CITY OF ROLLA, KANSAS
Rolla, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2023

CITY OF ROLLA, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2023

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CITY OF ROLLA, KANSAS

FINANCIAL SECTION

HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Rolla, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Rolla, Kansas, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Rolla, Kansas as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City of Rolla, Kansas, 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.

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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 Rolla, Kansas 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 Rolla's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rolla'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 Rolla'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 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 Rolla, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated June 13, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 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/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

July 15, 2024

CITY OF ROLLA, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	$ 68,870	$538,965	$524,819	$ 83,016	-	$ 83,016
Special Purpose Funds:						
Special Highway Fund	24,485	10,180	3,276	31,389	-	31,389
Equipment Reserve Fund	54,601	-	-	54,601	-	54,601
Capital Improvements Fund	51,628	33,000	29,441	55,187	-	55,187
Gifts and Grants Fund	38,384	-	33,227	5,157	-	5,157
Utility Reserve Improvement Fund	36,000	-	-	36,000	-	36,000
Debt Service Fund:						
Bond and Interest Fund	8,373	8,013	-	16,386	-	16,386
Business Fund:						
Enterprise Fund:						
Water Utilities Fund	98,393	242,401	269,634	71,160	-	71,160
Total Reporting Entity	$380,734	$832,559	$860,397	$352,896	-	$352,896

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

CITY OF ROLLA, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2023

Ending Cash Balance		$352,896
Composition of Cash:		
Cash on hand with City Clerk	$ 300	
Cash in Bank:		
Checking account – Dream First Bank – Petty cash	150	
Checking account – Dream First Bank	230,784	
Certificates of Deposit:		
Dream First Bank	121,662	
Total Cash		$352,896

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

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Rolla is a municipal corporation governed by an elected six member council. This regulatory financial statement presents the City of Rolla (the municipality). A related municipal entity is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with the City. Based upon the criteria used to evaluate potential related municipal entities, it was determined there were no related municipal entities to present with the municipality's financial statement.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2023:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

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

Bond and Interest Funds – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Business Funds:

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenue earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds:

Trust Funds – used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The 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 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, finance leases, temporary notes, and compensated absences are not presented in the financial statements.

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Rolla, Kansas deposited and/or invested all funds with the Dream First Bank.

State statutes and local bond ordinances authorize the City to invest in obligations of the U. S. Treasury and certificates of deposit at local financial institutions.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

Note 1: Summary of Significant Accounting Policies (Continued)

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Budgetary Information and Tax Cycle

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information and Tax Cycle (Continued)

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City of Rolla did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 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 the 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 project funds, trust funds, and the following special purpose funds:

Equipment Reserve Fund	Gifts and Grants Fund
Capital Improvements Fund	Utility Reserve Improvement Fund

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information and Tax Cycle (Continued)

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Morton County.

Taxes levied to finance the budget are made available to the City of Rolla, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

Contrary to the provisions of K.S.A. 10-1117 and K.S.A. 79-2934, the City Clerk did not maintain a formal encumbrance record or an unencumbered budget balance record.

Fund Balances – Designated for Subsequent Year's Budget

Actual cash carryover was sufficient for all funds.

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City of Rolla. The statute requires banks eligible to hold the City of Rolla's funds have a main or branch bank in the county in which the City of Rolla 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 of Rolla has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City of Rolla'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 of Rolla 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 of Rolla 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 of Rolla's deposits may not be returned to it. State statutes require the City of Rolla's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City of Rolla has no "peak periods". All deposits were legally secured at December 31, 2023.

At December 31, 2023, the City of Rolla's carrying amount of deposits, including certificates of deposit, was $352,896 and the bank balance was $365,426. Of the bank balance, $365,246 was covered by federal depository insurance.

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 of Rolla will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 4: Interfund Transfers

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvements	KSA 12-1,118	$ 33,000

Note 5: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City of Rolla, Kansas 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 Annual Comprehensive 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.

Note 5: Defined Benefit Pension Plan (Continued)

Contributions (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City of Rolla were $28,224 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City of Rolla's proportionate share of the collective net pension liability reported by KPERS was $180,189. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City of Rolla's proportion of the net pension liability was based on the ratio of the City of Rolla'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.

Note 6: Other Long-Term Obligations from Operations

Compensated Absences

Sick, Vacation and Personal Leave

All full-time regular employees are to accrue vacation and personal leave as follows:

1-4 Years of service – 80 vacation hours
5-9 Years of service – 136 vacation hours
10+ Years of service – 176 vacation hours

Note 6: Other Long-Term Obligations from Operations (Continued)

Sick, Vacation and Personal Leave (Continued)

Vacation leave is forfeited if not taken within the calendar year.

All full-time regular employees are entitled to 40 hours per calendar year after one full year of service for personal leave.

All full-time regular employees are to accrue sick leave. Eighty sick leave hours per year of employment may be accrued and carried over to the following year not to exceed 720 hours. No employee is to receive monetary renumeration for unused sick leave upon termination of their employment.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City of Rolla, Kansas allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City of Rolla, Kansas 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 of Rolla, Kansas makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post Employment Benefits

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

Note 7: Subsequent Events

The City of Rolla's management has evaluated events and transactions through July 15, 2024, the date which the financial statement was available to be issued.

Note 8: Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE loans	3.57%	12/07	$171,332	08/30	$117,088	-	$ 12,889	$104,199	$ 3,667
Total Contractual Indebtedness					$117,088	-	$ 12,889	$104,199	$ 3,667

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

	2024	2025	2026	2027	2028	2029-2030	Total
Principal:							
KDHE loans	$ 13,353	$ 13,834	$ 14,332	$ 14,848	$ 15,383	$ 32,449	$104,199
Interest:							
KDHE loans	3,249	2,815	2,365	1,900	1,417	1,317	13,063
Total Principal and Interest	$ 16,602	$ 16,649	$ 16,697	$ 16,748	$ 16,800	$ 33,766	$117,262

CITY OF ROLLA, KANSAS

REGULATORY–REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF ROLLA, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
For the year ended December 31, 2023

Funds	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$540,000	$524,819	$ (15,181)
Special Purpose Fund:			
Special Highway Fund	12,289	3,276	(9,013)
Debt Service Fund:			
Bond and Interest Fund	-	-	-
Business Fund:			
Enterprise Fund:			
Water Utilities Fund	292,955	269,634	(23,321)
Totals	$845,244	$797,729	$ (47,515)

CITY OF ROLLA, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023

CITY OF ROLLA, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Taxes and Shared Receipts:				
Ad valorem property tax	$269,973	$283,402	$ (13,429)	$220,723
Delinquent tax	5,974	-	5,974	15,486
Motor vehicle tax	28,308	29,752	(1,444)	23,594
Recreation vehicle tax	516	570	(54)	200
16/20 M tax	403	162	241	150
Watercraft current tax	89	-	89	99
Commercial vehicle tax	888	394	494	280
Local sales tax	105,143	105,000	143	116,108
Franchise tax	21,205	20,000	1,205	21,741
Total taxes	$432,499	$439,280	$ (6,781)	$398,381
Intergovernmental:				
Federal government taxes in lieu of	$ 17,065	$ 10,000	$ 7,065	$ 13,437
Licenses, permits, and fees	$ 50	$ 50	-	$ 50
Fines, forfeitures, and penalties	$ 1,002	$ 500	$ 502	$ 741
Use of Money and Property:				
Interest on time deposits	$ 7,510	$ 600	$ 6,910	$ 2,521
Royalties and rents	4,235	8,000	(3,765)	14,546
Capital credits and dividends	2,480	2,000	480	2,527
Total use of money and property	$ 14,225	$ 10,600	$ 3,625	$ 19,594
Miscellaneous:				
Reimbursed expenses	$ 71,333	$ 45,000	$ 26,333	$ 36,561
Other	2,791	1,200	1,591	1,433
Total miscellaneous	$ 74,124	$ 46,200	$ 27,924	$ 37,994
Total Receipts	$538,965	$506,630	$ 32,335	$470,197

CITY OF ROLLA, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Expenditures				
Administration:				
Personal services	$159,072	$177,500	$ (18,428)	$175,942
Contractual services	160,216	100,000	60,216	100,654
Commodities	19,472	37,500	(18,028)	33,842
Capital outlay	20,000	20,000	-	-
Donations	1,719	-	1,719	1,852
Miscellaneous	-	-	-	823
Total general government	$360,479	$335,000	$ 25,479	$313,113
Public Safety – Police:				
Personal services	$ 23,915	$ 30,000	$ (6,085)	$ 17,587
Contractual services	2,646	5,000	(2,354)	3,208
Commodities	1,347	5,000	(3,653)	2,866
Total public safety – Police	$ 27,908	$ 40,000	$ (12,092)	$ 23,661
Public Safety – Fire:				
Personal services	$ 2,000	$ 7,500	$ (5,500)	$ 6,000
Contractual services	9,967	15,000	(5,033)	8,345
Commodities	164	2,500	(2,336)	403
Total public safety – Fire	$ 12,131	$ 25,000	$ (12,869)	$ 14,748
Highways and Streets:				
Contractual services	$ 11,616	$ 15,000	$ (3,384)	$ 18,128
Commodities	3,831	15,000	(11,169)	7,523
Total highways and streets	$ 15,447	$ 30,000	$ (14,553)	$ 25,651
Employee Benefits:				
Personal services	$ 75,854	$ 90,000	$ (14,146)	$ 94,668
Operating transfers	$ 33,000	$ 20,000	$ 13,000	$ 30,000
Total Expenditures	$524,819	$540,000	$ (15,181)	$501,841
Receipts Over (Under) Expenditures	$ 14,146			$ (31,644)
Unencumbered Cash, Beginning	68,870			100,514
Unencumbered Cash, Ending	$ 83,016			$ 68,870

CITY OF ROLLA, KANSAS

Schedule 2-2

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Receipts				
Intergovernmental:				
Gasoline tax	$ 10,180	$ 9,900	$ 280	$ 9,853
Expenditures				
Commodities	3,276	$ 12,289	$ (9,013)	-
Receipts Over (Under) Expenditures	$ 6,904			$ 9,853
Unencumbered Cash, Beginning	24,485			14,632
Unencumbered Cash, Ending	$ 31,389			$ 24,485

CITY OF ROLLA, KANSAS

Schedule 2-3

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	Current Year			
Receipts	Actual	Budget	Variance Over (Under)	Prior Year Actual
Taxes and Shared Receipts:				
Ad valorem property tax	$ -	$ -	$ -	$ 53,689
Delinquent tax	963	-	963	3,934
Motor vehicle tax	6,609	7,224	(615)	4,814
Recreation vehicle tax	121	138	(17)	38
16/20 M tax	77	39	38	44
Watercraft current tax	21	-	21	19
Commercial vehicle tax	213	96	117	53
Total taxes	$ 8,004	$ 7,497	$ 507	$ 62,591
Intergovernmental:				
Federal government taxes in lieu of	-	-	-	3,262
Miscellaneous	-	-	-	1,300
Antique tag	9	-	9	8
Total Receipts	$ 8,013	$ 7,497	$ 516	$ 67,161
Expenditures				
Bond principal	-	-	-	$ 65,000
Interest coupons	-	-	-	1,300
Miscellaneous	-	-	-	1
Total Expenditures	-	-	-	$ 66,301
Receipts Over (Under) Expenditures	$ 8,013			$ 860
Unencumbered Cash, Beginning	8,373			7,513
Unencumbered Cash, Ending	$ 16,386			$ 8,373

CITY OF ROLLA, KANSAS

Schedule 2-4

WATER UTILITIES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	Current Year			
Receipts	Actual	Budget	Variance Over (Under)	Prior Year Actual
Charges for Sales and Services:				
Water sales to customers	$127,614	$135,000	$ (7,386)	$150,935
Sanitation sales to customers	53,940	55,000	(1,060)	53,764
Sewer sales to customers	50,296	52,000	(1,704)	50,281
Connect, reconnect and penalty fees	4,423	4,500	(77)	5,201
Total charges for sales and services	$236,273	$246,500	$ (10,227)	$260,181
Reimbursed expense	4,943	20,000	(15,057)	29,251
Miscellaneous	1,185	1,400	(215)	1,372
Total Receipts	$242,401	$267,900	$ (25,499)	$290,804
Expenditures				
Water:				
Personal services	$ 41,242	$ 30,000	$ 11,242	$ 21,835
Contractual services	84,680	95,000	(10,320)	70,302
Commodities	32,198	40,000	(7,802)	44,690
Capital outlay	-	-	-	5,000
Total water	$158,120	$165,000	$ (6,880)	$141,827
Sanitation:				
Contractual services	$ 47,593	$ 50,000	$ (2,407)	$ 43,078
Commodities	480	-	480	-
Total sanitation	$ 48,073	$ 50,000	$ (1,927)	$ 43,078
Sewer:				
Contractual services	$ 16,856	$ 15,000	$ 1,856	$ 16,625
Commodities	1,600	10,000	(8,400)	4,798
Total sewer	$ 18,456	$ 25,000	$ (6,544)	$ 21,423

CITY OF ROLLA, KANSAS

Schedule 2-4
(Continued)

WATER UTILITIES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Expenditures (Continued)				
Employee Benefits:				
Medical insurance	$ 20,000	$ 26,000	$ (6,000)	$ 16,542
Social Security and Medicare	2,727	-	2,727	1,435
KPER's	3,889	-	3,889	2,005
Workman's Compensation	1,414	-	1,414	-
Total employee benefits	$ 28,030	$ 26,000	$ 2,030	$ 19,982
Debt Service:				
Debt service	$ 16,955	$ 16,955	-	$ 16,955
Operating transfers	-	$ 10,000	$ (10,000)	$ 17,500
Total Expenditures	$269,634	$292,955	$ (23,321)	$260,765
Receipts Over (Under) Expenditures	$ (27,233)			$ 30,039
Unencumbered Cash, Beginning	98,393			68,354
Unencumbered Cash, Ending	$ 71,160			$ 98,393

CITY OF ROLLA, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023

CITY OF ROLLA, KANSAS

Schedule 2-5

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	2023	2022
Receipts		
Operating transfers	-	$ 15,000
Miscellaneous	-	100
Total Receipts	-	$ 15,100
Expenditures	-	-
Receipts Over (Under) Expenditures	$ -	$ 15,100
Unencumbered Cash, Beginning	54,601	39,501
Unencumbered Cash, Ending	$ 54,601	$ 54,601

CITY OF ROLLA, KANSAS

Schedule 2-6

CAPITAL IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	2023	2022
Receipts		
Operating transfers	$ 33,000	$ 15,000
Expenditures		
Contractual services	$ 15,546	-
Commodities	13,895	-
Total Expenditures	$ 29,441	-
Receipts Over (Under) Expenditures	$ 3,559	$ 15,000
Unencumbered Cash, Beginning	51,628	36,628
Unencumbered Cash, Ending	$ 55,187	$ 51,628

CITY OF ROLLA, KANSAS

Schedule 2-7

GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	2023	2022
Receipts		
Gifts and Grants	$ -	$ 27,165
Expenditures		
Contractual services	33,227	15,945
Receipts Over (Under) Expenditures	$ (33,227)	$ 11,220
Unencumbered Cash, Beginning	38,384	27,164
Unencumbered Cash, Ending	$ 5,157	$ 38,384

CITY OF ROLLA, KANSAS

Schedule 2-8

UTILITY RESERVE IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
For the year ended December 31, 2023
(with comparative actual totals for the prior year ended December 31, 2022)

	2023	2022
Receipts		
Operating transfers	-	$ 17,500
Expenditures	-	-
Receipts Over (Under) Expenditures	$ -	$ 17,500
Unencumbered Cash, Beginning	36,000	18,500
Unencumbered Cash, Ending	$ 36,000	$ 36,000