The City of Strong City
Chase County, Kansas

Independent Auditors' Report and
Regulatory Basis Financial Statement
Year Ended December 31, 2024

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The City of Strong City
Chase County, Kansas

Regulatory Basis Financial Statement
Year Ended December 31, 2024

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Independent Auditors' Report

To the City Council
Strong City, 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 Strong City, Kansas, a municipality, as of and for the year ended December 31, 2024 and the related notes to the financial statement.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion and Unmodified Opinions section of our report, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Strong City, Kansas, as of December 31, 2024, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Strong City, Kansas, as of December 31, 2024, 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 Opinion 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 Strong City, 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 my 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 Strong City, 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 to meet the financial reporting requirements of the State of Kansas; 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 Strong 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.

Auditors' Responsibility 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 my 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Strong 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 of Strong 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.

Report on Regulatory – Required Supplementary Information and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement 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 basic financial statement. This 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 Strong City, Kansas as of and for the year ended December 31, 2023 (not presented herein), and have issued our report dated September 27, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and my report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2024 (Schedule 2 as listed in the table of contents) is presented for analysis and are not a required part of the basic financial statement. Such 2023 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 2023 basic financial statement. The 2023 comparative information has been subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the 2023 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 2023 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, 2023, on the basis of accounting described in Note 1.

Cindy Jensen CPA

Cindy Jensen, CPA
September 30, 2025

City of Strong City
Chase County, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	$ 34,612	$ 0	$ 324,484	$ 369,144	$ (10,048)	$ 10,833	$ 785
Special Purpose Funds							
Special Highway	6,837	0	10,468	12,668	4,637	0	4,637
Tourism	6,591	0	0	0	6,591	0	6,591
Special Parks & Recreation	3,335	0	2,750	4,069	2,016	0	2,016
Equipment Reserve	10,673	0	5,600	4,851	11,422	0	11,422
Short Lived Assets-Water	12,482	0	12,756	24,153	1,085	1,026	2,111
Short Lived Assets-Sewer	1,394	0	2,667	221	3,840	0	3,840
Depot Donations	288	0	0	0	288	0	288
ARPA	56,237	0	0	19,800	36,437	0	36,437
Debt Reserve	71,834	0	78,360	78,356	71,838	0	71,838
FEMA	0	0	0	0	0	0	0
Capital Project Fund							
Sewer Project	11,221	0	36,595	234,325	(186,509)	184,350	(2,159)
Streetscape	0	0	322,432	304,666	17,766	285	18,051
Business Fund							
Sewer Fund	39,513	0	141,483	135,743	45,253	1,287	46,540
Utility-Water & Trash	81,185	0	335,449	382,718	33,916	22,086	56,002
Total Reporting Entity	$ 336,202	$ 0	$ 1,273,044	$ 1,570,714	$ 38,532	$ 219,867	$ 258,399

Composition of Cash Balance:	
Checking	$ 173,828
Certificates of Deposit	84,321
Petty Cash	250
Total Cash Balance	258,399
Less: Agency Funds	0
Total Reporting Entity	$ 258,399

The accompanying notes are an integral part of this statement

Note 1 – Summary of Significant Accounting Policies

The City has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the City's accounting policies are described below.

Financial Reporting Entity

The City of Strong City is a governmental entity governed by an elected five-member council and mayor. The City's major operations include public safety, streets and highways, parks and recreation, and general administrative services. The City also operates two major business activities: a sewer system and a water system. The City also contracts for solid waste collection. The City's financial statement does not include any related municipal entities.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

General Fund – The chief operating fund of the City. It is used to account for all financial 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 revenue sources (other.than capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

Business Funds – these are financed in whole or in part by fees charged to users of the goods or services. Business funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of receipts, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Agency Funds – funds used to report assets held by the City in a purely custodial capacity.

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 approved a resolution that is in compliance-with K.S.A. 75-1120(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Note 1 – Summary of Significant Accounting Policies (Cont.)

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 & 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality 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 revenue 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and certain other special purpose funds as noted in the presentation of the appropriate Schedule 2. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits by the governing body.

Note 2 – Stewardship, Compliance, and Accountability

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, and interpretation by the County Attorney and legal representatives of the Municipality.

K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of monies in that fund. The General Fund was negative at year end. The Sewer Project fund also contained a negative balance at the year end. However, this federal fund is on the reimbursement basis and therefore, no violation occurred.

Note 2 – Stewardship, Compliance, and Accountability (Cont)

Compliance with Finance-Related Legal and Contractual Obligations (Cont)

K.S.A. 10-130 requires that the City remit payments to the state fiscal agent at least 20 days prior to the day of maturity of bonds or interest due. The City remitted payments within the 20-day period prior to the maturity date.

Management is not aware of any other regulatory violations for the period covered by this audit.

Note 3 – Cash and Deposits

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 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.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the City's deposits may not be entirely 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 of Topeka, except during designated "peak periods" when required coverage is 50%.

The City maintains a cash pool that is available for use by all funds. At year-end, the carrying amount of the City's deposits, excluding petty cash, was $258,149. The bank balance was $262,580. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance $262,580 was covered by federal depository insurance. The City held no investments on December 31, 2024.

Note 4 – Property Taxes

The City certifies its' budget to the County Clerk annually. Using this certified budget and those of other political subdivisions within the county, the County Clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20th of the same year, and the second installment is due May 10th of the subsequent year. The County Treasurer collects and distributes the property taxes. In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations.

Note 5 – Defined Benefit Pension Plan

Plan Description

The City of Strong City, 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 Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas St. 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 contributions 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, 2, and 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 rate for KPERS 1, KPERS 2, and KPERS 3 to 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 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $25,750 for the year ended December 31, 2024.

Net Pension Liability

At December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $217,287. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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 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 – 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; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

The City participates in Federal and State programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed

Note 6 – Risk Management (Cont)

due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. Any disallowed claim resulting from such audit could become a liability of the City. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the City at December 31, 2024

Note 7 – Other Post-Employment Benefits

Compensated Absences

Vacation for full time employees is based on years of employment. Amounts earned range from 6.67 hours per month for an employee with up to 2 years of service, to 15 hours per month for an employee with 6 or more years of service. Part time employees working at least 20 hours per week earn vacation at the rate of 1.67 hours per month. Seasonal and temporary employees do not earn vacation. The maximum hours of accumulation is 160. Upon separation of service, an employee is compensated for all earned but unused hours. Amounts paid for compensated absences are charged to the same respective fund as wages. No provision has been made in this financial statement for accumulated leave.

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, 2024.

Note 8 – Long-Term Debt

General Obligation Bonds

The City issued General Obligation bonds Series 2015A in the amount of $591,770 to pay off the temporary water project notes. USDA-Rural Development purchased the bonds at the intermediate rate of 2.75%. USDA-RD approved an additional loan of $59,000 to cover project expenditures. The City issued General Obligation bonds Series 2015B in the amount of $59,000 also with an interest rate of 2.75%.

In 2021, the City issued General Obligation bonds Series 2021A in the amount of $2,240,000 to pay off the temporary sewer project financing. USDA-Rural Development purchased the bonds at a rate of 1.75%.

In 2024, the City issued General Obligation bonds Series 2024 in the amount of $325,000 for the purpose of street improvements. The bonds carry interest rates of 4% to 4.5% depending on the maturity date.

Capital Leases

The City entered into a lease agreement with Cottonwood Valley Bank for the purchase of a 2015 Chevrolet C2500 on October 19, 2020 for $32,121. Four annual payments of $8,850 were scheduled beginning October 19, 2021. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease are made from the Equipment, sewer and water funds. The final payment was made in 2024.

Note 8 – Long-Term Debt (Cont)

Changes in long-term liabilities for the City for the year ended December 31, 2024 are as follows:

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
General Obligation Bonds									
Series 2015A	2.75%	4/28/2015	591,770	5/1/2055	$ 518,585	$ 0	$ 10,316	$ 508,269	$ 14,261
Series 2015B	2.75%	4/28/2015	59,000	5/1/2055	51,703	0	1,028	50,675	1,422
Series 2021A	1.75%	3/25/2021	2,240,000	3/25/2061	2,161,003	0	40,435	2,120,568	37,921
Series 2024	4%-4.5%	10/29/2024	325,000	11/1/2044	0	325,000	0	325,000	0
Finance Leases:									
CVB-2015 Chevy	3.95%	10/19/2020	32,121	10/10/2024	8,508	0	8,508	0	342
Total contractual indebtedness					$ 2,739,799	$ 325,000	$ 60,287	$ 3,004,512	$ 53,946

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045-2049	2050-2054	2055-2059	2060-2061	Total
Principal													
General Obligation Bonds													
Series 2015A	$ 10,600	$ 10,891	$ 11,191	$ 11,498	$ 11,815	$ 64,129	$ 73,446	$ 84,115	$ 96,335	$ 110,330	$ 23,919	$ 0	$ 508,269
Series 2015B	1,057	1,086	1,116	1,146	1,178	6,394	7,322	8,387	9,604	11,000	2,385	0	50,675
Series 2021A	41,246	41,968	42,702	43,354	44,209	232,830	253,937	276,899	302,074	329,459	359,326	152,564	2,120,568
Series 2024	10,000	10,000	10,000	10,000	15,000	75,000	85,000	110,000	0	0	0	0	325,000
	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Principal	62,903	63,945	65,009	65,998	72,202	378,353	419,705	479,401	408,013	450,789	385,630	152,564	3,004,512
Interest													
General Obligation Bonds													
Series 2015A	13,977	13,686	13,386	13,079	12,762	47,710	51,405	41,022	29,129	15,508	1,957	0	253,621
Series 2015B	1,394	1,364	1,335	1,304	1,272	5,858	4,929	3,865	2,648	1,251	66	0	25,286
Series 2021A	37,110	36,388	35,654	35,002	34,147	158,950	137,843	114,881	89,706	62,321	32,454	4,148	778,604
Series 2024	14,053	13,575	13,175	12,775	12,375	52,762	36,675	15,525	0	0	0	0	170,915
	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Interest	66,534	65,013	63,550	62,160	60,556	265,280	230,852	175,293	121,483	79,080	34,477	4,148	1,228,426
Total Indebtedness	$ 129,437	$ 128,958	$ 128,559	$ 128,158	$ 132,758	$ 643,633	$ 650,557	$ 654,694	$ 529,496	$ 529,869	$ 420,107	$ 156,712	$ 4,232,938

Note 9 – American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed by the President. ARPA is a $1.9 trillion economic stimulus plan which allocates to the State of Kansas $5 billion in funds. Included in those funds are $69,437 of funds available to Strong City. To date, the City has received all funds. The City's uses of these funds are planned based on federal guidance.

Note 10 – Public Wholesale Water Supply District No. 26

Public Wholesale Water Supply District No. 26 was formed on May 31, 2011 for the purpose of providing water to its members. Members of the District are: The City of Strong City, the City of Cottonwood Falls, and Chase County Rural Water District No. 1. The City's minimum commitment is to purchase 1,100,000 gallons per month. The contract extends 40 years from the date of initial delivery of water, which was in March 2016.

The City entered into a contract with the PWWSD#26 to provide clerical services. PWWSD#26 agrees to reimburse the City based on the hourly rate of the employee, including leave, benefits and employer payroll taxes plus an additional 10%. The term of the agreement is for one year and continues indefinitely until either party gives written notice.

The City entered into a contract with PWWSD#26 to provide water system operator services. The City agrees to operate the plant on Monday through Friday. The City of Cottonwood Falls will operate the plant when Strong City personnel are absent and shall alternate holiday and weekend duties with Strong City personnel. PWWSD#26 agrees to reimburse the City based on the hourly rate of the employee, including leave, benefits, and employer payroll taxes plus an additional 10%. The term of the agreement is for one year and continues indefinitely until either party gives written notice.

The City entered into a contract with PWWSD#26 to lease the City's existing water wells and water rights. PWWSD#26 will pay the City $100 annually for a term of 40 years or as long as the lessee produces potable water in sufficient quantities, whichever occurs first.

Note 11 – Transfers

Transferred From:	Transferred To:	Authority	Amount
Utility-Water	Short Lived Asset-Water	USDA LOC	12,756
Sewer	Short Lived Asset-Sewer	USDA LOC	2,667
Sewer	Debt Reserve	Res 03/24/2021	78,360
General	Equipment Reserve	12-1,117	3,600
Utility-Water	Equipment Reserve	12-1,117	2,000

Note 12 – Capital Projects

In 2024, the City planned its' Cottonwood Street Streetscape project. The estimated cost of the project is $1,136,219. The Kansas Department of Transportation (KDOT) is performing the project. In 2024, the City paid KDOT 20% of the project costs plus the design costs up front.

In 2025, the City closed out its' 2018 sewer project USDA grant. The total grant awarded was $2,186,000 with $38,228 de-obligated for a total project cost of $2,147,772.

Note 13 – 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 that the financial statement was available to be issued.

Regulatory – Required Supplementary Information

City of Strong City
Chase County, Kansas

Schedule 1

Summary of Expenditures-Actual and Budget
Regulatory Basis
Budgeted Funds Only
For the Year Ended December 31, 2024

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 469,350	$ 0	$ 469,350	$ 369,144	$ (100,206)
Special Purpose Funds					
Special Highway	12,688	0	12,688	12,668	(20)
Tourism	6,091	0	6,091	0	(6,091)
Special Parks & Recreation	55,917	0	55,917	4,069	(51,848)
Depot Donations	0	0	0	0	0
Business Fund					
Sewer	155,038	0	155,038	135,743	(19,295)
Utility-Water & Trash	407,115	0	407,115	382,718	(24,397)

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

GENERAL FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Chase County	$ 149,412	$ 160,040	$ 161,773	$ (1,733)
Liquor Tax	1,406	1,759	1,222	537
Franchise Tax	32,357	34,896	35,000	(104)
Sales Tax	118,000	105,961	124,000	(18,039)
Licenses & Permits	822	585	1,000	(415)
Municipal Court	907	890	5,000	(4,110)
Housing	5,580	5,366	4,000	1,366
Interest	2,390	3,508	700	2,808
SRTS donations	15,000	0	0	0
Other	144,953	11,479	14,500	(3,021)
Transfers In	0	0	0	0
Total Receipts	470,827	324,484	347,195	(22,711)
Expenditures				
General Government				
Personal Services	151,348	151,274	164,000	(12,726)
Commodities	27,246	11,879	25,000	(13,121)
Contractual	118,184	127,359	105,000	22,359
Capital Outlay	5,532	210	7,000	(6,790)
Police & Fire	9,578	15,060	13,500	1,560
Streets & Highway	30,830	49,130	125,000	(75,870)
Parks & Recreation	2,602	3,861	10,000	(6,139)
Economic Development	0	0	3,000	(3,000)
Sidewalks/Handicap Parking	94,482	0	0	0
Chamber of Commerce	3,000	3,000	3,000	0
Other	1,711	3,771	10,250	(6,479)
Transfers out	3,600	3,600	3,600	0
Total Expenditures	448,113	369,144	469,350	(100,206)
Receipts Over (Under) Expenditures	22,714	(44,660)	$ (122,155)	$ 77,495
Unencumbered Cash, January 1	11,898	34,612		
Unencumbered Cash, December 31	$ 34,612	$ (10,048)		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

SPECIAL HIGHWAY

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
State of Kansas Gas Tax	$ 10,555	$ 10,468	$ 12,310	$ (1,842)
Other	0	0	0	0
Total Receipts	10,555	10,468	12,310	(1,842)
Expenditures				
Streets & highways	8,013	12,668	12,688	(20)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	8,013	12,668	12,688	(20)
Receipts Over (Under) Expenditures	2,542	(2,200)	$ (378)	$ (1,822)
Unencumbered Cash, January 1	4,295	6,837		
Unencumbered Cash, December 31	$ 6,837	$ 4,637		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

TOURISM

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Guest Tax	$ 0	$ 0	$ 0	$ 0
Other Receipts	0	0	0	0
Total Receipts	0	0	0	0
Expenditures				
Economic Development	500	0	6,091	(6,091)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	500	0	6,091	(6,091)
Receipts Over (Under) Expenditures	(500)	0	$ (6,091)	$ 6,091
Unencumbered Cash, January 1	7,091	6,591		
Unencumbered Cash, December 31	$ 6,591	$ 6,591		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

SPECIAL PARKS & RECREATION

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Liquor Tax	$ 1,406	$ 1,759	$ 1,222	$ 537
Donations, Grants, and Fundraisers	166,569	991	0	991
Total Receipts	167,975	2,750	1,222	1,528
Expenditures				
Parks & Recreation	101,431	4,069	55,917	(51,848)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	101,431	4,069	55,917	(51,848)
Receipts Over (Under) Expenditures	66,544	(1,319)	$ (54,695)	$ 53,376
Unencumbered Cash, January 1	(63,209)	3,335		
Unencumbered Cash, December 31	$ 3,335	$ 2,016		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

EQUIPMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 5,600	$ 5,600
Other Receipts	0	0
Total Receipts	5,600	5,600
Expenditures		
Equipment	2,212	4,851
Other	0	0
Total Expenditures	2,212	4,851
Receipts Over (Under) Expenditures	3,388	749
Unencumbered Cash, January 1	7,285	10,673
Unencumbered Cash, December 31	$ 10,673	$ 11,422

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

SHORT LIVED ASSET-WATER

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 12,756	$ 12,756
Sale of Equipment	0	0
Total Receipts	12,756	12,756
Expenditures		
Equipment	20,139	24,153
Receipts Over (Under) Expenditures	(7,383)	(11,397)
Unencumbered Cash, January 1	19,865	12,482
Unencumbered Cash, December 31	$ 12,482	$ 1,085

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

SHORT LIVED ASSET - SEWER

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	$ 2,667	$ 2,667
Other	0	0
Total Receipts	2,667	2,667
Expenditures		
Equipment	4,740	221
Receipts Over (Under) Expenditures	(2,073)	2,446
Unencumbered Cash, January 1	3,467	1,394
Unencumbered Cash, December 31	$ 1,394	$ 3,840

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

DEPOT

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Donations	$ 5	$ 0	$ 0	$ 0
Other	0	0	0	0
Total Receipts	5	0	0	0
Expenditures				
Depot	0	0	0	0
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	0	0	0	0
Receipts Over (Under) Expenditures	5	0	$ 0	$ 0
Unencumbered Cash, January 1	283	288		
Unencumbered Cash, December 31	$ 288	$ 288		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2I

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

ARPA

	Prior Year Actual	Current Year Actual
Receipts		
ARPA receipts	$ 0	$ 0
Other	0	0
Total Receipts	0	0
Expenditures		
ARPA expenditures	13,200	19,800
Receipts Over (Under) Expenditures	(13,200)	(19,800)
Unencumbered Cash, January 1	69,437	56,237
Unencumbered Cash, December 31	$ 56,237	$ 36,437

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

DEBT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 78,360	$ 78,360
Other	0	0
Total Receipts	78,360	78,360
Expenditures		
Debt payments	78,356	78,356
Receipts Over (Under) Expenditures	4	4
Unencumbered Cash, January 1	71,830	71,834
Unencumbered Cash, December 31	$ 71,834	$ 71,838

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2K

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

FEMA/KDEM

	Prior Year Actual	Current Year Actual
Receipts		
FEMA and KDEM proceeds	$ 0	$ 0
Other	0	0
Total Receipts	0	0
Expenditures		
Disasters	183,991	0
Other	0	0
Total Expenditures	183,991	0
Receipts Over (Under) Expenditures	(183,991)	0
Unencumbered Cash, January 1	183,991	0
Unencumbered Cash, December 31	$ 0	$ 0

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2L

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

SEWER PROJECT

	Prior Year Actual	Current Year Actual
Receipts		
USDA grant	$ 0	$ 36,595
KDHE Loan-Temporary Financing	0	0
CDBG-Grant	0	0
Other	1	0
Total Receipts	1	36,595
Expenditures		
Sewer project	0	234,325
KDHE loan principal	0	0
Other	0	0
Total Expenditures	0	234,325
Receipts Over (Under) Expenditures	1	(197,730)
Unencumbered Cash, January 1	11,220	11,221
Unencumbered Cash, December 31	$ 11,221	$ (186,509)

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2L

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

STREETSCAPE

	Prior Year Actual	Current Year Actual
Receipts		
Bond proceeds	$ 0	$ 315,932
Other	0	6,500
Total Receipts	0	322,432
Expenditures		
Street project	0	304,666
Other	0	0
Total Expenditures	0	304,666
Receipts Over (Under) Expenditures	0	17,766
Unencumbered Cash, January 1	0	0
Unencumbered Cash, December 31	$ 0	$ 17,766

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2M

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

SEWER

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Sewer Receipts	$ 130,777	$ 135,192	$ 130,000	$ 5,192
Other Receipts	0	6,291	3,000	3,291
Total Receipts	130,777	141,483	133,000	8,483
Expenditures				
Personal Service	10,522	20,463	22,000	(1,537)
Commodities	21	2,631	10,000	(7,369)
Contractual	19,808	29,414	31,500	(2,086)
Debt Payments	2,213	2,000	78,356	(76,356)
Capital Outlay	303	208	10,315	(10,107)
Other	9	0	200	(200)
Transfers out	81,027	81,027	2,667	78,360
Total Expenditures	113,903	135,743	155,038	(19,295)
Receipts Over (Under) Expenditures	16,874	5,740	$ (22,038)	$ 27,778
Unencumbered Cash, January 1	22,639	39,513		
Unencumbered Cash, December 31	$ 39,513	$ 45,253		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 2N

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Prior Year Ended December 31, 2023

UTILITY-WATER & TRASH

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Water Receipts	$ 177,088	$ 187,524	$ 180,000	$ 7,524
Trash Receipts	60,591	62,627	62,000	627
Other Receipts	82,551	85,298	65,000	20,298
Transfers In	0	0	0	0
Total Receipts	320,230	335,449	307,000	28,449
Expenditures				
Personal Service	100,580	130,757	91,500	39,257
Commodities	12,151	33,084	8,000	25,084
Water Purchased	85,873	88,694	96,500	(7,806)
Contractual	76,658	81,049	84,880	(3,831)
Debt Payments	31,453	27,027	29,479	(2,452)
Capital Outlay	607	6,022	12,000	(5,978)
Other	3,150	1,329	70,000	(68,671)
Transfers out	14,756	14,756	14,756	0
Total Expenditures	325,228	382,718	407,115	(24,397)
Receipts Over (Under) Expenditures	(4,998)	(47,269)	$ (100,115)	$ 52,846
Unencumbered Cash, January 1	86,183	81,185		
Unencumbered Cash, December 31	$ 81,185	$ 33,916		

See accompanying auditors' report.

City of Strong City
Chase County, Kansas

Schedule 3

Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

AGENCY FUNDS

Fund	Cash Balance Jan 1	Cash Receipts	Cash Disbursements	Cash Balance Dec 31
Payroll Clearing	$ 6,676	$ 131,633	$ 138,309	$ 0
Other	0	0	0	0
Total	$ 6,676	$ 131,633	$ 138,309	$ 0