

CITY OF SHARON SPRINGS, 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
Quinter, Kansas

CITY OF SHARON SPRINGS, 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

To the Mayor and City Council
City of Sharon Springs
Sharon Springs, Kansas 67758

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 Sharon Springs, Kansas, 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 of Sharon Springs as of December 31, 2022, or changes in the 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 of Sharon Springs 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 Sharon Springs, 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 of Sharon Springs 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 Sharon Springs'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 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 of Sharon Springs'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 of Sharon Springs'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 and the 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 the City of Sharon Springs, Kansas, as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated August 23, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accountsreports/local-government/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.

Mapes & Miller LLP

Certified Public Accountants

Quinter, Kansas

August 21, 2023

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 768,642	595,855	379,786	984,711	23,365	1,008,076
Special Purpose Funds:						
Employee Benefits Fund	52,358	23,780	23,439	52,699	1,887	54,586
Library Fund	439	24,451	24,451	439	0	439
Special Highway Fund	16,650	20,452	20,475	16,627	0	16,627
Convention & Tourism Fund	19,820	16,458	12,340	23,938	585	24,523
Equipment Reserve Fund	427,258	125,351	85,623	466,986	0	466,986
Capital Improvements Fund	679,100	150,624	0	829,724	0	829,724
Fire Equipment Reserve Fund	111,661	29,920	0	141,581	0	141,581
American Rescue Plan Act Fund	57,991	57,991	115,982	0	0	0
Business Funds:						
Sewer Utility Fund	496,262	47,963	58,824	485,401	966	486,367
Water Utility Fund	737,343	276,347	262,485	751,205	17,482	768,687
Electric Utility Fund	1,098,066	1,309,823	1,257,533	1,150,356	58,621	1,208,977
Total Reporting Entity	\$ <u>4,465,590</u>	<u>2,679,015</u>	<u>2,240,938</u>	<u>4,903,667</u>	<u>102,906</u>	<u>5,006,573</u>

Composition of Cash:

Eastern Colorado Bank, Sharon Springs, KS	
NOW Checking Account	\$ 4,153,979
Certificates of Deposit	850,000
Savings Account	2,494
Cash on hand	<u>100</u>
Total Reporting Entity	<u>\$ 5,006,573</u>

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

CITY OF SHARON SPRINGS, KANSAS
Notes to the Financial Statement
December 31, 2022

1. Summary of Significant Accounting Policies

(a) Municipal Financial Reporting Entity

The City of Sharon Springs, Kansas, is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents only the City of Sharon Springs, Kansas.

(b) 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.

(c) Regulatory Basis Fund Types

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

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

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory 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.).

(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 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 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 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 schedules, Schedule 2 as listed in the table of contents, 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 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 projects funds and the following special purpose funds:

- | | |
|-----------------------------|-------------------------------|
| Capital Improvements Fund | Equipment Reserve Fund |
| Fire Equipment Reserve Fund | American Rescue Plan Act Fund |

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the 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 received the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

2. Deposits and Investments

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

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

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

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

At December 31, 2022, the City's carrying amount of deposits was \$5,006,473 and the bank balance was \$5,033,783. 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 balance of \$4,783,783 was guaranteed by five letters of credit issued by Federal Home Loan Bank of Topeka.

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.

3. Defined Benefit Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefits 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% 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, 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 contributions 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 were \$23,097 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 \$271,766. 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 these financial statements.

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

4. 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

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.

(c) Compensated Absences

Full-time employees are entitled to paid vacation leave as follows:

Year 1	5 days per year
Year 2 through year 9	10 days per year
Year 10 and beyond	15 days per year

Full-time employees are entitled to take vacation time when they have completed one full year of employment. Vacation leave is not accumulated from year to year. Any employee may choose to receive one-third of their vacation pay after it is earned, in addition to their regular pay. Employees are required to use two-thirds of their vacation or lose it. Upon termination, an employee shall be compensated for all earned unused vacation leave at their final rate of pay.

Each full-time employee shall be granted ten days of sick leave annually. An employee may use sick leave for illness by the employee's immediate family. The maximum accumulation for sick leave is 60 days. Unused sick pay is forfeited upon employment termination.

The City also provides full-time employees a maximum of four days personal leave per calendar year for use at their discretion. Personal leave is non-accumulative, and the employee is paid for unused personal leave at the end of each year.

(d) Deferred Compensation Plan

The City offers its employees a deferred compensation plan ("Plan") created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits electing employees to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust.

However, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City, subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

5. 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 the financial statement was available to be issued.

6. Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Fire Equipment Reserve Fund	KSA 12-1,117	\$ 29,832
Electric Utility Fund	Equipment Reserve Fund	KSA 12-825d	125,000
Electric Utility Fund	Capital Improvements Fund	KSA 12-825d	150,000

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 has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 173 participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Municipal Insurance Trust management.

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and automobiles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. Inter-Local Agreements

In 2021, the City signed an updated agreement with Wallace County to provide law enforcement for the City in accordance with the provisions of K.S.A. 12-2908, et seq. The County provides patrol officers to enforce all city ordinances and state laws normally enforced by city police officers. The City’s municipal court prosecutes all city cases. In consideration for the law enforcement services, the City pays \$55,000 annually to Wallace County. This agreement is reviewed at least once every six months.

9. Stewardship, Compliance and Accountability

(a) Contractor Surety Bond

K.S.A 60-1111 requires the City to take a surety bond from the contractor when any contract is signed exceeding \$100,000 for making any repairs on a public building. To comply with this statute, the City should have acquired a surety bond from Overhead Door of NW Kansas for the rebuild of the 14’ X 46’ radiator room.

10. Long-term Debt

Changes in long-term liabilities for the City 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>
KDHE Loans:									
Water Supply Loan	4.04%	12/10/2001	\$ 642,481	8/1/2023	\$ 53,786	0	26,355	27,431	1,744
Total contractual indebtedness					\$ 53,786	0	26,355	27,431	1,744

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

	<u>2023</u>
Principal:	
KDHE Loans	\$ <u>27,431</u>
Interest:	
KDHE Loans	<u>762</u>
Total principal and interest	\$ <u>28,193</u>

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF SHARON SPRINGS, 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 Fund	\$ 1,098,755	0	1,098,755	379,786	(718,969)
Special Purpose Funds:					
Employee Benefits Fund	76,500	0	76,500	23,439	(53,061)
Library Fund	25,470	0	25,470	24,451	(1,019)
Special Highway Fund	39,654	0	39,654	20,475	(19,179)
Waste Tire Management Fund	1,772	0	1,772	0	(1,772)
Convention & Tourism Fund	26,549	0	26,549	12,340	(14,209)
Landfill - Post Closure Fund	434,763	0	434,763	0	(434,763)
Business Funds:					
Sewer Utility Fund	542,637	0	542,637	58,824	(483,813)
Water Utility Fund	1,037,488	0	1,037,488	262,485	(775,003)
Electric Utility Fund	2,438,435	0	2,438,435	1,257,533	(1,180,902)

CITY OF SHARON SPRINGS, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes				
Ad Valorem Property Tax	\$ 358,078	357,128	360,018	(2,890)
Delinquent Tax	2,554	1,669	0	1,669
Motor Vehicle Tax	51,456	47,250	47,640	(390)
Recreational Vehicle Tax	972	1,100	792	308
16/20M Vehicle Tax	526	997	537	460
Commercial Vehicle Tax	16,628	21,548	23,547	(1,999)
Watercraft Tax	0	0	14	(14)
Intergovernmental				
Sales and Compensation Use Tax	74,937	82,338	60,000	22,338
Licenses and Permits				
Utility Franchise Fees	12,270	15,574	17,500	(1,926)
Occupational Licenses	1,000	800	1,500	(700)
Building Permits	158	40	0	40
Dog Licenses	64	65	0	65
Municipal Court	387	150	250	(100)
Use of Money and Property				
Interest on Idle Funds	9,224	7,430	0	7,430
Miscellaneous				
Reimbursements	93,065	7,410	50	7,360
Construction Debris	2,500	0	5,000	(5,000)
Sale of Materials, Equip, Lots	20,298	12,030	5,000	7,030
Equipment Rental	20	0	515	(515)
Park Improvements	0	0	1,500	(1,500)
Other	1	40,326	0	40,326
Total Receipts	\$ 644,138	595,855	523,863	71,992

CITY OF SHARON SPRINGS, KANSAS

Schedule 2

General Fund

Page 2

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
General Government				
Personal Services	\$ 16,950	16,650	35,000	(18,350)
Contractual Services	29,779	30,620	100,000	(69,380)
Commodities	2,801	2,425	20,000	(17,575)
Capital Outlay	0	0	162,355	(162,355)
Transfer to Fire Equipment Reserve Fund	14,790	29,832	25,000	4,832
Total General Government	64,320	79,527	342,355	(262,828)
Administrative Office				
Personal Services	0	0	25,000	(25,000)
Contractual Services	3,798	4,694	25,000	(20,306)
Commodities	10,705	8,466	27,000	(18,534)
Capital Outlay	21,150	0	0	0
Total Administrative Office	35,653	13,160	77,000	(63,840)
Police Department				
Contractual Services	55,112	55,126	80,000	(24,874)
Commodities	112	132	3,500	(3,368)
Total Police Department	55,224	55,258	83,500	(28,242)
Fire Department				
Contractual Services	4,121	3,964	20,000	(16,036)
Commodities	20,229	5,756	20,000	(14,244)
Total Fire Department	\$ 24,350	9,720	40,000	(30,280)

CITY OF SHARON SPRINGS, KANSAS

Schedule 2

General Fund

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Street Department				
Personal Services	\$ 98,239	117,113	140,000	(22,887)
Contractual Services	9,199	8,778	30,000	(21,222)
Commodities	25,867	29,079	70,000	(40,921)
Capital Outlay	55,200	8,747	190,000	(181,253)
Total Street Department	188,505	163,717	430,000	(266,283)
Park Department				
Personal Services	12,498	16,979	20,000	(3,021)
Contractual Services	0	0	8,000	(8,000)
Commodities	3,642	2,069	12,000	(9,931)
Capital Outlay	10,000	0	0	0
Total Park Department	26,140	19,048	40,000	(20,952)
Landfill				
Personal Services	47,037	180	0	180
Contractual Services	2,821	0	0	0
Commodities	39,038	0	0	0
Total Landfill	88,896	180	0	180
Municipal Court				
Personal Services	3,000	3,000	7,000	(4,000)
Contractual Services	248	286	2,500	(2,214)
Commodities	157	177	1,000	(823)
Total Municipal Court	\$ 3,405	3,463	10,500	(7,037)

CITY OF SHARON SPRINGS, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Animal Control				
Contractual Services	\$ 0	0	50	(50)
Commodities	79	69	1,000	(931)
Total Animal Control	79	69	1,050	(981)
Housing Authority				
Contractual Services	0	0	10,000	(10,000)
Governing Body: Contract Services				
Domestic Violence	1,500	1,500	2,000	(500)
Recreation Commission				
Contractual Services	1,250	1,250	8,000	(6,750)
Park Improvements				
Contractual Services	0	0	1,000	(1,000)
Library				
Appropriations	25,000	25,000	43,350	(18,350)
Contractual Services	7,236	7,894	10,000	(2,106)
Total Library	32,236	32,894	53,350	(20,456)
Total Expenditures	521,558	379,786	1,098,755	(718,969)
Receipts Over (Under) Expenditures	122,580	216,069		
Unencumbered Cash, Beginning	646,062	768,642		
Unencumbered Cash, Ending	\$ 768,642	984,711		

CITY OF SHARON SPRINGS, KANSAS

Schedule 2

Special Purpose Funds

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Employee Benefits Fund				
Receipts				
Ad Valorem Tax	\$ 19,890	19,746	19,904	(158)
Delinquent Tax	138	90	0	90
Motor Vehicle Tax	2,936	2,632	2,646	(14)
Recreation Vehicle Tax	55	61	44	17
16/20M Vehicle Tax	30	57	30	27
Commercial Vehicle Tax	944	1,194	1,308	(114)
Watercraft Tax	0	0	1	(1)
Reimbursements	0	0	1,000	(1,000)
Total Receipts	23,993	23,780	24,933	(1,153)
Expenditures				
Employer Contributions	25,625	23,439	76,500	(53,061)
Receipts Over (Under) Expenditures	(1,632)	341		
Unencumbered Cash, Beginning	53,990	52,358		
Unencumbered Cash, Ending	\$ 52,358	52,699		

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Library Fund				
Receipts				
Ad Valorem Tax	\$ 20,188	20,304	20,471	(167)
Delinquent Tax	150	96	0	96
Motor Vehicle Tax	3,002	2,703	2,686	17
Recreational Vehicle Tax	56	63	45	18
16/20M Vehicle Tax	31	58	30	28
Commercial Vehicle Tax	966	1,227	1,327	(100)
Watercraft Tax	0	0	1	(1)
Total Receipts	24,393	24,451	24,560	(109)
Expenditures				
Library Board	24,393	24,451	25,470	(1,019)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	439	439		
Unencumbered Cash, Ending	\$ 439	439		

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Special Highway Fund				
Receipts				
Intergovernmental-State of Kansas	\$ 22,186	20,452	19,540	912
Expenditures				
Contractual Services	0	0	39,654	(39,654)
Capital Outlay	6,000	20,475	0	20,475
Total Expenditures	6,000	20,475	39,654	(19,179)
Receipts Over (Under) Expenditures	16,186	(23)		
Unencumbered Cash, Beginning	464	16,650		
Unencumbered Cash, Ending	\$ 16,650	16,627		

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Waste Tire Management Fund				
Receipts				
Interest on Idle Funds	\$ 25	0	0	0
Fees	109	0	1,000	(1,000)
Total Receipts	134	0	1,000	(1,000)
Expenditures				
Contractual Services	0	0	1,772	(1,772)
Transfer to Wallace County	406	0	0	0
Total Expenditures	406	0	1,772	(1,772)
Receipts Over (Under) Expenditures	(272)	0		
Unencumbered Cash, Beginning	272	0		
Unencumbered Cash, Ending	\$ 0	0		

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Convention & Tourism Fund				
Receipts				
Transient Guest Tax	\$ 14,120	16,458	13,500	2,958
Expenditures				
Promotional Expense	7,350	12,340	26,549	(14,209)
Receipts Over (Under) Expenditures	6,770	4,118		
Unencumbered Cash, Beginning	13,050	19,820		
Unencumbered Cash, Ending	\$ 19,820	23,938		

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Landfill - Post Closure Fund				
Receipts				
Reimbursements	\$ 9,430	0	0	0
Interest on Idle Funds	932	0	0	0
Total Receipts	10,362	0	0	0
Expenditures				
Capital Outlay	0	0	434,763	(434,763)
Transfer to Wallace County	435,125	0	0	0
Total Expenditures	435,125	0	434,763	(434,763)
Receipts Over (Under) Expenditures	(424,763)	0		
Unencumbered Cash, Beginning	424,763	0		
Unencumbered Cash, Ending	\$ 0	0		

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u>	<u>2022</u>
Equipment Reserve Fund		
Receipts		
Interest on Idle Funds	\$ 594	351
Transfer from Electric Utility Fund	<u>125,000</u>	<u>125,000</u>
Total Receipts	<u>125,594</u>	<u>125,351</u>
Expenditures		
Capital Outlay	<u>0</u>	<u>85,623</u>
Receipts Over (Under) Expenditures	125,594	39,728
Unencumbered Cash, Beginning	<u>301,664</u>	<u>427,258</u>
Unencumbered Cash, Ending	<u>\$ 427,258</u>	<u>466,986</u>

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u>	<u>2022</u>
Capital Improvements Fund		
Receipts		
Interest on Idle Funds	\$ 1,083	624
Transfer from Electric Utility Fund	<u>150,000</u>	<u>150,000</u>
Total Receipts	<u>151,083</u>	<u>150,624</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	151,083	150,624
Unencumbered Cash, Beginning	<u>528,017</u>	<u>679,100</u>
Unencumbered Cash, Ending	<u>\$ 679,100</u>	<u>829,724</u>

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u>	<u>2022</u>
Fire Equipment Reserve Fund		
Receipts		
Transfer from General Fund	\$ 14,790	29,832
Interest on Idle Funds	<u>202</u>	<u>88</u>
Total Receipts	<u>14,992</u>	<u>29,920</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	14,992	29,920
Unencumbered Cash, Beginning	<u>96,669</u>	<u>111,661</u>
Unencumbered Cash, Ending	<u>\$ 111,661</u>	<u>141,581</u>

CITY OF SHARON SPRINGS, KANSAS

Special Purpose Funds

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>2021</u>	<u>2022</u>
American Rescue Plan Act Fund		
Receipts		
Federal Aid	\$ <u>57,991</u>	<u>57,991</u>
Expenditures		
Capital Outlay	<u>0</u>	<u>115,982</u>
Receipts Over (Under) Expenditures	57,991	(57,991)
Unencumbered Cash, Beginning	<u>0</u>	<u>57,991</u>
Unencumbered Cash, Ending	\$ <u><u>57,991</u></u>	<u><u>0</u></u>

CITY OF SHARON SPRINGS, KANSAS

Schedule 2

Business Funds

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
Sewer Utility Fund				
Receipts				
Sewer Charges	\$ 47,683	47,624	55,000	(7,376)
Penalties	234	288	500	(212)
Equipment Rental	0	0	1,000	(1,000)
Reimbursements	0	51	1,000	(949)
Total Receipts	<u>47,917</u>	<u>47,963</u>	<u>57,500</u>	<u>(9,537)</u>
Expenditures				
Collection Maintenance				
Personal Services	4,472	6,597	25,000	(18,403)
Employer Contributions	759	1,112	0	1,112
Commodities	10,127	12,119	15,000	(2,881)
Capital Outlay	2,769	34,771	256,000	(221,229)
General Administration				
Employer Contributions	0	0	20,000	(20,000)
Contractual Services	2,084	2,730	20,000	(17,270)
Commodities	1,000	1,495	12,000	(10,505)
Capital Outlay	1,281	0	194,637	(194,637)
Total Expenditures	<u>22,492</u>	<u>58,824</u>	<u>542,637</u>	<u>(483,813)</u>
Receipts Over (Under) Expenditures	25,425	(10,861)		
Unencumbered Cash, Beginning	<u>470,837</u>	<u>496,262</u>		
Unencumbered Cash, Ending	\$ <u><u>496,262</u></u>	<u><u>485,401</u></u>		

CITY OF SHARON SPRINGS, KANSAS

Schedule 2

Business Funds

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Water Utility Fund				
Receipts				
Water Sales	\$ 238,883	261,546	275,000	(13,454)
Meter Deposits	675	775	1,200	(425)
Penalties	924	1,407	2,000	(593)
Connect and Disconnects	186	210	750	(540)
Installation Charges	320	591	1,000	(409)
Sale of Materials	572	2,878	2,000	878
Reimbursements	84	63	0	63
Other	3,582	2,994	0	2,994
Water Tax Collected	1,611	1,856	2,500	(644)
Sales Tax Collected	3,920	4,027	6,500	(2,473)
Equipment Rental	0	0	500	(500)
Total Receipts	<u>250,757</u>	<u>276,347</u>	<u>291,450</u>	<u>(15,103)</u>
Expenditures				
Production				
Contractual Services	3,085	3,055	10,000	(6,945)
Commodities	30,771	31,584	50,000	(18,416)
Capital Outlay	0	16,075	50,000	(33,925)
Transmission and Distribution				
Personal Services	16,568	14,578	60,000	(45,422)
Employer Contributions	2,731	2,387	10,000	(7,613)
Contractual Services	8,398	8,457	15,000	(6,543)
Commodities	4,109	1,195	10,000	(8,805)
Capital Outlay	0	45,660	0	45,660
General Administration				
Personal Services	69,689	86,027	100,000	(13,973)
Employer Contributions	6,618	7,904	15,000	(7,096)
Contractual Services	8,039	9,966	15,000	(5,034)
Commodities	5,549	6,551	12,000	(5,449)
Capital Outlay	2,416	0	660,723	(660,723)
Debt Service	28,265	28,265	28,265	0
Other	10	6	0	6
Deposit Refund	670	775	1,500	(725)
Total Expenditures	<u>186,918</u>	<u>262,485</u>	<u>1,037,488</u>	<u>(775,003)</u>
Receipts Over (Under) Expenditures	63,839	13,862		
Unencumbered Cash, Beginning	<u>673,504</u>	<u>737,343</u>		
Unencumbered Cash, Ending	\$ <u><u>737,343</u></u>	<u><u>751,205</u></u>		

CITY OF SHARON SPRINGS, KANSAS

Schedule 2

Business Funds

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Electric Utility Fund				
Receipts				
Charges for Services	\$ 1,136,718	1,142,870	1,120,000	22,870
Reimbursements	145	821	1,000	(179)
Connect and Disconnects	270	264	1,000	(736)
Penalties	3,407	6,986	6,500	486
Deposits	7,425	2,625	5,500	(2,875)
Sale of Materials	790	0	0	0
Equipment Rental	0	0	2,500	(2,500)
Installation Charges	0	0	5,000	(5,000)
Patronage Dividend	8,756	8,917	13,500	(4,583)
Sales Tax Collected	29,329	29,297	32,000	(2,703)
Outside Lights	6,579	6,744	10,000	(3,256)
Other	4,168	111,299	0	111,299
Total Receipts	1,197,587	1,309,823	1,197,000	112,823
Expenditures				
Production				
Personal Services	43,627	21,300	100,000	(78,700)
Employer Contributions	7,299	3,209	20,000	(16,791)
Contractual Services	30,465	31,479	60,000	(28,521)
Commodities	745,742	552,172	1,300,000	(747,828)
Capital Outlay	16,774	13,680	0	13,680
Transmission and Distribution				
Personal Services	48,674	54,517	100,000	(45,483)
Employer Contributions	8,072	9,202	15,000	(5,798)
Contractual Services	6,124	9,496	50,000	(40,504)
Commodities	22,891	24,360	95,000	(70,640)
Capital Outlay	14,604	3,900	0	3,900
General Administration				
Personal Services	70,998	88,133	153,435	(65,302)
Employer Contributions	6,839	8,261	15,000	(6,739)
Contractual Services	5,960	8,692	60,000	(51,308)
Commodities	42,162	45,505	70,000	(24,495)
Capital Outlay	3,696	105,543	150,000	(44,457)
Other				
Interest on Deposits	36	35	0	35
Deposit Refund	7,425	2,625	0	2,625
Miscellaneous Expense	318	424	0	424
Transfer to Equipment Reserve Fund	125,000	125,000	100,000	25,000
Transfer to Capital Improvements Fund	150,000	150,000	150,000	0
Total Expenditures	1,356,706	1,257,533	2,438,435	(1,180,902)
Receipts Over (Under) Expenditures	(159,119)	52,290		
Unencumbered Cash, Beginning	1,257,185	1,098,066		
Unencumbered Cash, Ending	\$ <u>1,098,066</u>	<u>1,150,356</u>		