

CITY OF TONGANOXIE, KANSAS

FINANCIAL STATEMENT
YEAR ENDED DECEMBER 31, 2024

CITY OF TONGANOXIE, KANSAS
FINANCIAL STATEMENT
REGULATORY BASIS
Year Ended December 31, 2024

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BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Tonganoxie, 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 Tonganoxie, Kansas (the City) as of and for the year ended December 31, 2024 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 as of December 31, 2024, 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, 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* (KMAAG) described in Note 2.

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 KMAAG. Our responsibilities under those standards are further described in the Auditors' 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 2 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the KMAAG, 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 2 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 KMAAG as described in Note 2; 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 within one year after the date that the financial statement is issued or available to be issued.

Auditors' 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 auditors' 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.

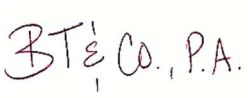
In performing an audit in accordance with GAAS, we:

- 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 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (the financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statement, however, are required to be presented under the provisions of the KMAAG. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole, on the basis of accounting described in Note 2.



August 5, 2025
Topeka, Kansas

CITY OF TONGANOXIE, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental type funds:							
General fund:							
General	$ 1,925,650	$ -	$ 4,845,444	$ 4,521,117	$ 2,249,977	$ 350	$ 2,250,327
Special purpose funds:							
Special parks and recreation	19,839	-	5,324	1,700	23,463	-	23,463
Special highway	661,530	-	437,961	519,775	579,716	-	579,716
Library operations	11,657	-	579,023	574,895	15,785	-	15,785
Transient guest tax	9,302	-	2,190	-	11,492	-	11,492
Police equipment reserve	50,220	-	68,603	50,656	68,167	-	68,167
Fire equipment reserve	200,123	-	156,348	58,648	297,823	-	297,823
Infrastructure sales tax	1,108,238	-	750,879	597,500	1,261,617	-	1,261,617
Debt proceeds	631,266	-	225,431	215,323	641,374	-	641,374
Gallagher Park	8,033	-	11,400	100	19,333	-	19,333
Festival/Event	4,403	-	200	925	3,678	-	3,678
Industrial Park development	222,574	-	437,275	19,213	640,636	-	640,636
Rural housing incentive district	478	-	20,612	20,406	684	-	684
Rural housing incentive district 2	3,820	-	47,163	50,473	510	-	510
American Rescue Plan Act grant	-	-	-	-	-	453,458	453,458
Opioid addiction	17,280	-	17,686	-	34,966	-	34,966
Special alcohol and drug	-	-	1,290	-	1,290	-	1,290
Bond and interest fund:							
Bond and interest	249,349	-	794,484	801,881	241,952	-	241,952
Capital projects funds:							
Capital projects	1,941,578	-	957,798	727,850	2,171,526	40,000	2,211,526
Capital reserve	915	-	-	-	915	-	915
Business funds:							
Water operations	709,392	-	1,900,385	1,594,617	1,015,160	1,268	1,016,428
Water capital improvement	366,757	-	100,500	76,548	390,709	-	390,709
Sewer operations	586,159	-	1,244,622	1,131,458	699,323	49,746	749,069
Sewer capital improvement	385,064	-	92,000	41,150	435,914	127,892	563,806
Sanitation	284,146	-	460,213	402,107	342,252	-	342,252
Storm water	99,117	-	49,178	7,500	140,795	-	140,795
Total reporting entity (excluding agency funds)	$ 9,496,890	$ -	$ 13,206,009	$ 11,413,842	$ 11,289,057	$ 672,714	$ 11,961,771

Composition of cash	
General checking	10,483,454
Certificate of deposit	62,679
Kansas Municipal Investment Pool	1,485,542
Total cash	12,031,675
Agency funds per Schedule 4	(69,904)
Total reporting entity (excluding agency funds)	$ 11,961,771

See accompanying notes to financial statement.

1 - Municipal Financial Reporting Entity

The City of Tonganoxie, Kansas (the City) is a municipal corporation governed by an elected mayor and five-member council. The financial statement presents the City as the primary government and excludes all related municipal entities for which the City appointed a voting majority of the entity's board and the City is either able to impose its will on the entity or a financial benefit or burden relationship exists. The financial statement of the City consists only of the funds of the primary government.

The Tonganoxie Public Library (the Library) serves the citizens within the City's jurisdiction. Acquisition or disposition of real property by the Library must be approved by the City. Bond issues must be approved by the City. The Library is not included in the report of the primary government. Financial statements for the Library may be obtained at the Library's office located at 217 E. 4th Street, Tonganoxie, Kansas.

2 - Summary of Significant Accounting Policies

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

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities, or deferred inflows or outflows, other than those mentioned above.

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

(b) Regulatory Basis Fund Types

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.

The following regulatory basis fund types comprise the financial activities of the City for the year ended December 31, 2024:

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 projects 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.

Capital projects 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.

Business funds - financed in whole or in part by fees charged to users of the goods or services.

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

(c) 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), the 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 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 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 budget 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. The Special Highway Fund was amended in the current 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. 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 the capital project funds, agency funds, or the following special purpose and business funds:

Police Equipment Reserve Fund	Rural Housing Incentive District Fund
Fire Equipment Reserve Fund	Rural Housing Incentive District 2 Fund
Infrastructure Sales Tax Fund	American Rescue Plan Act Grant Fund
Debt Proceeds Fund	Opioid Addiction Fund
Gallagher Park Fund	Special Alcohol & Drug Fund
Festival/Event Fund	Water Capital Improvement Fund
Industrial Park Development Fund	Sewer Capital Improvement Fund

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

(d) Annual Personal and Sick Leave Benefits

It is the City's policy to permit employees to earn non-cumulative vacation at different intervals based on length of service. The liability for compensated vacation time at December 31, 2024 is approximately $ 174,000. Sick leave accrues at 12 days per year and accumulates to a maximum of 90 days. Floating holiday is 8 hours of vacation pay per year that is assigned January 1 to all full-time employees with a use it or lose it policy over the year.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

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 bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

Investments. 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 (KMIP). The City has no investment policy that would further limit its investment choices.

At December 31, 2024, the City had the following investments:

Investment Type	Cost	Rating	Investment Maturities (in Years)
Kansas Municipal Investment Pool	$ 1,485,542	Not Rated	Less than a year

The KMIP is under the oversight of the Pooled Money Investment Board (the Board). The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The City's investment in the KMIP was not rated by a rating agency as of December 31, 2024.

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. The City's investments were composed of KMIP deposits as of December 31, 2024.

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. Kansas statutes require the deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka.

At December 31, 2024, the City's carrying amount of deposits was $ 10,546,133, and the bank balance was $ 10,616,130. Of the bank balance, $ 250,000 was covered by federal depository insurance, and the remaining $ 10,366,130 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. At December 31, 2024, the City's investments were not exposed to custodial credit risk.

4 - Long-Term Debt

The City issues general obligation bonds and temporary notes to provide funds for the acquisition and construction of major capital facilities. The City has entered into lease agreements as the lessee for financing the acquisition of equipment.

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

Long-Term Debt	Interest Rates	Date of Issue	Date of Final Maturity	Original Amount Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Refundings	Balance End of Year	Interest Paid
General obligation bonds:										
Series 2013B	2.00% - 2.70%	1/29/2013	8/1/2031	$ 6,355,000	$ 2,075,000	$ -	$ (585,000)	$ -	$ 1,490,000	$ 45,978
Series 2017A	3.00%	11/21/2017	9/1/2029	1,860,000	555,000	-	(85,000)	-	470,000	16,650
Series 2018A	3.00% - 4.00%	4/19/2018	9/1/2038	3,660,000	2,960,000	-	(155,000)	-	2,805,000	106,500
Series 2022A	1.80% - 2.00%	2/28/2022	9/1/2032	1,015,000	920,000	-	(95,000)	-	825,000	18,070
Series 2022B	2.00% - 2.60%	3/3/2022	9/1/2033	1,155,000	1,065,000	-	(100,000)	-	965,000	23,635
Total general obligation bonds					$ 7,575,000	$ -	$ (1,020,000)	$ -	$ 6,555,000	$ 210,833
Temporary notes:										
Series 2023A	2.95%	2/28/2023	3/1/2025	2,380,000	$ 2,380,000	$ -	$ -	$ -	$ 2,380,000	$ 70,210
Finance leases:										
Police department and city hall	2.44%	2/2/2016	9/1/2035	$ 1,100,000	$ 725,992	$ -	$ (51,300)	$ -	$ 674,692	$ 17,714
Pierce fire truck	2.99%	12/14/2018	9/1/2028	300,449	160,236	-	(30,119)	-	130,117	4,573
Street sweeper	1.50%	6/1/2020	4/1/2030	209,888	138,988	-	(20,591)	-	118,397	2,022
Total finance leases					$ 1,025,216	$ -	$ (102,010)	$ -	$ 923,206	$ 24,309

Annual debt service requirements to maturity for the general obligation bonds, temporary note and finance leases are as follows:

	2025	2026	2027	2028	2029	2030-2034	2035-2038	Total
Principal:								
General obligation bonds:								
Series 2013B	$ 600,000	$ 155,000	$ 160,000	$ 160,000	$ 165,000	$ 250,000	$ -	$ 1,490,000
Series 2017A	90,000	95,000	90,000	95,000	100,000	-	-	470,000
Series 2018A	160,000	165,000	170,000	175,000	180,000	1,000,000	955,000	2,805,000
Series 2022A	95,000	100,000	100,000	100,000	105,000	325,000	-	825,000
Series 2022B	100,000	100,000	105,000	105,000	110,000	445,000	-	965,000
Temporary note:								
Series 2023A	2,380,000	-	-	-	-	-	-	2,380,000
Finance leases:								
Police department and city hall	52,814	54,372	55,976	57,627	59,327	323,943	70,633	674,692
Pierce fire truck	31,040	31,975	32,939	34,163	-	-	-	130,117
Street sweeper	20,907	21,222	21,542	21,864	22,195	10,667	-	118,397
Total principal	3,529,761	722,569	735,457	748,654	741,522	2,354,610	1,025,633	9,858,206
Interest:								
General obligation bonds:								
Series 2013B	34,278	22,278	18,635	14,875	10,875	10,125	-	111,066
Series 2017A	14,100	11,400	8,550	5,850	3,000	-	-	42,900
Series 2018A	101,850	97,050	92,100	87,000	81,750	320,350	107,000	887,100
Series 2022A	16,170	14,270	12,270	10,270	8,270	12,330	-	73,580
Series 2022B	21,635	19,635	17,635	15,535	13,330	28,020	-	115,790
Temporary note:								
Series 2023A	35,105	-	-	-	-	-	-	35,105
Finance leases:								
Police department and city hall	16,462	15,174	13,847	12,481	11,075	32,789	1,725	103,553
Pierce fire truck	3,652	2,717	1,753	764	-	-	-	8,886
Street sweeper	1,705	1,391	1,071	749	418	63		5,397
Total interest	244,957	183,915	165,861	147,524	128,718	403,677	108,725	1,383,377
Total principal and interest	$ 3,774,718	$ 906,484	$ 901,318	$ 896,178	$ 870,240	$ 2,758,287	$ 1,134,358	$ 11,241,583

Industrial Revenue Bonds

The City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisitions and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. As of December 31, 2024, there was one industrial revenue bond outstanding with a principal amount payable of $ 248,813.

5 - Interfund Transfers

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Water Operations	General	K.S.A. 12-825d	$ 30,000
Sewer Operations	General	K.S.A. 12-825d	30,000
Infrastructure Sales Tax	Bond and Interest	Bond Ordinance	261,500
Infrastructure Sales Tax	Special Highway	K.S.A. 12-1,119	200,000
Infrastructure Sales Tax	Capital Projects	K.S.A. 12-1.118	136,000

6 - Defined Benefit Pension Plan

General Information about the 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 Avenue, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% 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 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 $ 274,256 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 $ 2,314,454. 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 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.

7 - Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the basic financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Reimbursement 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.

8 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement as of December 31, 2024.

Project authorizations compared with expenditures-to-date for significant projects open at year-end are as follows:

	Expenditures to Date	Project Authorization
Projects in process:		
Waste Water Treatment Plant Improvements Project		
(Design Engineering Contract with BG Consultants)	$ 385,750	$ 967,100
2023 4th Street Bridge Replacement Project		
(Construction Contract with King Construction Company, Inc.)	337,634	1,121,415

9 - 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 for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

10 - Subsequent Event

The City entered into a loan agreement with the Kansas Department of Health and Environment in March 2025 to fund a wastewater treatment improvement project. The loan amount is based on actual project costs and is not to exceed $ 5,000,000 at an interest rate of 2.48%. The first payment of principal and interest will be due one year after completion of the project. The principal balance shall be fully repaid no later than 21 years after project completion.

SUPPLEMENTARY INFORMATION

CITY OF TONGANOXIE, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(BUDGETED FUNDS ONLY)
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)
Governmental type funds:					
General fund:					
General	$ 5,554,177	$ -	$ 5,554,177	$ 4,521,117	$ (1,033,060)
Special purpose funds:					
Special parks and recreation	7,000	-	7,000	1,700	(5,300)
Special highway	575,000	-	575,000	519,775	(55,225)
Library operations	597,810	-	597,810	574,895	(22,915)
Transient guest tax	1,100	-	1,100	-	(1,100)
Bond and interest fund:					
Bond and interest	1,033,072	-	1,033,072	801,881	(231,191)
Capital projects fund:					
Capital projects	1,808,613	-	1,808,613	727,850	(1,080,763)
Business funds:					
Water operations	1,984,800	-	1,984,800	1,594,617	(390,183)
Sewer operations	1,380,000	-	1,380,000	1,131,458	(248,542)
Sanitation	460,000	-	460,000	402,107	(57,893)
Storm water	105,300	-	105,300	7,500	(97,800)
Totals	$ 13,506,872	$ -	$ 13,506,872	$ 10,282,900	

CITY OF TONGANOXIE, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	$ 3,298,638	$ 3,215,700	$ (82,938)
Franchise fees	420,000	511,247	91,247
Licenses and permits	78,200	159,851	81,651
Fines and fees	140,000	225,003	85,003
Interest	80,000	389,281	309,281
Charges for services	161,300	164,515	3,215
Miscellaneous	67,500	119,847	52,347
Transfers in	80,000	60,000	(20,000)
Total receipts and transfers	$ 4,325,638	4,845,444	$ 519,806
Expenditures and encumbrances:			
Administration	$ 667,677	799,709	$ 132,032
Code enforcement	120,606	102,296	(18,310)
City planning and development	15,400	13,200	(2,200)
Police department	1,674,332	1,643,413	(30,919)
Fire department	1,151,425	1,155,735	4,310
Highway and streets	490,102	449,304	(40,798)
Swimming pool	194,853	194,352	(501)
Court services	158,012	163,108	5,096
Miscellaneous	432,924	-	(432,924)
Cash forward	648,846	-	(648,846)
Total expenditures and encumbrances	$ 5,554,177	4,521,117	$ (1,033,060)
Receipts and transfers over expenditures and encumbrances		324,327	
Unencumbered cash, beginning		1,925,650	
Unencumbered cash, ending		$ 2,249,977	

(Continued)

CITY OF TONGANOXIE, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 5,443	$ 5,324	$ (119)
Donations	1,557	-	(1,557)
Total receipts	$ 7,000	5,324	$ (1,676)
Expenditures:			
Contractual services	$ 4,000	1,700	$ (2,300)
Commodities	3,000	-	(3,000)
Total expenditures	$ 7,000	1,700	$ (5,300)
Receipts over expenditures		3,624	
Unencumbered cash, beginning		19,839	
Unencumbered cash, ending		$ 23,463	

(Continued)

CITY OF TONGANOXIE, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts and transfers:				
Taxes	$ 206,790	$ 206,790	$ 237,961	$ 31,171
Reimbursements	143,210	168,210	-	(168,210)
Transfers in	200,000	200,000	200,000	-
Total receipts and transfers	$ 550,000	$ 575,000	437,961	$ (137,039)
Expenditures:				
Contractual services	$ 550,000	$ 575,000	519,775	$ (55,225)
Receipts and transfers under expenditures			(81,814)	
Unencumbered cash, beginning			661,530	
Unencumbered cash, ending			$ 579,716	

(Continued)

CITY OF TONGANOXIE, KANSAS
LIBRARY OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 505,701	$ 512,940	$ 7,239
Reimbursements	91,000	66,083	(24,917)
Total receipts	$ 596,701	579,023	$ (17,678)
Expenditures:			
Contractual services	$ 597,810	574,895	$ (22,915)
Receipts over expenditures		4,128	
Unencumbered cash, beginning		11,657	
Unencumbered cash, ending		$ 15,785	

(Continued)

CITY OF TONGANOXIE, KANSAS
TRANSIENT GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 1,100	$ 2,190	$ 1,090
Expenditures:			
Contractual services	$ 1,100	-	$ (1,100)
Receipts over expenditures		2,190	
Unencumbered cash, beginning		9,302	
Unencumbered cash, ending		$ 11,492	

(Continued)

CITY OF TONGANOXIE, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	$ 523,199	$ 532,984	$ 9,785
Transfers in	261,500	261,500	-
Total receipts and transfers	$ 784,699	794,484	$ 9,785
Expenditures:			
Debt service	$ 801,881	801,881	$ -
Contractual services	231,191	-	(231,191)
Total expenditures	$ 1,033,072	801,881	$ (231,191)
Receipts and transfers under expenditures		(7,397)	
Unencumbered cash, beginning		249,349	
Unencumbered cash, ending		$ 241,952	

(Continued)

CITY OF TONGANOXIE, KANSAS
CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	$ 805,000	$ 755,491	$ (49,509)
Transfers in	136,000	136,000	-
Other revenues	867,613	66,307	(801,306)
Total receipts and transfers	$ 1,808,613	957,798	$ (850,815)
Expenditures and encumbrances:			
Contractional services	$ 295,000	122,029	$ (172,971)
Commodities	71,000	39,513	(31,487)
Capital outlay	1,420,000	543,695	(876,305)
Debt service	22,613	22,613	-
Total expenditures and encumbrances	$ 1,808,613	727,850	$ (1,080,763)
Receipts and transfers over expenditures and encumbrances		229,948	
Unencumbered cash, beginning		1,941,578	
Unencumbered cash, ending		$ 2,171,526	

(Continued)

CITY OF TONGANOXIE, KANSAS
WATER OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Taxes	$ 15,000	$ 38,692	$ 23,692
Charges for services	1,952,000	1,843,891	(108,109)
Fines and fees	300	300	-
Miscellaneous	17,500	17,502	2
Total receipts	$ 1,984,800	1,900,385	$ (84,415)
Expenditures, encumbrances, and transfers:			
Personnel services	$ 548,084	502,411	$ (45,673)
Contractual services	1,074,500	786,020	(288,480)
Commodities	85,500	47,852	(37,648)
Capital outlay	34,000	25,618	(8,382)
Debt service	202,716	202,716	-
Transfers out	40,000	30,000	(10,000)
Total expenditures, encumbrances, and transfers	$ 1,984,800	1,594,617	$ (390,183)
Receipts over expenditures, encumbrances, and transfers		305,768	
Unencumbered cash, beginning		709,392	
Unencumbered cash, ending		$ 1,015,160	

(Continued)

CITY OF TONGANOXIE, KANSAS
SEWER OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Charges for services	$ 1,380,000	$ 1,244,622	$ (135,378)
Expenditures, encumbrances, and transfers:			
Personnel services	$ 424,290	388,933	$ (35,357)
Contractual services	305,000	210,435	(94,565)
Commodities	75,000	59,739	(15,261)
Capital outlay	30,000	76,891	46,891
Debt service	505,710	365,460	(140,250)
Transfers out	40,000	30,000	(10,000)
Total expenditures, encumbrances, and transfers	$ 1,380,000	1,131,458	$ (248,542)
Receipts over expenditures, encumbrances, and transfers		113,164	
Unencumbered cash, beginning		586,159	
Unencumbered cash, ending		$ 699,323	

(Continued)

CITY OF TONGANOXIE, KANSAS
SANITATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Charges for services	$ 460,000	$ 460,213	$ 213
Expenditures:			
Contractual services	$ 460,000	402,107	$ (57,893)
Receipts over expenditures		58,106	
Unencumbered cash, beginning		284,146	
Unencumbered cash, ending		$ 342,252	

(Continued)

CITY OF TONGANOXIE, KANSAS
STORM WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Charges for services	$ 48,700	$ 49,178	$ 478
Other revenue	56,600	-	(56,600)
Total receipts	$ 105,300	49,178	$ (56,122)
Expenditures:			
Contractual services	$ 100,300	7,500	$ (92,800)
Commodities	5,000	-	(5,000)
Total expenditures	$ 105,300	7,500	$ (97,800)
Receipts over expenditures		41,678	
Unencumbered cash, beginning		99,117	
Unencumbered cash, ending		$ 140,795	

CITY OF TONGANOXIE, KANSAS
POLICE EQUIPMENT RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

Receipts:		
Licenses and permits	$	2,200
Grants and donations		40,304
Reimbursements		4,319
Use of money and property		14,610
Miscellaneous		7,170
Total receipts		68,603
Expenditures:		
Commodities		1,597
Capital outlay		49,059
Total expenditures		50,656
Receipts over expenditures		17,947
Unencumbered cash, beginning		50,220
Unencumbered cash, ending	$	68,167

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
FIRE EQUIPMENT RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Special assessments	$	92,701
Use of money and property		21,650
Grants and donations		41,997
Total receipts		156,348
Expenditures:		
Contractual services		11,650
Capital outlay		12,306
Debt service		34,692
Total expenditures		58,648
Receipts over expenditures		97,700
Unencumbered cash, beginning		200,123
Unencumbered cash, ending	$	297,823

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
INFRASTRUCTURE SALES TAX FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:	
Sales and use tax	$ 750,879
Transfers:	
Transfer out	597,500
Receipts over transfers	153,379
Unencumbered cash, beginning	1,108,238
Unencumbered cash, ending	$ 1,261,617

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
DEBT PROCEEDS FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Grant revenue	$	173,213
Interest		52,218
Total receipts		225,431
Expenditures:		
Capital outlay		215,323
Receipts over expenditures		10,108
Unencumbered cash, beginning		631,266
Unencumbered cash, ending	$	641,374

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
GALLAGHER PARK FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Donations	$	11,400
Expenditures:		
Capital outlay		100
Receipts over expenditures		11,300
Unencumbered cash, beginning		8,033
Unencumbered cash, ending	$	19,333

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
FESTIVAL/EVENT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Miscellaneous	$	200
Expenditures:		
Contractual services		925
Receipts under expenditures		(725)
Unencumbered cash, beginning		4,403
Unencumbered cash, ending	$	3,678

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
INDUSTRIAL PARK DEVELOPMENT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Sale of property and equipment	$	437,275
Expenditures:		
Contractual services		19,213
Receipts over expenditures		418,062
Unencumbered cash, beginning		222,574
Unencumbered cash, ending	$	640,636

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
RURAL HOUSING INCENTIVE DISTRICT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Taxes	$	20,612
Expenditures:		
Contractual services		20,406
Receipts over expenditures		206
Unencumbered cash, beginning		478
Unencumbered cash, ending	$	684

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
RURAL HOUSING INCENTIVE DISTRICT 2 FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Taxes	$	47,163
Expenditures:		
Contractual services		50,473
Receipts under expenditures		(3,310)
Unencumbered cash, beginning		3,820
Unencumbered cash, ending	$	510

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
AMERICAN RESCUE PLAN ACT GRANT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Unencumbered cash, beginning	$ -
Unencumbered cash, ending	$ -

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
OPIOID ADDICTION FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Miscellaneous	$	17,686
Unencumbered cash, beginning		17,280
Unencumbered cash, ending	$	34,966

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
SPECIAL ALCOHOL & DRUG FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Taxes	$	1,290
Unencumbered cash, beginning		-
Unencumbered cash, ending	$	1,290

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
CAPITAL RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Unencumbered cash, beginning	$ 915
Unencumbered cash, ending	$ 915

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
WATER CAPITAL IMPROVEMENT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Charges for services	$	100,500
Expenditures:		
Capital outlay		76,548
Receipts over expenditures		23,952
Unencumbered cash, beginning		366,757
Unencumbered cash, ending	$	390,709

*This fund is not required to be budgeted.

(Continued)

CITY OF TONGANOXIE, KANSAS
SEWER CAPITAL IMPROVEMENT FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended December 31, 2024

Receipts:		
Charges for services	$	92,000
Expenditures and encumbrances:		
Capital outlay		41,150
Receipts over expenditures and encumbrances		50,850
Unencumbered cash, beginning		385,064
Unencumbered cash, ending	$	435,914

*This fund is not required to be budgeted.

CITY OF TONGANOXIE, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended December 31, 2024

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll clearing	$ 52,927	$ 2,974,166	$ 2,975,122	$ 51,971
Bail bonds	11,780	6,153	-	17,933
	$ 64,707	$ 2,980,319	$ 2,975,122	$ 69,904