

CITY OF GENESEO, KANSAS

FINANCIAL STATEMENT

For the Year Ended December 31, 2022

City of Geneseo, Kansas

For the Year Ended December 31, 2022

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
 <u>Financial Section</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Statement 1 4
Notes to Financial Statement	5-10
 <u>Regulatory – Required Supplementary Information</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	Schedule 1 11
Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis	Schedule 2
General Fund	12-13
Special Purpose Funds	14-17
Bond and Interest Fund	18
Business Funds	19-21
Summary of Receipts and Disbursements – Regulatory Basis	Schedule 3
Agency Funds	22
Schedule of Receipts and Expenditures – Actual – Regulatory Basis	Schedule 4
Related Municipal Entity	23

INDEPENDENT AUDITOR'S REPORT

City Council
City of Geneseo
Geneseo, 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 Geneseo, Kansas (City) and its related municipal entity, as of and for the year ended December 31, 2022, and the related disclosures to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2022 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, summary of regulatory basis receipts and disbursements—agency funds and the schedule of receipts and expenditures—actual—related municipal entity (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2022 basic financial statement, but 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 2022 basic financial statement. The 2022 information has been 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 accompanying supplementary information is fairly stated in all material respects in relation to the 2022 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 as of and for the year ended December 31, 2021 (not presented

herein), and have issued our report thereon dated February 25, 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/accounts-reports/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 and the schedule of receipts and expenditures—actual—related municipal entity for the year ended December 31, 2022 (Schedules 2 and 4 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the 2022 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.

Krudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
February 23, 2023

City of Geneseo, 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 Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 67,868	175,921	126,415	117,374	9,419	126,793
Special Purpose Funds						
Library	664	5,314	5,978	-	-	-
Recreation	49	1,510	1,682	(123)	-	(123)
Special Street and Highway	10,564	6,552	1,713	15,403	-	15,403
Special Parks and Recreation	79	429	-	508	-	508
Equipment Reserve						
Fire	5,818	3,713	467	9,064	-	9,064
Police	18,288	3,707	74	21,921	-	21,921
Maintenance	3,110	7,914	6,613	4,411	-	4,411
Water Salesman	3,055	1,524	-	4,579	-	4,579
Bond and Interest Fund	1,245	6,301	6,746	800	-	800
Business Funds						
Waterworks	2,951	75,583	74,025	4,509	91	4,600
Sewer	5,262	31,371	31,154	5,479	-	5,479
Refuse	7,277	22,818	26,219	3,876	1,433	5,309
Waterworks Reserve	1,651	-	-	1,651	-	1,651
Related Municipal Entity						
Land Bank	14,106	3,707	-	17,813	-	17,813
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 141,987</u>	<u>346,364</u>	<u>281,086</u>	<u>207,265</u>	<u>10,943</u>	<u>218,208</u>
Composition of Cash						
Cash on hand						\$ 100
Lyons Federal Bank						
Checking						185,181
Certificates of Deposit						<u>32,953</u>
Total Cash						218,234
Less Agency Fund per Schedule 3						<u>26</u>
Total Reporting Entity (Excluding Agency Funds)						<u>\$ 218,208</u>

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

City of Geneseo, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

The City of Geneseo is a municipal corporation governed by an elected six-member council. This regulatory financial statement presents the City of Geneseo (City) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Land Bank – The Land Bank was established under K.S.A. 12-5901 for the purpose of acquiring land within the City of Geneseo. The Land Bank is governed by a Board of Trustees which is comprised of members of the City Council and Mayor.

The following entities are related municipal entities of the City that have not been presented in this financial statement. The governing bodies of these related municipal entities are appointed by the City.

Geneseo Public Library – The Geneseo Public 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. The City levies taxes for the Library's operations. Unaudited financial statements can be obtained by contacting the Library.

Geneseo Recreation Commission – The Geneseo Recreation Commission is responsible for organizing the City's various youth and adult recreational activities. The Recreation Commission operates as a separate governing body but the City levies taxes for the Recreation Commission and the Recreation Commission has only the power granted by statute, K.S.A. 12-1928. Unaudited financial statements can be obtained by contacting the Recreation Commission.

Geneseo Museum – The Geneseo Museum board operates the City's museum. The City makes appropriations to the museum to assist in funding capital expenditures and operating expenses. Unaudited financial statements can be obtained by contacting the Museum.

Regulatory Basis Fund Types

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

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

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

Business Fund – used to account in whole or in part for fees charged to users of the goods or services (i.e. waterworks fund, sewer fund, refuse fund, etc.).

Agency Fund – used to report assets held by the City in a purely custodial capacity (i.e., sales tax collection account).

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

City of Geneseo, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Fund, 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 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 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 Business Reserve Funds, Equipment Reserve Funds or Agency Funds.

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.

City of Geneseo, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the 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. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the City's carrying amount of deposits, including the related municipal entity, was \$218,134 and the bank balance was \$220,259. The bank balance was held by one bank resulting in a concentration of credit risk. All of the bank balance was covered by federal depository insurance.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

K.S.A. 10-130 requires municipalities to remit payments for any bonds or interest to the state fiscal agent at least twenty days before the date of maturity. The June 2022 general obligation bond payment was not made timely in accordance with this statute.

Expenditures were not made in compliance with the cash basis law as required by K.S.A. 10-1113. There was a cash basis violation in the Recreation Fund in the amount of \$123.

City of Geneseo, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2022

4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2022, 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
General Obligation Bonds									
Series 1999	4.750%	07/07/99	\$ 99,000	07/07/24	\$ 18,700	-	6,000	12,700	746
Series 2007-A	4.125%	06/05/07	336,700	06/05/47	255,620	-	6,064	249,556	10,544
Series 2012-A	2.750%	07/18/12	211,500	07/26/52	181,657	-	3,788	177,869	4,996
Series 2012-B	2.750%	07/18/12	25,000	07/26/52	21,472	-	448	21,024	590
					<u>477,449</u>	<u>-</u>	<u>16,300</u>	<u>461,149</u>	<u>16,876</u>
KDHE Loan	2.420%	08/01/12	43,793	08/01/33	197,932	-	14,401	183,531	4,703
Finance Leases									
Kubota Tractor	3.760%	04/13/18	22,759	03/13/25	11,311	-	3,335	7,976	368
Kubota Mower	3.760%	04/13/18	8,175	03/13/25	4,063	-	1,198	2,865	132
					<u>15,374</u>	<u>-</u>	<u>4,533</u>	<u>10,841</u>	<u>500</u>
Total contractual indebtedness					<u>\$ 690,755</u>	<u>-</u>	<u>35,234</u>	<u>655,521</u>	<u>22,079</u>

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

	Year ending December 31										Total
	2023	2024	2025	2026	2027	2028 to 2032	2033 to 2037	2038 to 2042	2043 to 2047	2048 to 2052	
Principal											
General Obligation Bonds	\$ 16,867	17,517	11,440	11,849	12,273	68,239	81,486	97,366	98,807	45,305	461,149
KDHE Loan	14,751	15,110	15,478	15,855	16,241	87,333	18,763	-	-	-	183,531
Finance Leases	4,706	4,886	1,249	-	-	-	-	-	-	-	10,841
Total principal	<u>36,324</u>	<u>37,513</u>	<u>28,167</u>	<u>27,704</u>	<u>28,514</u>	<u>155,572</u>	<u>100,249</u>	<u>97,366</u>	<u>98,807</u>	<u>45,305</u>	<u>655,521</u>
Interest											
General Obligation Bonds	16,097	15,692	14,991	14,582	14,158	63,866	50,651	34,774	15,711	3,805	244,327
KDHE Loan	4,353	3,993	3,626	3,249	2,863	8,187	341	-	-	-	26,612
Finance Leases	327	147	8	-	-	-	-	-	-	-	482
Total interest	<u>20,777</u>	<u>19,832</u>	<u>18,625</u>	<u>17,831</u>	<u>17,021</u>	<u>72,053</u>	<u>50,992</u>	<u>34,774</u>	<u>15,711</u>	<u>3,805</u>	<u>271,421</u>
Total Principal and Interest	<u>\$ 57,101</u>	<u>57,345</u>	<u>46,792</u>	<u>45,535</u>	<u>45,535</u>	<u>227,625</u>	<u>151,241</u>	<u>132,140</u>	<u>114,518</u>	<u>49,110</u>	<u>926,942</u>

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Equipment Reserve-Fire	K.S.A. 12-1,117	\$ 3,707
General	Equipment Reserve-Police	K.S.A. 12-1,117	3,707
General	Equipment Reserve-Maintenance	K.S.A. 12-1,117	7,414
General	Land Bank	K.S.A. 12-1,117	3,707

City of Geneseo, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2022

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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, with a 0% moratorium for the period January 1 through June 30, 2022.

Compensated Absences

Full-time employees earn two weeks of paid vacation upon completion of one year of employment. Unused vacation time is paid to employees upon termination. Unused vacation time has not been recorded as a liability in the accompanying financial statement.

7. DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its 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.

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, with a 0% moratorium for the period January 1 through June 30, 2022, for the 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 \$3,532 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 \$38,290. 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

City of Geneseo, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2022

7. DEFINED BENEFIT PENSION PLAN (Continued)

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 nonemployer 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.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

9. DATE OF MANAGEMENT REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through February 23, 2023, which is the date the financial statement was available to be issued.

CITY OF GENESEO, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

City of Geneseo, Kansas
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
GENERAL FUND	\$ 233,539	-	233,539	126,415	(107,124)
SPECIAL PURPOSE FUNDS					
Library	6,000	-	6,000	5,978	(22)
Recreation	1,700	-	1,700	1,682	(18)
Special Street and Highway	22,019	-	22,019	1,713	(20,306)
Special Parks and Recreation	79	-	79	-	(79)
BOND AND INTEREST FUND	7,388	-	7,388	6,746	(642)
BUSINESS FUNDS					
Waterworks	78,659	-	78,659	74,025	(4,634)
Sewer	49,556	-	49,556	31,154	(18,402)
Refuse	34,143	-	34,143	26,219	(7,924)

City of Geneseo, 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				
Ad valorem property tax	\$ 47,865	47,817	54,575	(6,758)
Delinquent tax	6,944	3,500	4,000	(500)
Vehicle tax	10,176	12,024	12,081	(57)
Local sales tax	61,765	57,689	57,000	689
Franchise tax	14,884	15,829	15,000	829
Liquor tax	20	428	-	428
Fines, fees, and permits	620	379	500	(121)
Land lease	1,995	1,293	1,500	(207)
Interest	493	686	400	286
Donations and other	618	2,037	1,000	1,037
Insurance proceeds	53,623	-	-	-
Sale of assets	150	-	-	-
Federal and State aid				
Coronavirus State & Local Fiscal Recovery Fund	19,610	21,193	19,494	1,699
Reimbursements	9,638	13,046	8,500	4,546
Total Receipts	228,401	175,921	174,050	1,871
EXPENDITURES, page 13	186,642	126,415		
Receipts over (under) expenditures	41,759	49,506		
UNENCUMBERED CASH, beginning	26,109	67,868		
UNENCUMBERED CASH, ending	\$ 67,868	117,374		

City of Geneseo, 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	
EXPENDITURES				
Administration				
Salaries and benefits	\$ 29,003	19,302	20,000	(698)
Contractual services	120,250	69,627	60,000	9,627
Commodities and other	13,660	16,713	20,000	(3,287)
Capital outlay	-	-	4,000	(4,000)
Fire protection				
Salaries and benefits	241	2,238	3,000	(762)
Contractual services	2,207	-	2,500	(2,500)
Police protection				
Salaries and benefits	(181)	-	12,000	(12,000)
Contractual services	717	-	1,000	(1,000)
Commodities and other	-	-	500	(500)
Maintenance				
Salaries and benefits	-	-	6,000	(6,000)
Contractual services	-	-	2,500	(2,500)
Commodities and other	-	-	5,000	(5,000)
Capital outlay	-	-	5,000	(5,000)
Capital outlay	-	-	74,539	(74,539)
Transfer to				
Equipment Reserve-Fire	4,149	3,707	3,500	207
Equipment Reserve-Police	4,149	3,707	3,500	207
Equipment Reserve-Maintenance	8,298	7,414	7,000	414
Land Bank	4,149	3,707	3,500	207
Total Expenditures	<u>\$ 186,642</u>	<u>126,415</u>	<u>233,539</u>	<u>(107,124)</u>

City of Geneseo, 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	
<u>LIBRARY</u>				
RECEIPTS				
Ad valorem property tax	\$ 3,362	4,109	4,705	(596)
Delinquent tax	1,049	351	500	(149)
Vehicle tax	1,753	854	851	3
Total Receipts	6,164	5,314	6,056	(742)
EXPENDITURES				
Appropriation to Library Board	5,500	5,978	6,000	(22)
Receipts over (under) expenditures	664	(664)		
UNENCUMBERED CASH, beginning	-	664		
UNENCUMBERED CASH, ending	\$ 664	-		
<u>RECREATION</u>				
RECEIPTS				
Ad valorem property tax	\$ 1,137	1,126	1,288	(162)
Delinquent tax	226	96	140	(44)
Vehicle tax	486	288	287	1
Total Receipts	1,849	1,510	1,715	(205)
EXPENDITURES				
Appropriation to Recreation Commission	1,800	1,682	1,700	(18)
Receipts over (under) expenditures	49	(172)		
UNENCUMBERED CASH, beginning	-	49		
UNENCUMBERED CASH, ending	\$ 49	(123)		

City of Geneseo, 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	
<u>SPECIAL STREET AND HIGHWAY</u>				
RECEIPTS				
Gasoline tax	\$ 7,417	6,552	6,610	(58)
EXPENDITURES				
Salaries and benefits	5,024	470	-	470
Contractual services	-	-	7,019	(7,019)
Commodities and other	1,598	1,243	-	1,243
Cash basis reserve	-	-	15,000	(15,000)
Total Expenditures	6,622	1,713	22,019	(20,306)
Receipts over (under) expenditures	795	4,839		
UNENCUMBERED CASH, beginning	9,769	10,564		
UNENCUMBERED CASH, ending	\$ 10,564	15,403		
<u>SPECIAL PARKS AND RECREATION</u>				
RECEIPTS				
Liquor tax	\$ 20	429	10	419
EXPENDITURES				
Contractual services	-	-	79	(79)
Receipts over (under) expenditures	20	429		
UNENCUMBERED CASH, beginning	59	79		
UNENCUMBERED CASH, ending	\$ 79	508		

City of Geneseo, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

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>
<u>EQUIPMENT RESERVE-FIRE</u>		
RECEIPTS		
Reimbursements and other	\$ -	6
Transfer from General	<u>4,149</u>	<u>3,707</u>
Total Receipts	<u>4,149</u>	<u>3,713</u>
EXPENDITURES		
Commodities	622	243
Capital outlay	1,472	224
Capital lease		
Principal	6,044	-
Interest	<u>157</u>	<u>-</u>
Total Expenditures	<u>8,295</u>	<u>467</u>
Receipts over (under) expenditures	(4,146)	3,246
UNENCUMBERED CASH, beginning	<u>9,964</u>	<u>5,818</u>
UNENCUMBERED CASH, ending	<u>\$ 5,818</u>	<u>9,064</u>
<u>EQUIPMENT RESERVE-POLICE</u>		
RECEIPTS		
Reimbursements and other	\$ 3,126	-
Transfer from General	<u>4,149</u>	<u>3,707</u>
Total Receipts	<u>7,275</u>	<u>3,707</u>
EXPENDITURES		
Commodities	<u>-</u>	<u>74</u>
Receipts over (under) expenditures	7,275	3,633
UNENCUMBERED CASH, beginning	<u>11,013</u>	<u>18,288</u>
UNENCUMBERED CASH, ending	<u>\$ 18,288</u>	<u>21,921</u>

City of Geneseo, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

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>
<u>EQUIPMENT RESERVE-MAINTENANCE</u>		
RECEIPTS		
Reimbursements and other	\$ 400	350
Sale of assets	-	150
Transfer from General	<u>8,298</u>	<u>7,414</u>
Total Receipts	<u>8,698</u>	<u>7,914</u>
EXPENDITURES		
Commodities	1,102	1,580
Capital lease		
Principal	4,366	4,533
Interest	<u>667</u>	<u>500</u>
Total Expenditures	<u>6,135</u>	<u>6,613</u>
Receipts over (under) expenditures	2,563	1,301
UNENCUMBERED CASH, beginning	<u>547</u>	<u>3,110</u>
UNENCUMBERED CASH, ending	<u>\$ 3,110</u>	<u>4,411</u>
<u>EQUIPMENT RESERVE-WATER SALESMAN</u>		
RECEIPTS		
Services	\$ 1,505	1,524
EXPENDITURES		
	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	1,505	1,524
UNENCUMBERED CASH, beginning	<u>1,550</u>	<u>3,055</u>
UNENCUMBERED CASH, ending	<u>\$ 3,055</u>	<u>4,579</u>

City of Geneseo, Kansas

Bond and Interest 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 Over (Under)
		Actual	Budget	
RECEIPTS				
Ad valorem property tax	\$ 6,088	4,347	4,978	(631)
Delinquent tax	714	425	-	425
Vehicle tax	1,166	1,529	1,537	(8)
Total Receipts	7,968	6,301	6,515	(214)
EXPENDITURES				
Principal	5,700	6,000	6,000	-
Interest	1,023	746	888	(142)
Cash basis reserve	-	-	500	(500)
Total Expenditures	6,723	6,746	7,388	(642)
Receipts over (under) expenditures	1,245	(445)		
UNENCUMBERED CASH, beginning	-	1,245		
UNENCUMBERED CASH, ending	\$ 1,245	800		

City of Geneseo, Kansas

Business 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	
<u>WATERWORKS</u>				
RECEIPTS				
Service and connection fees	\$ 66,443	75,583	75,500	83
Reimbursements and other	534	-	-	-
Total Receipts	<u>66,977</u>	<u>75,583</u>	<u>75,500</u>	<u>83</u>
EXPENDITURES				
Salaries and benefits	28,637	31,173	32,733	(1,560)
Contractual services	6,478	5,643	3,500	2,143
Commodities and other	3,970	8,283	2,500	5,783
Capital outlay	-	-	8,000	(8,000)
Principal	18,181	18,637	18,637	-
Interest	10,745	10,289	10,289	-
Transfer to Waterworks Reserve	-	-	3,000	(3,000)
Total Expenditures	<u>68,011</u>	<u>74,025</u>	<u>78,659</u>	<u>(4,634)</u>
Receipts over (under) expenditures	(1,034)	1,558		
UNENCUMBERED CASH, beginning	<u>3,985</u>	<u>2,951</u>		
UNENCUMBERED CASH, ending	<u>\$ 2,951</u>	<u>4,509</u>		

City of Geneseo, Kansas

Business 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	
<u>SEWER</u>				
RECEIPTS				
Service and connection fees	\$ 32,486	31,371	40,000	(8,629)
EXPENDITURES				
Salaries and benefits	15,421	10,779	16,448	(5,669)
Contractual services	1,769	3,279	3,000	279
Commodities and other	90	488	3,000	(2,512)
Capital outlay	-	-	5,500	(5,500)
Principal	5,824	6,064	6,064	-
Interest	10,785	10,544	10,544	-
Transfer to Sewer Reserve	-	-	5,000	(5,000)
Total Expenditures	33,889	31,154	49,556	(18,402)
Receipts over (under) expenditures	(1,403)	217		
UNENCUMBERED CASH, beginning	6,665	5,262		
UNENCUMBERED CASH, ending	\$ 5,262	5,479		
<u>REFUSE</u>				
RECEIPTS				
Service fees	\$ 22,874	22,818	27,000	(4,182)
EXPENDITURES				
Salaries and benefits	9,138	8,497	10,000	(1,503)
Contractual services	17,602	17,722	24,143	(6,421)
Total Expenditures	26,740	26,219	34,143	(7,924)
Receipts over (under) expenditures	(3,866)	(3,401)		
UNENCUMBERED CASH, beginning	11,143	7,277		
UNENCUMBERED CASH, ending	\$ 7,277	3,876		

City of Geneseo, Kansas

Business Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

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>
<u>WATERWORKS RESERVE</u>		
RECEIPTS	\$ -	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>1,651</u>	<u>1,651</u>
UNENCUMBERED CASH, ending	<u>\$ 1,651</u>	<u>1,651</u>

City of Geneseo, Kansas

Agency Funds

SUMMARY OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended December 31, 2022

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
SALES TAX	\$ 59	268	301	26

City of Geneseo, Kansas

Related Municipal Entity

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

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>
<u>LAND BANK</u>		
RECEIPTS		
Lot Sales	\$ 1,300	-
Transfer from General	<u>4,149</u>	<u>3,707</u>
Total Receipts	<u>5,449</u>	<u>3,707</u>
EXPENDITURES		
Contractual services	242	-
Other expenses	<u>7</u>	<u>-</u>
Total Expenditures	<u>249</u>	<u>-</u>
Receipts over (under) expenditures	5,200	3,707
UNENCUMBERED CASH, beginning	<u>8,906</u>	<u>14,106</u>
UNENCUMBERED CASH, ending	<u>\$ 14,106</u>	<u>17,813</u>