delinquent	235	0	235
Motor Vehicle	2,220	2,294	(74)
Recreational Vehicle	70	48	22
16/20M Vehicle	90	86	4
Commerical Vehicle	113	137	(24)
Watercraft	0	7	(7)
Intergovernmental			
Rawlins County	38,525	36,000	2,525
Total Receipts	56,279	54,450	1,829
Expenditures:			
Appropriations to Board	55,371	55,371	0
Receipts Over (Under) Expenditures	908		
Unencumbered Cash, Beginning	1,862		
Unencumbered Cash, Ending	\$ 2,770		

**CITY OF ATWOOD, KANSAS
SPECIAL HIGHWAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Intergovernmental			
State of Kansas	\$ 33,690	31,300	2,390
Expenditures:			
Personal Services	39,313	42,250	(2,937)
Commodities	0	0	0
Total Expenditures	39,313	42,250	(2,937)
Receipts Over (Under) Expenditures	(5,623)		
Unencumbered Cash, Beginning	12,058		
Unencumbered Cash, Ending	\$ 6,435		

CITY OF ATWOOD, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

SCHEDULE 2
Page 6

	Actual	Budget	Variance Over (Under)
Receipts:			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ 3,011	6,466	(3,455)
Expenditures:			
Contractual Services	3,857	11,496	(7,639)
Commodities	642	0	642
Reimbursement to Obert Park	0	0	0
Total Expenditures	4,499	11,496	(6,997)
Receipts Over (Under) Expenditures	(1,488)		
Unencumbered Cash, Beginning	10,358		
Unencumbered Cash, Ending	\$ 8,870		

CITY OF ATWOOD, KANSAS
TOURISM AND CONVENTION FUND

SCHEDULE 2
Page 7

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Transient Guest Tax	\$ 10,130	6,200	3,930
Expenditures:			
Contractual Services	0	21,225	(21,225)
Reimbursement to Theater Reserve	0	0	0
Total Expenditures	0	21,225	(21,225)
Receipts Over (Under) Expenditures	10,130		
Unencumbered Cash, Beginning	45,511		
Unencumbered Cash, Ending	\$ 55,641		

CITY OF ATWOOD, KANSAS
ATWOOD TOWNSHIP 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			
Atwood Township	\$ 101,991	81,549	20,442
Expenditures:			
Lake	63,227	65,000	(1,773)
Cemetery	20,287	17,500	2,787
Miscellaneous	0	4,500	(4,500)
Total Expenditures	83,514	87,000	(3,486)
Receipts Over (Under) Expenditures	18,477		
Unencumbered Cash, Beginning	685		
Unencumbered Cash, Ending	\$ 19,162		

CITY OF ATWOOD, KANSAS
RECYCLING 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			
Rawlins County	\$ 0	0	0
Transfer from Landfill	0	0	0
Total Receipts	0	0	0
Expenditures:			
Transfer to Street Improvement	2,532	2,532	0
Receipts Over (Under) Expenditures	(2,532)		
Unencumbered Cash, Beginning	2,532		
Unencumbered Cash, Ending	\$ 0		

CITY OF ATWOOD, KANSAS
AIRPORT FUEL

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Intergovernmental			
Fuel Sales	\$ <u>21,862</u>	<u>16,144</u>	<u>5,718</u>
Expenditures:			
Fuel Purchases	<u>24,268</u>	<u>25,705</u>	<u>(1,437)</u>
Receipts Over (Under) Expenditures	(2,406)		
Unencumbered Cash, Beginning	<u>22,327</u>		
Unencumbered Cash, Ending	\$ <u>19,921</u>		

CITY OF ATWOOD, KANSAS
WATERWORKS FUND

SCHEDULE 2
Page 11

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Collections	\$ 663,858	614,250	49,608
Connections Fees	2,825	0	2,825
Penalties	3,776	0	3,776
Miscellaneous	8,763	10,000	(1,237)
Reimbursed Expense	3,800	0	3,800
Total Receipts	683,022	624,250	58,772
Expenditures:			
Production	45,311	51,010	(5,699)
Treatment	11,196	13,000	(1,804)
Distribution	139,729	117,000	22,729
Administration	81,356	83,212	(1,856)
Operations	47,542	99,038	(51,496)
Transfer to Water Loan	180,000	200,000	(20,000)
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	3,800	(3,800)
Total Expenditures	505,134	567,060	(61,926)
Receipts Over (Under) Expenditures	177,888		
Unencumbered Cash, Beginning	546,861		
Unencumbered Cash, Ending	\$ 724,749		

CITY OF ATWOOD, KANSAS
WATER LOAN FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Interest on Idle Funds	\$ 5,329	0	5,329
Transfer from Waterworks	180,000	200,000	(20,000)
Total Receipts	185,329	200,000	(14,671)
Expenditures:			
Principal	87,451	87,451	0
Interest	107,049	107,049	0
Miscellaneous	0	4,220	(4,220)
Total Expenditures	194,500	198,720	(4,220)
Receipts Over (Under) Expenditures	(9,171)		
Unencumbered Cash, Beginning	797,536		
Unencumbered Cash, Ending	\$ 788,365		

CITY OF ATWOOD, KANSAS
SEWER FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Collections	\$ 263,763	241,500	22,263
Expenditures:			
Personal Services	39,391	59,267	(19,876)
Contractual Services	23,402	11,600	11,802
Commodities	8,185	6,250	1,935
Capital Outlay	17,275	6,220	11,055
Sewer Line Cleaning	0	11,000	(11,000)
Transfer to Sewer Loan	96,000	143,000	(47,000)
Total Expenditures	184,253	237,337	(53,084)
Receipts Over (Under) Expenditures	79,510		
Unencumbered Cash, Beginning	397,477		
Unencumbered Cash, Ending	\$ 476,987		

CITY OF ATWOOD, KANSAS
SEWER LOAN FUND

SCHEDULE 2
Page 14

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Interest on Idle Funds	\$ 2,029	0	2,029
Transfer from Sewer	96,000	143,000	(47,000)
Total Receipts	98,029	143,000	(44,971)
Expenditures:			
Principal	65,060	65,060	0
Interest	55,262	55,262	0
Miscellaneous	0	100	(100)
Total Expenditures	120,322	120,422	(100)
Receipts Over (Under) Expenditures	(22,293)		
Unencumbered Cash, Beginning	241,530		
Unencumbered Cash, Ending	\$ 219,237		

CITY OF ATWOOD, KANSAS
LANDFILL 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:			
Collections	\$ 913	1,676	(763)
Expenditures:			
Contractual Services	0	0	0
Transfer to Street Improvement	<u>29,237</u>	<u>30,000</u>	<u>(763)</u>
Total Expenditures	<u>29,237</u>	<u>30,000</u>	<u>(763)</u>
Receipts Over (Under) Expenditures	(28,324)		
Unencumbered Cash, Beginning	<u>28,324</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

CITY OF ATWOOD, KANSAS
OBERT PARK FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
Receipts:			
Obert Trust Donation	\$ 1,900	4,000	(2,100)
Reimbursement from Special Parks and Recreation	0	0	0
Total Receipts	1,900	4,000	(2,100)
Expenditures:			
Personal Services	0	4,000	(4,000)
Contractual Services	1,900	0	1,900
Total Expenditures	1,900	4,000	(2,100)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ <u>0</u>		

CITY OF ATWOOD, KANSAS
 Nonbudgeted Funds
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2022

SCHEDULE 2
 Page 17

	Special Equipment	Street Improvement
Receipts:		
Transfer from General	\$ 30,000	27,310
Transfer from Landfill	0	29,237
Transfer from Recycling	0	2,532
State of Kansas	0	147,500
Donations	0	0
Total Receipts	30,000	206,579
Expenditures:		
Commodities	0	50,000
Contractual Services	0	255,107
Total Expenditures	0	305,107
Receipts Over (Under) Expenditures	30,000	(98,528)
Unencumbered Cash, Beginning	14,633	222,606
Unencumbered Cash, Ending	\$ 44,633	124,078

CITY OF ATWOOD, KANSAS
 Nonbudgeted Funds
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2022

SCHEDULE 2
 Page 18

	ARPA	Park Donation	Theater Reserve
Receipts:			
Donations	\$ 0	0	1,840
Grants	92,862	0	0
Total Receipts	92,862	0	1,840
Expenditures:			
Park Improvements	0	0	0
Capital Outlay	0	0	21,233
Total Expenditures	0	0	21,233
Receipts Over (Under) Expenditures	92,862	0	(19,393)
Unencumbered Cash, Beginning	92,863	11,531	48,055
Unencumbered Cash, Ending	\$ 185,725	11,531	28,662

CITY OF ATWOOD, KANSAS
 Nonbudgeted Funds
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2022

	Highway 36 Project	Drug Forfeiture	Pool Maintenance
Receipts:			
Forfeiture Proceeds	\$ 0	0	0
State Aid	27,249	0	0
Total Receipts	27,249	0	0
Expenditures:			
Contractual Services	36,486	0	29,900
Commodities	0	6,465	0
Total Expenditures	36,486	6,465	29,900
Receipts Over (Under) Expenditures	(9,237)	(6,465)	(29,900)
Unencumbered Cash, Beginning	0	14,788	311,243
Unencumbered Cash, Ending	\$ (9,237)	8,323	281,343

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

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Sanitation	\$ 1,366	82,504	80,500	3,370
Flexible Spending Plan	6,547	9,588	8,088	8,047
Atwood Centennial	7,362	0	0	7,362
Atwood Beautification	1,776	0	0	1,776
 Total Agency Funds	 \$ 17,051	 92,092	 88,588	 20,555