

CITY OF HUGOTON, KANSAS
Hugoton, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2022

CITY OF HUGOTON, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2022

TABLE OF CONTENTS

	<u>Page Number</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	5
Notes to the Financial Statements	7
<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	23
<u>Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis</u>	
Schedule 2-1: General Fund	25
Schedule 2-2: Special City Streets and Highways Fund	28
Schedule 2-3: Special Parks and Recreation Fund	29
Schedule 2-4: Gas Royalty Fund	30
Schedule 2-5: Convention and Tourism Promotion Fund	31
Schedule 2-6: Bond and Interest Fund	32
Schedule 2-7: Electric System Fund	33
Schedule 2-8: Water System Fund	35
Schedule 2-9: Sanitation System Fund	37
Schedule 2-10: Sewer System Fund	38
Schedule 2-11: Animal Care Benevolence Fund	39
Schedule 2-12: Electric Distribution Upgrade Fund	40
Schedule 2-13: Golf Course Expansion Fund	41
Schedule 2-14: Shop With a Cop Fund	42
Schedule 2-15: Streetscape Improvement Fund	43
Schedule 2-16: Water Improvement Reserve Fund	44
Schedule 2-17: Community Improvement District Fund	45
Schedule 2-18: Economic Development Fund	46
Schedule 2-19: Diversion Fund	47

CITY OF HUGOTON, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2022

TABLE OF CONTENTS

(Continued)

Page
Number

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
(Continued)

Schedules of Receipts and Expenditures – Regulatory Basis

Schedule 2-20:	Special Street Machinery Fund	49
Schedule 2-21:	Electric Meter Deposit Fund	50
Schedule 2-22:	Electric Equipment Replacement Fund	51
Schedule 2-23:	Water Meter Deposit Fund	52
Schedule 2-24:	Water Equipment Replacement Fund I	53
Schedule 2-25:	Water Equipment Replacement Fund II	54
Schedule 2-26:	Sanitation Equipment Replacement Fund	55
Schedule 2-27:	Sewer System Reserve Fund I	56
Schedule 2-28:	Water Line Project Fund	57
Schedule 2-29:	American Rescue Plan Act Fund	58

Schedule 3

Agency Funds – Summary of Receipts and Disbursements – Regulatory Basis	59
---	----

CITY OF HUGOTON, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Hugoton, 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 Hugoton, Kansas, as of and for the year ended December 31, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

To the City Council
City of Hugoton, Kansas

Page 2

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

To the City Council
City of Hugoton, Kansas

Page 3

- 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 Hugoton'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 Hugoton's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

To the City Council
City of Hugoton, Kansas

Page 4

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Hugoton, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 26, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

July 31, 2023

CITY OF HUGOTON, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2022

<u>Funds</u>	<u>Beginning</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u>	<u>Add</u>	<u>Ending</u>
	<u>Unencumbered</u>			<u>Unencumbered</u>	<u>Encumbrances</u>	<u>Ending</u>
	<u>Cash</u>			<u>Cash</u>	<u>& Accounts</u>	<u>Cash</u>
	<u>Balance</u>			<u>Balance</u>	<u>Payable</u>	<u>Balance</u>
General Funds:						
General	\$ 1,185,305	\$ 2,918,077	\$ 2,767,352	\$ 1,336,030	\$ 7,245	\$ 1,343,275
Special Purpose Funds:						
Special City Streets and Highways	43,300	101,331	78,289	66,342	-	66,342
Special Parks and Recreation	27,217	12,678	3,201	36,694	-	36,694
Gas Royalty	536,991	21,479	1,360	557,110	-	557,110
Convention and Tourism Promotion	57,098	38,775	40,030	55,843	-	55,843
Animal Care Benevolence	4,336	5,484	2,871	6,949	-	6,949
Golf Course Expansion	149,355	20,039	30,475	138,919	-	138,919
Shop With a Cop	2,233	8,862	9,335	1,760	6,020	7,780
Streetscape Improvement	3,890	38	386	3,542	-	3,542
Community Improvement District	1,546	44,051	42,444	3,153	-	3,153
Economic Development	32,651	20,314	30,650	22,315	-	22,315
Special Street Machinery	458,515	83,992	127,267	415,240	-	415,240
Diversion Fund	2,051	3,183	-	5,234	-	5,234
American Rescue Plan Act	288,815	293,185	73,327	508,673	-	508,673
Debt Service Fund – Bond and Interest Fund	174,055	457,179	413,185	218,049	-	218,049
Capital Projects Fund – Water Line Project	592	-	592	-	-	-
Business Funds – Enterprise Funds:						
Electric System:						
Operating Fund	3,503,749	5,378,528	5,598,757	3,283,520	25,487	3,309,007
Meter Deposit Fund	-	20,003	20,003	-	43,936	43,936
Equipment Replacement Fund	327,065	4,217	-	331,282	-	331,282
Electric Distribution Upgrade Fund	1,091,594	240,682	71,831	1,260,445	-	1,260,445
Water System:						
Operating Fund	518,236	998,573	970,212	546,597	315	546,912
Meter Deposit Fund	-	1,126	1,126	-	2,972	2,972
Equipment Replacement Fund I	151,954	719	102,034	50,639	-	50,639
Equipment Replacement Fund II	138,724	73	138,797	-	-	-
Water Improvement Reserve Fund	625,827	447,354	337,333	735,848	-	735,848
Sanitation System:						
Operating Fund	184,228	361,263	364,057	181,434	-	181,434
Equipment Replacement Fund	344,034	64,100	71,300	336,834	-	336,834
Sewer System:						
Operating Fund	986,012	355,901	357,355	984,558	311	984,869
Equipment Reserve Fund I	<u>1,330,698</u>	<u>17,195</u>	<u>-</u>	<u>1,347,893</u>	<u>-</u>	<u>1,347,893</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$12,170,071</u>	<u>\$11,918,401</u>	<u>\$11,653,569</u>	<u>\$12,434,903</u>	<u>\$ 86,286</u>	<u>\$12,521,189</u>

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

CITY OF HUGOTON, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2022

Ending Cash Balance		<u>\$12,521,189</u>
Composition of Cash:		
Cash on hand with City Clerk	\$	300
Deposits in Local Depositories:		
Checking Accounts:		
Citizens State Bank – Operating account		(232,040)
Citizens State Bank – Petty cash		1,000
Certificates of Deposit – Citizens State Bank		<u>12,750,000</u>
Total Cash		\$12,519,260
Agency Funds per Schedule 3		<u>1,929</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$12,521,189</u>

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

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

Related Municipal Entities not Presented

The City Council is responsible for appointing the members of the Planning Commission. The Planning Commission has no budgetary or disbursing authority. Its function is solely to advise the City Council and, therefore, is a part of the municipality.

Jointly Governed Organizations

The City, in conjunction with each township in the county, has created the Hugoton Cemetery District. The Hugoton Cemetery District's board consists of one representative from each of the participating entities.

Fund Descriptions

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2022:

Governmental Funds:

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

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

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

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

Business Funds:

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

Fiduciary Funds:

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

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

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

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

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Hugoton, Kansas, deposited and/or invested all funds with the Citizens State Bank or the Equity Bank of Hugoton, Kansas.

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

Special Assessments

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

Temporary Notes

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

Vouchers Payable

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Encumbrances

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

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City of Hugoton did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Special Street Machinery Fund	Water Equipment Replacement Fund I
Electric Meter Deposit Fund	Water Equipment Replacement Fund II
Electric Equipment Replacement Fund	Sanitation Equipment Replacement Fund
Water Meter Deposit Fund	Sewer System Reserve Fund I
	Sewer Improvements Fund

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

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

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

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

Contrary to the provision of KSA 79-2935, the current year expenditures of the Shop With a Cop Fund exceeded the adopted budget.

Fund Balances – Designated for Subsequent Year’s Budget

Actual cash carryover was not sufficient for the following funds:

	<u>2022</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>2023 Budgeted</u> <u>Unencumbered</u> <u>Cash Carryover</u>
Convention and Tourism	\$ 55,843	\$ 60,776
Shop With a Cop	1,760	2,837
Economic Development	22,315	32,687
Special Street Machinery	415,240	458,515
Sewer	984,558	1,028,088

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 3: Deposits and Investments

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

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

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

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

At December 31, 2022, the City of Hugoton's carrying amount of deposits was \$12,519,260 and the bank balance was \$12,775,196. Of the bank balance, \$250,000 was covered by federal depository insurance and \$12,525,196 was collateralized with securities held by the pledging financial institution's agents in the City of Hugoton'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 of Hugoton 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.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 4: Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Sanitation System Fund	Sanitation Equipment Replacement Fund	KSA 12-1,117	\$ 60,000
Water Fund	Water Improvement Reserve Fund	KSA 12-825d	167,344
General Fund	Special Street Machinery Fund	KSA 12-1,117	77,336
Water Improvement Reserve Fund	Bond and Interest	KSA 12-825d	97,765
General Fund	Economic Development		20,000
Water Fund	Bond and Interest Fund	KSA 12-825d	13,884
Sewer Fund	Bond and Interest Fund	KSA 12-825d	135,045
General Fund	Golf Course Expansion Fund		18,317

Note 5: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City of Hugoton, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 5: Defined Benefit Pension Plan (Continued)

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City of Hugoton were \$172,221 for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, the City of Hugoton's proportionate share of the collective net pension liability reported by KPERS was \$1,747,968. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City of Hugoton's proportion of the net pension liability was based on the ratio of the City of Hugoton'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.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 6: Other Long-Term Obligations from Operations

Compensated Absences

Vacations

Vacations for full-time City employees shall be allowed as follows:

- a. All employees shall be allowed two weeks paid vacation, or ten working days, after completing one complete year's service with the City.
- b. Three weeks, or 15 days, paid vacation shall be allowed to each employee completing 10 full years of service with the City.
- c. Four weeks, or 20 days, paid vacation shall be allowed after completing 20 years of service with the City.
- d. All City employees entitled to vacations as provided in (a), (b), or (c) of this section shall be required to take their vacations within the calendar year. No employee shall be paid additionally for working during his/her vacation time. The superintendent of municipal utilities shall approve the vacation times of all City employees under his/her supervision and control. Vacation times for all other City employees shall be subject to the approval of the governing body.
- e. No vacation time shall be allowed to any employee whose employment is terminated for any reason between the first and second anniversary dates of employment. (Ord. 486, 1-504)

Sick Leave

- a. Each full-time employee shall be allowed three-fourths day sick leave for every month of continuous employment. Such sick leave shall be accumulative from year to year to a maximum of 90 days. Such accumulation shall not apply to probationary employees, as defined in section 1-503 until the six-months probationary period has expired, at which time such employee shall be credited with four and one-half days sick leave.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

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

Compensated Absences (Continued)

Sick Leave (Continued)

- b. No sick leave exceeding two days shall be allowed unless, upon request, the employee furnishes to his/her immediate supervisor within 24 hours after he/she returns to work a written statement from a physician; certifying that his/her illness prevented the employee from working and that the employee is physically able to return to work.
- c. Any employee receiving sick leave time preceding and/or following any holiday or weekend may be required at the request of his/her supervisor, to furnish a written statement from a physician certifying that his/her sickness prevented the employee from working.
- d. An employee shall be required to take a complete physical examination and to furnish written report thereof to his/her immediate supervisor following any serious accident or serious illness.
- e. An employee who has exhausted all earned sick leave may, subject to authorization from his/her immediate supervisor, use any unused vacation time during an illness. (Ord. 486, 1-507)
- f. Upon the retirement or death of an employee, he/she or his/her estate shall be entitled to compensation for any unused sick leave time, computed on the basis of 100 percent from the anniversary date of his/her employment and not on the basis of the calendar year. (Ord. 486, 1-507). The potential liability at December 31, 2022 was \$296,257.

Uncompensated Absences

Absence from Work

All City employees who are employed on a daily or hourly basis shall not be paid for time lost or for being absent from work. (Ord. 486, 1-503)

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

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

Other Post Employment Benefits

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

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

Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2022.

Note 7: Subsequent Events

The City of Hugoton's management has evaluated events and transactions through July 31, 2023, the date which the financial statement was available to be issued.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 8: Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2022 were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 14	2.00-2.65%	09/22/14	\$ 690,000	10/01/24	\$ 225,000	-	\$ 75,000	\$ 150,000	\$ 5,475
Series 15	2.00-3.00%	04/01/15	1,975,000	10/01/25	900,000	-	210,000	690,000	24,945
Series 20	1.55-2.35%	04/21/20	935,000	09/01/30	850,000	-	90,000	760,000	15,530
Finance Leases:									
Police Station	3.49%	08/27/18	135,000	07/30/28	<u>99,050</u>	<u>-</u>	<u>12,719</u>	<u>86,331</u>	<u>3,505</u>
Total Contractual Indebtedness					<u>\$2,074,050</u>	<u>-</u>	<u>\$387,719</u>	<u>\$1,686,331</u>	<u>\$ 49,455</u>

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

(Continued)

Note 8: Long-Term Debt (Continued)

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2032</u>	<u>Total</u>
Principal:							
General obligation bonds	\$385,000	\$395,000	\$335,000	\$ 95,000	\$ 95,000	\$295,000	\$1,600,000
Finance leases	<u>13,169</u>	<u>13,628</u>	<u>14,117</u>	<u>14,617</u>	<u>15,134</u>	<u>15,666</u>	<u>86,331</u>
Total principal	<u>\$398,169</u>	<u>\$408,628</u>	<u>\$349,117</u>	<u>\$109,617</u>	<u>\$110,134</u>	<u>\$310,666</u>	<u>\$1,686,331</u>
Interest:							
General obligation bonds	\$ 37,655	\$ 28,438	\$ 18,455	\$ 9,688	\$ 8,120	\$ 13,460	\$ 115,816
Finance leases	<u>3,055</u>	<u>2,596</u>	<u>2,107</u>	<u>1,607</u>	<u>1,090</u>	<u>556</u>	<u>11,011</u>
Total interest	<u>\$ 40,710</u>	<u>\$ 31,034</u>	<u>\$ 20,562</u>	<u>\$ 11,295</u>	<u>\$ 9,210</u>	<u>\$ 14,016</u>	<u>\$ 126,827</u>
Total Principal and Interest	<u>\$438,879</u>	<u>\$439,662</u>	<u>\$369,679</u>	<u>\$120,912</u>	<u>\$119,344</u>	<u>\$324,682</u>	<u>\$1,813,158</u>

CITY OF HUGOTON, KANSAS

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF HUGOTON, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended December 31, 2022

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Funds:			
General	\$3,128,558	\$2,767,352	\$ (361,206)
Special Purpose Funds:			
Special City Streets and Highways	118,499	78,289	(40,210)
Special Parks and Recreation	26,879	3,201	(23,678)
Gas Royalty	540,125	1,360	(538,765)
Convention and Tourism Promotion	74,070	40,030	(34,040)
Animal Care Benevolence	4,021	2,871	(1,150)
Golf Course Expansion	168,166	30,475	(137,691)
Shop With a Cop	6,053	9,335	3,282
Streetscape Improvement	2,234	386	(1,848)
Community Improvement District	38,314	42,444	4,130
Economic Development	52,667	30,650	(22,017)
Diversion	2,975	-	(2,975)
Debt Service Fund:			
Bond and Interest Fund	420,950	413,185	(7,765)
Business Funds:			
Enterprise Funds:			
Electric System:			
Operating Fund	6,695,356	5,598,757	(1,096,599)
Electric Distribution Upgrade Fund	1,087,373	71,831	(1,015,542)
Water System:			
Operating Fund	1,271,960	970,212	(301,748)
Water Improvement Fund	1,027,785	337,333	(690,452)
Sanitation System:			
Operating Fund	484,597	364,057	(120,540)
Sewer System:			
Operating Fund	1,424,770	357,355	(1,067,415)

CITY OF HUGOTON, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the year ended December 31, 2022

CITY OF HUGOTON, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$ 973,768	\$ -	\$ 973,768	\$ 950,865
Delinquent tax	47,886	7,847	40,039	29,024
Motor vehicle tax	184,927	166,264	18,663	196,414
16/20 vehicle tax	6,223	6,697	(474)	6,595
Commercial vehicle tax	10,495	11,344	(849)	10,365
Recreational vehicle tax	2,022	2,091	(69)	2,370
Local sales tax	957,311	850,000	107,311	1,039,095
Franchise tax	65,906	52,000	13,906	54,648
Watercraft tax	-	149	(149)	-
Total taxes	<u>\$2,248,538</u>	<u>\$1,096,392</u>	<u>\$1,152,146</u>	<u>\$2,289,376</u>
Intergovernmental Revenue:				
Local alcoholic liquor	\$ 12,276	\$ 5,017	\$ 7,259	\$ 12,201
Compensating use tax	<u>290,677</u>	<u>200,000</u>	<u>90,677</u>	<u>313,205</u>
Total intergovernmental	<u>\$ 302,953</u>	<u>\$ 205,017</u>	<u>\$ 97,936</u>	<u>\$ 325,406</u>
Licenses, Permits, and Fees:				
Licenses	\$ 1,000	\$ 3,350	\$ (2,350)	\$ 1,275
Occupational licenses	4,800	1,500	3,300	5,730
Permits	2,383	750	1,633	6,717
Accident reports	590	150	440	350
Dog licenses & pound fees	<u>1,269</u>	<u>750</u>	<u>519</u>	<u>947</u>
Total licenses, permits, and fees	<u>\$ 10,042</u>	<u>\$ 6,500</u>	<u>\$ 3,542</u>	<u>\$ 15,019</u>
Use of Money and Property:				
Interest on time deposits	\$ 20,307	\$ 1,000	\$ 19,307	\$ 985
Rentals and leases	10,231	7,500	2,731	9,858
Sale of property	<u>400</u>	<u>750</u>	<u>(350)</u>	<u>1,725</u>
Total use of money and property	<u>\$ 30,938</u>	<u>\$ 9,250</u>	<u>\$ 21,688</u>	<u>\$ 12,568</u>
Other:				
Charges for services	\$ 1,493	\$ 3,500	\$ (2,007)	\$ 2,110
Fines, forfeitures, and penalties	73,498	45,000	28,498	74,901
Golf course income	115,441	89,000	26,441	138,803
Miscellaneous	<u>135,174</u>	<u>25,000</u>	<u>110,174</u>	<u>30,388</u>
Total other	<u>\$ 325,606</u>	<u>\$ 162,500</u>	<u>\$ 163,106</u>	<u>\$ 246,202</u>
Total Receipts	<u>\$2,918,077</u>	<u>\$1,479,659</u>	<u>\$1,438,418</u>	<u>\$2,888,571</u>

CITY OF HUGOTON, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u>				
General Government – Administration:				
Personal services	\$ 205,294	\$ 207,448	\$ (2,154)	\$ 195,052
Contractual services	77,933	81,895	(3,962)	127,471
Commodities	12,297	25,430	(13,133)	11,332
Capital outlay	-	50,000	(50,000)	-
Totals	<u>\$ 295,524</u>	<u>\$ 364,773</u>	<u>\$ (69,249)</u>	<u>\$ 333,855</u>
Municipal Court:				
Personal services	\$ 20,935	\$ 21,149	\$ (214)	\$ 20,865
Contractual services	39,841	59,550	(19,709)	44,638
Commodities	5,040	1,000	4,040	97
Capital outlay	-	2,500	(2,500)	-
Totals	<u>\$ 65,816</u>	<u>\$ 84,199</u>	<u>\$ (18,383)</u>	<u>\$ 65,600</u>
Public Safety – Police:				
Personal services	\$ 782,574	\$ 766,025	\$ 16,549	\$ 695,284
Contractual services	82,767	231,842	(149,075)	85,024
Commodities	150,786	77,575	73,211	133,078
Capital outlay	58,900	50,000	8,900	38,800
Lease purchase	16,224	16,224	-	16,223
Totals	<u>\$1,091,251</u>	<u>\$1,141,666</u>	<u>\$ (50,415)</u>	<u>\$ 968,409</u>
Public Works – Streets and Alleys:				
Personal services	\$ 318,965	\$ 385,863	\$ (66,898)	\$ 327,305
Contractual services	194,197	120,272	73,925	63,819
Commodities	99,098	201,500	(102,402)	114,448
Capital outlay	60,680	100,000	(39,320)	-
Operating transfers	77,336	77,336	-	69,344
Totals	<u>\$ 750,276</u>	<u>\$ 884,971</u>	<u>\$ (134,695)</u>	<u>\$ 574,916</u>

CITY OF HUGOTON, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
<u>Expenditures (Continued)</u>				
Culture & Recreation – Parks:				
Personal services	\$ 95,457	\$ 86,179	\$ 9,278	\$ 101,390
Contractual services	9,890	18,017	(8,127)	8,541
Commodities	45,089	29,000	16,089	38,339
Capital outlay	<u>7,818</u>	<u>40,000</u>	<u>(32,182)</u>	<u>-</u>
Totals	<u>\$ 158,254</u>	<u>\$ 173,196</u>	<u>\$ (14,942)</u>	<u>\$ 148,270</u>
Economic Development:				
Operating transfers	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>-</u>	<u>\$ 20,000</u>
Golf Course:				
Personal services	\$ 226,355	\$ 279,092	\$ (52,737)	\$ 245,929
Contractual services	56,724	55,341	1,383	47,837
Commodities	65,907	87,000	(21,093)	64,256
Capital outlay	18,928	20,000	(1,072)	23,425
Operating transfers	<u>18,317</u>	<u>18,320</u>	<u>(3)</u>	<u>38,317</u>
Totals	<u>\$ 386,231</u>	<u>\$ 459,753</u>	<u>\$ (73,522)</u>	<u>\$ 419,764</u>
Total Expenditures	<u>\$2,767,352</u>	<u>\$3,128,558</u>	<u>\$ (361,206)</u>	<u>\$2,530,814</u>
Receipts Over (Under) Expenditures	\$ 150,725			\$ 357,757
Unencumbered Cash, Beginning	<u>1,185,305</u>			<u>827,548</u>
Unencumbered Cash, Ending	<u>\$1,336,030</u>			<u>\$1,185,305</u>

CITY OF HUGOTON, KANSAS

Schedule 2-2

SPECIAL CITY STREETS AND HIGHWAYS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Gasoline tax	\$100,656	\$ 96,300	\$ 4,356	\$107,746
Use of Money and Property:				
Interest on time deposits	<u>675</u>	<u>45</u>	<u>630</u>	<u>35</u>
Total Receipts	<u>\$101,331</u>	<u>\$ 96,345</u>	<u>\$ 4,986</u>	<u>\$107,781</u>
<u>Expenditures</u>				
Public Works:				
Personal services	\$ 21,900	\$ -	\$ 21,900	\$ -
Contractual services	50,000	118,499	(68,499)	100,000
Commodities	<u>6,389</u>	<u>-</u>	<u>6,389</u>	<u>-</u>
Total Expenditures	<u>\$ 78,289</u>	<u>\$118,499</u>	<u>\$ (40,210)</u>	<u>\$100,000</u>
Receipts Over (Under) Expenditures	\$ 23,042			\$ 7,781
Unencumbered Cash, Beginning	<u>43,300</u>			<u>35,519</u>
Unencumbered Cash, Ending	<u>\$ 66,342</u>			<u>\$ 43,300</u>

CITY OF HUGOTON, KANSAS

Schedule 2-3

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	Current Year			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	
<u>Receipts</u>				
Intergovernmental:				
Liquor tax	\$ 12,276	\$ 5,715	\$ 6,561	\$ 12,201
Use of Money and Property:				
Interest on time deposits	<u>402</u>	<u>26</u>	<u>376</u>	<u>18</u>
Total Receipts	\$ <u>12,678</u>	\$ <u>5,741</u>	\$ <u>6,937</u>	\$ <u>12,219</u>
<u>Expenditures</u>				
Culture and Recreation:				
Personal services	\$ 2,878	\$ 2,500	\$ 378	\$ 2,170
Contractual services	323	3,500	(3,177)	-
Capital outlay	<u>-</u>	<u>20,879</u>	<u>(20,879)</u>	<u>-</u>
Total Expenditures	\$ <u>3,201</u>	\$ <u>26,879</u>	\$ <u>(23,678)</u>	\$ <u>2,170</u>
Receipts Over (Under) Expenditures	\$ 9,477			\$ 10,049
Unencumbered Cash, Beginning	<u>27,217</u>			<u>17,168</u>
Unencumbered Cash, Ending	\$ <u>36,694</u>			\$ <u>27,217</u>

CITY OF HUGOTON, KANSAS

Schedule 2-4

GAS ROYALTY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Royalty income and gas sales	\$ 14,443	\$ 2,500	\$ 11,943	\$ 23,581
Interest on time deposits	<u>7,036</u>	<u>500</u>	<u>6,536</u>	<u>484</u>
Total Receipts	\$ <u>21,479</u>	\$ <u>3,000</u>	\$ <u>18,479</u>	\$ <u>24,065</u>
<u>Expenditures</u>				
Public Works:				
Contractual services	\$ 1,360	\$ 10,125	\$ (8,765)	\$ 1,449
Commodities	-	30,000	(30,000)	-
Capital outlay	<u>-</u>	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>
Total Expenditures	\$ <u>1,360</u>	\$ <u>540,125</u>	\$ <u>(538,765)</u>	\$ <u>1,449</u>
Receipts Over (Under) Expenditures	\$ 20,119			\$ 22,616
Unencumbered Cash, Beginning	<u>536,991</u>			<u>514,375</u>
Unencumbered Cash, Ending	<u>\$557,110</u>			<u>\$536,991</u>

CITY OF HUGOTON, KANSAS

Schedule 2-5

CONVENTION AND TOURISM PROMOTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 711	\$ 50	\$ 661	\$ 48
Transient guest tax	<u>38,064</u>	<u>20,000</u>	<u>18,064</u>	<u>30,003</u>
Total Receipts	<u>\$ 38,775</u>	<u>\$ 20,050</u>	<u>\$ 18,725</u>	<u>\$ 30,051</u>
<u>Expenditures</u>				
Contractual services	\$ 40,030	\$ 73,070	\$ (33,040)	\$ 24,923
Commodities	<u>-</u>	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
Total Expenditures	<u>\$ 40,030</u>	<u>\$ 74,070</u>	<u>\$ (34,040)</u>	<u>\$ 24,923</u>
Receipts Over (Under) Expenditures	\$ (1,255)			\$ 5,128
Unencumbered Cash, Beginning	<u>57,098</u>			<u>51,970</u>
Unencumbered Cash, Ending	<u>\$ 55,843</u>			<u>\$ 57,098</u>

CITY OF HUGOTON, KANSAS

Schedule 2-6

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Taxes and Shared Receipts:				
Delinquent tax	\$ 577	\$ -	\$ 577	\$ 353
Motor vehicle tax	-	-	-	1,142
16/20 vehicle tax	-	-	-	183
Commercial vehicle tax	-	-	-	9
Recreational vehicle tax	-	-	-	8
KDI payment	146,927	163,683	(16,756)	159,565
Use of Money and Property:				
Interest on time deposits	384	100	284	100
Other Receipts:				
Special assessments	62,597	-	62,597	57,305
Operating transfers	<u>246,694</u>	<u>215,840</u>	<u>30,854</u>	<u>342,982</u>
Total Receipts	<u>\$457,179</u>	<u>\$379,623</u>	<u>\$ 77,556</u>	<u>\$561,647</u>
<u>Expenditures</u>				
Principal	\$375,000	\$375,000	\$ -	\$510,000
Interest	<u>38,185</u>	<u>45,950</u>	<u>(7,765)</u>	<u>63,789</u>
Total Expenditures	<u>\$413,185</u>	<u>\$420,950</u>	<u>\$ (7,765)</u>	<u>\$573,789</u>
Receipts Over (Under) Expenditures	\$ 43,994			\$ (12,142)
Unencumbered Cash, Beginning	<u>174,055</u>			<u>186,197</u>
Unencumbered Cash, Ending	<u>\$218,049</u>			<u>\$174,055</u>

CITY OF HUGOTON, KANSAS

Schedule 2-7

ELECTRIC SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	Current Year		Variance Over (Under)	Prior Year Actual
	Actual	Budget		
<u>Receipts</u>				
Sales to customers	\$5,179,800	\$4,400,000	\$ 779,800	\$4,872,048
Penalties	45,310	35,000	10,310	35,349
Charge offs, check fees, reconnect fees	10,120	10,000	120	10,837
Other Receipts:				
Merchandise	30,050	5,000	25,050	25,734
Inspections/Permits	587	150	437	255
Reimbursed expenses	31,701	-	31,701	130,447
Miscellaneous	35,703	5,000	30,703	4,680
Use of Money and Property:				
Interest on time deposits	<u>45,257</u>	<u>3,000</u>	<u>42,257</u>	<u>3,194</u>
Total Receipts	<u>\$5,378,528</u>	<u>\$4,458,150</u>	<u>\$ 920,378</u>	<u>\$5,082,544</u>
<u>Expenditures</u>				
Production Expense:				
Personal services	\$ 306,962	\$ 335,794	\$ (28,832)	\$ 312,382
Contractual services	3,790,645	3,081,496	709,149	2,964,149
Commodities	22,546	186,000	(163,454)	23,552
Capital outlay	-	100,005	(100,005)	-
Distribution Expense:				
Personal services	262,404	269,610	(7,206)	240,857
Contractual services	170,115	271,500	(101,385)	34,143
Commodities	465,985	962,500	(496,515)	689,812
Capital outlay	5,700	250,000	(244,300)	-

CITY OF HUGOTON, KANSAS

Schedule 2-7
(Continued)

ELECTRIC SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures (Continued)</u>				
General and Administrative:				
Personal services	223,935	259,745	(35,810)	211,540
Contractual services	336,220	357,494	(21,274)	372,595
Commodities	14,245	19,250	(5,005)	11,865
Capital outlay	-	50,000	(50,000)	-
Operating transfers	-	551,962	(551,962)	-
Total Expenditures	<u>\$5,598,757</u>	<u>\$6,695,356</u>	<u>\$ (1,096,599)</u>	<u>\$4,860,895</u>
Receipts Over (Under) Expenditures	\$ (220,229)			\$ 221,649
Unencumbered Cash, Beginning	<u>3,503,749</u>			<u>3,282,100</u>
Unencumbered Cash, Ending	<u>\$3,283,520</u>			<u>\$3,503,749</u>

CITY OF HUGOTON, KANSAS

Schedule 2-8

WATER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Water sales to customers	\$886,875	\$ 825,750	\$ 61,125	\$789,503
Penalties	7,980	6,500	1,480	6,259
Other Receipts:				
Water dock	2,994	-	2,994	2,796
Tank water	39,895	27,000	12,895	25,811
Miscellaneous	7,996	1,000	6,996	960
Sale of merchandise	13,750	1,000	12,750	2,717
Inspections	262	250	12	411
Use of Money and Property:				
Interest on time deposits	6,745	500	6,245	458
Water services	16,604	2,500	14,104	12,370
Operating transfers	<u>15,472</u>	<u>-</u>	<u>15,472</u>	<u>-</u>
Total Receipts	<u>\$998,573</u>	<u>\$ 864,500</u>	<u>\$ 134,073</u>	<u>\$841,285</u>
<u>Expenditures</u>				
Production Expense:				
Contractual services	\$132,373	\$ 168,000	\$ (35,627)	\$147,512
Commodities	793	75,000	(74,207)	33,915
Capital outlay	-	15,000	(15,000)	-
Distribution Expense:				
Personal services	211,881	219,548	(7,667)	199,881
Contractual services	11,292	51,750	(40,458)	8,014
Commodities	160,659	231,008	(70,349)	99,993
Capital outlay	-	50,000	(50,000)	-
Administrative and General Expense:				
Personal services	174,956	177,604	(2,648)	150,901
Contractual services	39,126	85,000	(45,874)	43,382
Commodities	42,432	8,750	33,682	31,538
Capital outlay	-	11,000	(11,000)	-

CITY OF HUGOTON, KANSAS

Schedule 2-8
(Continued)

WATER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u> (Continued)				
Water Protection Fee	-	15,000	(15,000)	10,630
Debt service	15,472	-	15,472	
Operating transfers	<u>181,228</u>	<u>164,300</u>	<u>16,928</u>	<u>163,430</u>
Total Expenditures	<u>\$970,212</u>	<u>\$1,271,960</u>	<u>\$ (301,748)</u>	<u>\$889,196</u>
Receipts Over (Under) Expenditures	\$ 28,361			\$ (47,911)
Unencumbered Cash, Beginning	<u>518,236</u>			<u>566,147</u>
Unencumbered Cash, Ending	<u>\$546,597</u>			<u>\$518,236</u>

CITY OF HUGOTON, KANSAS

Schedule 2-9

SANITATION SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Sales to customers	\$350,794	\$300,000	\$ 50,794	\$311,035
Charge offs	542	500	42	354
Use of Money and Property:				
Interest on time deposits	1,970	131	1,839	139
Other Receipts:				
Miscellaneous	<u>7,957</u>	<u>-</u>	<u>7,957</u>	<u>-</u>
Total Receipts	<u>\$361,263</u>	<u>\$300,631</u>	<u>\$ 60,632</u>	<u>\$311,528</u>
<u>Expenditures</u>				
Collection and Disposal Expense:				
Personal services	\$119,402	\$107,531	\$ 11,871	\$100,651
Contractual services	61,036	59,971	1,065	49,078
Commodities	59,454	59,000	454	36,721
Capital outlay	-	152,110	(152,110)	-
Administrative and General Expense:				
Personal services	61,171	43,385	17,786	48,913
Contractual services	2,994	2,600	394	10,005
Operating transfers	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total Expenditures	<u>\$364,057</u>	<u>\$484,597</u>	<u>\$ (120,540)</u>	<u>\$305,368</u>
Receipts Over (Under) Expenditures	\$ (2,794)			\$ 6,160
Unencumbered Cash, Beginning	<u>184,228</u>			<u>178,068</u>
Unencumbered Cash, Ending	<u>\$181,434</u>			<u>\$184,228</u>

CITY OF HUGOTON, KANSAS

Schedule 2-10

SEWER SYSTEM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
<u>Receipts</u>				
Sales to customers	\$339,331	\$ 330,000	\$ 9,331	\$ 341,549
Charge offs	652	500	152	444
Other Receipts:				
Miscellaneous	3,507	-	3,507	1,415
Use of Money and Property:				
Interest on time deposits	<u>12,411</u>	<u>500</u>	<u>11,911</u>	<u>914</u>
Total Receipts	<u>\$355,901</u>	<u>\$ 331,000</u>	<u>\$ 24,901</u>	<u>\$ 344,322</u>
<u>Expenditures</u>				
Collection and Disposal Expense:				
Personal services	\$ 73,469	\$ 65,107	\$ 8,362	\$ 65,794
Contractual services	26,217	27,035	(818)	23,154
Commodities	17,646	29,750	(12,104)	27,174
Capital outlay	-	250,000	(250,000)	68,199
Administrative and General Expense:				
Personal services	85,012	55,087	29,925	64,088
Contractual services	19,966	6,500	13,466	7,840
Commodities	-	43,815	(43,815)	-
Operating transfers	<u>135,045</u>	<u>947,476</u>	<u>(812,431)</u>	<u>114,350</u>
Total Expenditures	<u>\$357,355</u>	<u>\$1,424,770</u>	<u>\$ (1,067,415)</u>	<u>\$ 370,599</u>
Receipts Over (Under) Expenditures	\$ (1,454)			\$ (26,277)
Unencumbered Cash, Beginning	<u>986,012</u>			<u>1,012,289</u>
Unencumbered Cash, Ending	<u>\$984,558</u>			<u>\$ 986,012</u>

CITY OF HUGOTON, KANSAS

Schedule 2-11

ANIMAL CARE BENEVOLENCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 62	\$ 4	\$ 58	\$ 3
Miscellaneous	<u>5,422</u>	<u>1,000</u>	<u>4,422</u>	<u>1,495</u>
Total Receipts	\$ <u>5,484</u>	\$ <u>1,004</u>	\$ <u>4,480</u>	\$ <u>1,498</u>
<u>Expenditures</u>				
Contractual services	\$ -	\$ 3,000	\$ (3,000)	\$ 88
Commodities	<u>2,871</u>	<u>1,021</u>	<u>1,850</u>	<u>2,588</u>
Total Expenditures	\$ <u>2,871</u>	\$ <u>4,021</u>	\$ <u>(1,150)</u>	\$ <u>2,676</u>
Receipts Over (Under) Expenditures	\$ 2,613			\$ (1,178)
Unencumbered Cash, Beginning	<u>4,336</u>			<u>5,514</u>
Unencumbered Cash, Ending	\$ <u>6,949</u>			\$ <u>4,336</u>

CITY OF HUGOTON, KANSAS

Schedule 2-12

ELECTRIC DISTRIBUTION UPGRADE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Royalty income and gas sales	\$ 224,560	\$ 31,500	\$ 193,060	\$ 84,909
Interest on time deposits	<u>16,122</u>	<u>949</u>	<u>15,173</u>	<u>910</u>
Total Receipts	\$ <u>240,682</u>	\$ <u>32,449</u>	\$ <u>208,233</u>	\$ <u>85,819</u>
<u>Expenditures</u>				
Contractual services	\$ 71,831	\$ 37,373	\$ 34,458	\$ 35,199
Commodities	-	50,000	(50,000)	-
Capital outlay	<u>-</u>	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>-</u>
Total Expenditures	\$ <u>71,831</u>	\$ <u>1,087,373</u>	\$ <u>(1,015,542)</u>	\$ <u>35,199</u>
Receipts Over (Under) Expenditures	\$ 168,851			\$ 50,620
Unencumbered Cash, Beginning	<u>1,091,594</u>			<u>1,040,974</u>
Unencumbered Cash, Ending	<u>\$1,260,445</u>			<u>\$1,091,594</u>

CITY OF HUGOTON, KANSAS

Schedule 2-13

GOLF COURSE EXPANSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 1,722	\$ 80	\$ 1,642	\$ 114
Operating transfers	<u>18,317</u>	<u>18,320</u>	<u>(3)</u>	<u>38,317</u>
Total Receipts	\$ 20,039	\$ <u>18,400</u>	\$ <u>1,639</u>	\$ 38,431
<u>Expenditures</u>				
Capital outlay	<u>30,475</u>	<u>\$168,166</u>	<u>\$(137,691)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (10,436)			\$ 38,431
Unencumbered Cash, Beginning	<u>149,355</u>			<u>110,924</u>
Unencumbered Cash, Ending	<u>\$138,919</u>			<u>\$149,355</u>

CITY OF HUGOTON, KANSAS

Schedule 2-14

SHOP WITH A COP FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 29	\$ 15	\$ 14	\$ 2
Miscellaneous	<u>8,833</u>	<u>5,000</u>	<u>3,833</u>	<u>4,150</u>
Total Receipts	<u>\$ 8,862</u>	<u>\$ 5,015</u>	<u>\$ 3,847</u>	<u>\$ 4,152</u>
<u>Expenditures</u>				
Contractual services	\$ -	\$ 1,000	\$ (1,000)	\$ 50
Commodities	<u>9,335</u>	<u>5,053</u>	<u>4,282</u>	<u>2,892</u>
Total Expenditures	<u>\$ 9,335</u>	<u>\$ 6,053</u>	<u>\$ 3,282</u>	<u>\$ 2,942</u>
Receipts Over (Under) Expenditures	\$ (473)			\$ 1,210
Unencumbered Cash, Beginning	<u>2,233</u>			<u>1,023</u>
Unencumbered Cash, Ending	<u>\$ 1,760</u>			<u>\$ 2,233</u>

CITY OF HUGOTON, KANSAS

Schedule 2-15

STREETSCAPE IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	Current Year			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ <u>38</u>	\$ <u>2</u>	\$ <u>36</u>	\$ <u>3</u>
<u>Expenditures</u>				
Contractual services	\$ -	\$ 1,500	\$ (1,500)	\$ -
Commodities	<u>386</u>	<u>734</u>	<u>(348)</u>	<u>340</u>
Total Expenditures	\$ <u>386</u>	\$ <u>2,234</u>	\$ <u>(1,848)</u>	\$ <u>340</u>
Receipts Over (Under) Expenditures	\$ (348)			\$ (337)
Unencumbered Cash, Beginning	<u>3,890</u>			<u>4,227</u>
Unencumbered Cash, Ending	\$ <u>3,542</u>			\$ <u>3,890</u>

CITY OF HUGOTON, KANSAS

Schedule 2-16

WATER IMPROVEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	
<u>Receipts</u>				
Collections from utility bills	\$268,783	\$ 268,000	\$ 783	\$272,410
Use of Money and Property:				
Interest on time deposits	11,227	600	10,627	709
Operating transfers	<u>167,344</u>	<u>145,000</u>	<u>22,344</u>	<u>149,700</u>
Total Receipts	<u>\$447,354</u>	<u>\$ 413,600</u>	<u>\$ 33,754</u>	<u>\$422,819</u>
<u>Expenditures</u>				
Contractual services	\$239,568	\$ 422,255	\$ (182,688)	\$289,717
Capital outlay	-	500,000	(500,000)	-
Operating transfers	<u>97,765</u>	<u>105,530</u>	<u>(7,764)</u>	<u>214,902</u>
Total Expenditures	<u>\$337,333</u>	<u>\$1,027,785</u>	<u>\$ (690,452)</u>	<u>\$504,619</u>
Receipts Over (Under) Expenditures	\$110,021			\$ (81,800)
Unencumbered Cash, Beginning	<u>625,827</u>			<u>707,627</u>
Unencumbered Cash, Ending	<u>\$735,848</u>			<u>\$625,827</u>

CITY OF HUGOTON, KANSAS

Schedule 2-17

COMMUNITY IMPROVEMENT DISTRICT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>	
<u>Receipts</u>				
Taxes and Shared Receipts:				
CID tax	\$ 43,632	\$ 30,000	\$ 13,632	\$ 34,883
Use of Money and Property:				
Interest on time deposits	<u>419</u>	<u>6</u>	<u>413</u>	<u>10</u>
Total Receipts	\$ 44,051	\$ <u>30,006</u>	\$ <u>14,045</u>	\$ 34,893
<u>Expenditures</u>				
Contractual services	<u>42,444</u>	\$ <u>38,314</u>	\$ <u>4,130</u>	<u>36,150</u>
Receipts Over (Under) Expenditures	\$ 1,607			\$ (1,257)
Unencumbered Cash, Beginning	<u>1,546</u>			<u>2,803</u>
Unencumbered Cash, Ending	\$ <u>3,153</u>			\$ <u>1,546</u>

CITY OF HUGOTON, KANSAS

Schedule 2-18

ECONOMIC DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 314	\$ 25	\$ 289	\$ 34
Operating transfers	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Receipts	\$ <u>20,314</u>	\$ <u>20,025</u>	\$ <u>289</u>	\$ <u>20,034</u>
<u>Expenditures</u>				
Contractual services	\$ 30,650	\$ 20,000	\$ 10,650	\$ 20,000
Capital outlay	<u>-</u>	<u>32,667</u>	<u>(32,667)</u>	<u>-</u>
Total Expenditures	\$ <u>30,650</u>	\$ <u>52,667</u>	\$ <u>(22,017)</u>	\$ <u>20,000</u>
Receipts Over (Under) Expenditures	\$ (10,336)			\$ 34
Unencumbered Cash, Beginning	<u>32,651</u>			<u>32,617</u>
Unencumbered Cash, Ending	\$ <u>22,315</u>			\$ <u>32,651</u>

CITY OF HUGOTON, KANSAS

Schedule 2-19

DIVERSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2022

(with comparative actual totals for the prior year ended December 31, 2021)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 54	\$ -	\$ 54	\$ 1
Miscellaneous	<u>3,129</u>	<u>1,000</u>	<u>2,129</u>	<u>1,325</u>
Total Receipts	\$ <u>3,183</u>	\$ <u>1,000</u>	\$ <u>2,183</u>	\$ <u>1,326</u>
<u>Expenditures</u>				
Contractual services	-	\$ 1,500	\$ (1,500)	-
Commodities	<u>-</u>	<u>1,475</u>	<u>(1,475)</u>	<u>-</u>
Total Expenditures	<u>-</u>	\$ <u>2,975</u>	\$ <u>(2,975)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 3,183			\$ 1,326
Unencumbered Cash, Beginning	<u>2,051</u>			<u>725</u>
Unencumbered Cash, Ending	\$ <u>5,234</u>			\$ <u>2,051</u>

CITY OF HUGOTON, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022

CITY OF HUGOTON, KANSAS

Schedule 2-20

SPECIAL STREET MACHINERY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 6,656	\$ 381
Operating transfers	<u>77,336</u>	<u>69,344</u>
Total Receipts	\$ 83,992	\$ 69,725
<u>Expenditures</u>		
Capital outlay	<u>127,267</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (43,275)	\$ 69,725
Unencumbered Cash, Beginning	<u>458,515</u>	<u>388,790</u>
Unencumbered Cash, Ending	<u>\$415,240</u>	<u>\$458,515</u>

CITY OF HUGOTON, KANSAS

Schedule 2-21

ELECTRIC METER DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Customer deposits received	\$ 20,003	\$ 20,853
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>20,003</u>	<u>20,853</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-22

ELECTRIC EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 4,217	\$ 300
<u>Expenditures</u>	—	—
Receipts Over (Under) Expenditures	\$ 4,217	\$ 300
Unencumbered Cash, Beginning	<u>327,065</u>	<u>326,765</u>
Unencumbered Cash, Ending	<u>\$331,282</u>	<u>\$327,065</u>

CITY OF HUGOTON, KANSAS

Schedule 2-23

WATER METER DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Customer deposits received	\$ 1,126	\$ 1,215
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>1,126</u>	<u>1,215</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-24

WATER EQUIPMENT REPLACEMENT FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 719	\$ 139
<u>Expenditures</u>		
Contractual services	<u>102,034</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (101,315)	\$ 139
Unencumbered Cash, Beginning	<u>151,954</u>	<u>151,815</u>
Unencumbered Cash, Ending	<u>\$ 50,639</u>	<u>\$151,954</u>

CITY OF HUGOTON, KANSAS

Schedule 2-25

WATER EQUIPMENT REPLACEMENT FUND II
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 73	\$ 127
 <u>Expenditures</u>		
Contractual services	<u>138,797</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (138,724)	\$ 127
Unencumbered Cash, Beginning	<u>138,724</u>	<u>138,597</u>
Unencumbered Cash, Ending	<u><u>-</u></u>	<u><u>\$138,724</u></u>

CITY OF HUGOTON, KANSAS

Schedule 2-26

SANITATION EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 4,100	\$ 360
Operating transfers	<u>60,000</u>	<u>60,000</u>
Total Receipts	\$ 64,100	\$ 60,360
<u>Expenditures</u>		
Capital outlay	<u>71,300</u>	<u>91,979</u>
Receipts Over (Under) Expenditures	\$ (7,200)	\$ (31,619)
Unencumbered Cash, Beginning	<u>344,034</u>	<u>375,653</u>
Unencumbered Cash, Ending	<u>\$336,834</u>	<u>\$344,034</u>

CITY OF HUGOTON, KANSAS

Schedule 2-27

SEWER SYSTEM RESERVE FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 17,195	\$ 1,220
<u>Expenditures</u>	<u> -</u>	<u> -</u>
Receipts Over (Under) Expenditures	\$ 17,195	\$ 1,220
Unencumbered Cash, Beginning	<u>1,330,698</u>	<u>1,329,478</u>
Unencumbered Cash, Ending	<u>\$1,347,893</u>	<u>\$1,330,698</u>

CITY OF HUGOTON, KANSAS

Schedule 2-28

WATER LINE PROJECT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>	\$ -	-
<u>Expenditures</u>		
Contractual services	<u>592</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (592)	\$ -
Unencumbered Cash, Beginning	<u>592</u>	<u>592</u>
Unencumbered Cash, Ending	<u>-</u>	<u>\$ 592</u>

CITY OF HUGOTON, KANSAS

Schedule 2-29

AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2022
 (with comparative actual totals for the prior year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 7,424	\$ 54
Federal aid	<u>285,761</u>	<u>288,761</u>
Total Receipts	\$293,185	\$288,815
<u>Expenditures</u>		
Contractual services	<u>73,327</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$219,858	\$288,815
Unencumbered Cash, Beginning	<u>288,815</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$508,673</u>	<u>\$288,815</u>

CITY OF HUGOTON, KANSAS

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the year ended December 31, 2022

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Sales Tax Fund	\$ <u>(1,838)</u>	\$ <u>7,549</u>	\$ <u>7,640</u>	\$ <u>(1,929)</u>

