CITY OF WESTMORELAND, KANSAS

Financial Statement With Independent Auditors' Report

For the Year Ended December 31, 2023

CITY OF WESTMORELAND, KANSAS
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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Westmoreland, Kansas
Westmoreland, KS

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matters 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, 2023, or changes in financial position and cash flows thereof for the year then ended.

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

Basis for Adverse and Unmodified Opinions

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

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

Responsibilities of Management for the Financial Statement

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

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

City of Westmoreland, Kansas' basic financial statement for the year ended December 31, 2022 (not presented herein), was audited by VonFeldt, Bauer & VonFeldt, Chtd. who merged with AdamsBrown, LLC as of November 1, 2023, whose report dated May 19, 2023, expressed an unmodified opinion on the basic financial statement. The 2022 basic financial statement and the other auditor's 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 report of the other auditors dated May 19, 2023, stated that the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2022 was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

April 11, 2024

CITY OF WESTMORELAND, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Fund	$ 349,041	-	582,668	434,497	**497,212**	196	**497,408**
Special Purpose Funds							
Employee Benefits Fund	27,464	-	55,858	30,244	**53,078**	289	**53,367**
Special Highway Fund	34,607	-	19,543	24,504	**29,646**	-	**29,646**
Street Improvement Fund	9,782	-	8,464	4,797	**13,449**	-	**13,449**
American Rescue Plan Act Grant Fund	29,791	-	-	21,970	**7,821**	-	**7,821**
Bond and Interest Fund							
Bond and Interest Fund	30,110	-	117,236	100,165	**47,181**	-	**47,181**
Business Funds							
Utilities Fund	155,497	10,540	394,079	399,674	**160,442**	15,868	**176,310**
Utility Reserve Fund	20,330	-	3,998	-	**24,328**	-	**24,328**
Total Reporting Entity	$ 656,622	10,540	1,181,846	1,015,851	**833,157**	16,353	**849,510**

Composition of Cash	Cash on Hand	$ **7,874**
	Checking Accounts	**700,511**
	Savings Accounts	**51,326**
	Certificates of Deposit	**89,799**
	Total Reporting Entity	$ **849,510**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Westmoreland, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by a mayor and an elected five-member council. A related municipal entity is an entity established to benefit the City and/or its constituents. The City has no related municipal entities.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the years ended December 31, 2023.

Regulatory Basis Fund Types

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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

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

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

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 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.

Reimbursements
The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. 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 this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 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 this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 capital project funds, trust funds, and the following special purpose funds: American Rescue Plan Act Grant Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Westmoreland, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

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

Custodial Credit Risk - Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were not legally secured at December 31, 2023.

At December 31, 2023, the City's carrying amount of deposits was $849,510 and the bank balance was $851,402. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, $572,814 was collateralized with securities held by the pledging financial institutions' agents in the City's name, and $28,588 was unsecured.

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. The City had no investments at December 31, 2023.

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

City of Westmoreland, Kansas had deposits in excess of secured coverage at one bank as of December 31, 2023, which is a violation of K.S.A. 9-1402.

NOTE 5 – LITIGATION

City of Westmoreland, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Westmoreland, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2023 were as follows:

From	To	Regulatory Authority		Amount
Utilities Fund	Bond and Interest Fund	K.S.A. 12-825d	$	75,000
Utilities Fund	Utility Reserve Fund	K.S.A. 12-825d		3,998

NOTE 7 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

City of Westmoreland, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions
K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before

July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the City was $11,283 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, the City's proportionate share of the collective net pension liability reported by KPERS was $122,308. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City'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.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Westmoreland, 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 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 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.

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

NOTE 11 – COMPENSATED ABSENCES

Full-time employees accrue personal leave time per pay period in lieu of vacation, sick, and funeral leave, which doesn't begin until the employee has completed their probationary employment period. Eligible employees employed for less than 10 years can accrue a maximum of 160 hours of personal leave time annually with 200 hours allowed to be carried over to the next year. Eligible employees employed for 10 years or more can accrue a maximum of 200 hours of personal leave time annually with 320 hours allowed to be carried over to the next year.

Extended Sick Leave (ESL) is a part of the personal leave time program, which may be used for extended illness, injury, disability, hospitalization, or other qualifying event under the Family and Medical Leave Act (FMLA). At December 31st each year, hours in excess of allowed carryover hours noted above shall be moved to an ESL account. The maximum accumulation in an employee's ESL account for an employee employed for less than 10 years is 240 hours and 480 hours for an employee employed for 10 years or more. Any hours in excess shall be lost.
Upon resignation or separation of employment, employees will be paid for all accrued personal leave time up to the 200 or 320 hour thresholds noted above. Accumulated ESL balance shall not be paid upon resignation or separation of employment.

NOTE 12 – CONDUIT DEBT OBLIGATIONS

In 2006, the City issued bonds on behalf of Westy Community Care Home, Inc. in the amount of $2,000,000 for facility additions. Westy Community Care Home, Inc. makes monthly payments on this debt directly to the Trustee, Security Bank of Kansas City, for the duration of 20 years. In 2011, the City issued Health Care Facilities Refunding Revenue Bonds to provide funds to pay the costs of refunding the Series 2006 bonds. $1,785,000 of remaining debt was paid to close the 2006 bonds.

The series 2011 bonds were issued in the amount of $1,650,000. The bonds are secured by Westy Community Care Home. In 2019, the series 2011 bonds were refinanced in the amount of $1,200,000. The City has no obligation for the debt. The outstanding balance of the bonds as of December 31, 2023 was unavailable.

NOTE 13 – DEBT RESTRICTIONS AND COVENANTS

KDHE Construction Loan
City of Westmoreland, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the water utility system in the amount of $567,670. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through water and sewer rates and fees charged.

KDHE Construction Loan
City of Westmoreland, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the wastewater collection and treatment system in the amount of $363,348. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through water and sewer rates and fees charged.

KDHE Construction Loan
City of Westmoreland, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund improvements to the wastewater collection and treatment system in the amount of $66,695. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2023 as it is providing dedicated funds through water and sewer rates and fees charged.

NOTE 14 – LONG-TERM DEBT

City of Westmoreland, Kansas has the following types of long-term debt.

General Obligations Bonds
On September 29, 2016, the City issued $715,000 in Series 2016 general obligation bonds for the purpose of financing public water supply improvements in the City.

KDHE Loans
On October 6, 2005, the City entered into a loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance improvements to the water utility system. The City will use fees generated by the City water and sewer utilities for loan repayment.

On November 30, 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance improvements to the water utility system. The City will use fees generated by the City water and sewer utilities for loan repayment.

On May 5, 2021, the City entered into a loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance improvements to the water utility system. The City will use fees generated by the City water and sewer utilities for loan repayment.

Finance Lease
The City has entered into lease agreements for equipment and the water meter system. The leases contain a fiscal funding clause.

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
General Obligation Bond									
Bond Series 2016	2.00-3.55%	9/29/2016	$ 715,000	10/1/2036	$ 420,000	-	30,000	**390,000**	12,733
KDHE Loans									
Water Pollution Loan 2005	2.58%	10/6/2005	567,670	3/1/2027	135,372	-	28,748	**106,624**	2,988
Water Pollution Loan 2016	1.81%	11/30/2016	363,348	9/1/2038	298,590	-	16,247	**282,343**	4,595
Water Pollution Loan 2021	1.30%	5/5/2021	66,695	9/1/2041	63,755	-	2,979	**60,776**	158
Finance Leases									
Mini Excavator	3.95%	5/14/2018	21,904	5/14/2023	4,719	-	4,719	**-**	186
Chevy Dump Truck	3.80%	5/15/2019	18,000	5/15/2024	7,606	-	3,732	**3,874**	289
Water Meter System	4.00%	5/15/2019	125,000	5/15/2029	92,506	-	11,714	**80,792**	3,700
2500 HD Silverado Truck	2.60%	8/10/2020	31,930	4/15/2027	23,195	-	4,404	**18,791**	603
Total Contractual Indebtedness					$ 1,045,743	-	102,543	**943,200**	25,252

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

	YEAR								
	2024	2025	2026	2027	2028	2029 - 2033	2034 - 2038	2039 - 2041	**Total**
Principal									
General Obligation Bond	$ 35,000	35,000	35,000	35,000	25,000	135,000	90,000	-	**390,000**
KDHE Loans	49,054	50,160	51,292	36,422	20,956	110,383	124,003	7,473	**449,743**
Finance Leases	20,567	17,305	17,933	18,583	14,248	14,821	-	-	**103,457**
Total Principal	**104,621**	**102,465**	**104,225**	**90,005**	**60,204**	**260,204**	**214,003**	**7,473**	**943,200**
Interest									
General Obligation Bond	12,133	11,433	10,418	9,403	8,388	30,398	6,390	-	**88,563**
KDHE Loans	7,284	6,302	4,864	3,860	3,394	12,527	4,753	23	**43,007**
Finance Leases	3,877	3,116	2,488	1,838	1,166	593	-	-	**13,078**
Total Interest	23,294	20,851	17,770	15,101	12,948	43,518	11,143	23	**144,648**
Total Principal and Interest	$ **127,915**	**123,316**	**121,995**	**105,106**	**73,152**	**303,722**	**225,146**	**7,496**	**1,087,848**

CITY OF WESTMORELAND

Regulatory-Required Supplementary Information

Schedule 1

CITY OF WESTMORELAND, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Regulatory Basis Fund Types					
General Fund	$ 665,943	-	665,943	**434,497**	(231,446)
Special Purpose Funds					
Employee Benefits Fund	69,000	-	69,000	**30,244**	(38,756)
Special Highway Fund	32,362	-	32,362	**24,504**	(7,858)
Street Improvement Fund	24,500	-	24,500	**4,797**	(19,703)
Bond and Interest Fund					
Debt Service Fund	142,446	-	142,446	**100,165**	(42,281)
Business Funds					
Utilities Fund	498,034	-	498,034	**399,674**	(98,360)

CITY OF WESTMORELAND, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	$ 160,430	**164,268**	171,603	(7,335)
Delinquent	1,516	**7,978**	-	7,978
Motor Vehicle	19,389	**19,943**	18,036	1,907
Recreation Vehicle	289	**430**	384	46
16/20 Motor Vehicle	249	**246**	20	226
Watercraft Vehicle	69	**104**	76	28
Sales and Compensating Use	234,601	**253,951**	217,500	36,451
Franchise Tax	33,209	**33,270**	28,000	5,270
Commercial Vehicle	1,577	**1,707**	-	1,707
Licenses & Permits	2,066	**1,942**	1,750	192
Rentals	1,080	**1,745**	500	1,245
Donations	-	**-**	100	(100)
Fire Township Fees	10,141	**12,599**	5,500	7,099
Pool	20,915	**17,485**	19,000	(1,515)
Dog Tags	1,130	**1,395**	750	645
Cemetery	1,175	**4,125**	2,000	2,125
RV Park	22,036	**47,652**	17,500	30,152
Reimbursements	5,767	**3,158**	500	2,658
Miscellaneous	13,501	**4,508**	2,000	2,508
Interest on Idle Funds	1,903	**6,162**	750	5,412
Total Receipts	531,043	**582,668**	485,969	96,699
Expenditures				
Administration				
Personnel Services	100,218	**84,343**	125,000	(40,657)
Utilities	34,485	**36,956**	32,500	4,456
Professional Fees	25,102	**27,119**	35,000	(7,881)
City Agent	-	**-**	750	(750)
Other Contractual	83,496	**72,335**	115,000	(42,665)
Other Commodities	36,603	**23,323**	45,000	(21,677)
Capital Outlay	8,500	**-**	40,000	(40,000)
Miscellaneous	3,386	**5,783**	-	5,783
Pool				
Personnel Services	33,552	**23,682**	45,000	(21,318)
Contractual Services	9,506	**12,805**	11,000	1,805
Commodities	6,194	**2,778**	12,000	(9,222)
Concessions	1,012	**2,063**	4,000	(1,937)
Capital Outlay	-	**-**	1,500	(1,500)
Fire				
Contractual Services	5,153	**10,835**	7,500	3,335
Commodities	17,420	**22,534**	30,000	(7,466)
Utilities	6,366	**4,982**	8,000	(3,018)
Capital Outlay	-	**-**	3,500	(3,500)

CITY OF WESTMORELAND, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Expenditures (Continued)				
Streets				
Contractual Services	$ 1,179	**32,906**	75,000	(42,094)
Commodities	-	**7,843**	20,000	(12,157)
Cemetery				
Contractual Services	14,490	**6,754**	4,500	2,254
Commodities	7,427	**8,224**	7,500	724
Capital Outlay	-	**-**	750	(750)
RV Park				
Contractual Services	1,315	**4,684**	12,500	(7,816)
Commodities	113	**623**	10,000	(9,377)
Utilities	7,064	**6,667**	5,000	1,667
Capital Outlay	-	**-**	1,000	(1,000)
Campbell St. Improvement Project	23,325	**23,325**	-	23,325
Lease Principal	12,438	**12,855**	12,858	(3)
Lease Interest	1,503	**1,078**	1,085	(7)
Total Expenditures	439,847	**434,497**	665,943	(231,446)
Receipts Over (Under) Expenditures	91,196	**148,171**		
Unencumbered Cash - Beginning	257,845	**349,041**		
Unencumbered Cash - Ending	$ 349,041	**497,212**		

CITY OF WESTMORELAND, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	$ 43,589	**47,574**	49,700	(2,126)
Delinquent Tax	424	**2,180**	-	2,180
Motor Vehicle Tax	5,342	**5,428**	4,900	528
Commercial Vehicle Tax	432	**464**	-	464
16/20 Motor Vehicle Tax	70	**67**	6	61
Recreation Vehicle Tax	79	**117**	104	13
Watercraft Vehicle Tax	19	**28**	20	8
Total Receipts	49,955	**55,858**	54,730	1,128
Expenditures				
Health Insurance	24,921	**16,366**	40,000	(23,634)
Miscellaneous	1,056	**968**	1,500	(532)
KPERS	13,477	**12,910**	27,500	(14,590)
Total Expenditures	39,454	**30,244**	69,000	(38,756)
Receipts Over (Under) Expenditures	10,501	**25,614**		
Unencumbered Cash - Beginning	16,963	**27,464**		
Unencumbered Cash - Ending	$ 27,464	**53,078**		

Schedule 2-3

CITY OF WESTMORELAND, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
State Gas Tax	$ 19,695	**19,543**	20,630	(1,087)
Expenditures				
Contractual	-	**24,504**	30,500	(5,996)
Commodities	-	**-**	1,862	(1,862)
Total Expenditures	-	**24,504**	32,362	(7,858)
Receipts Over (Under) Expenditures	19,695	**(4,961)**		
Unencumbered Cash - Beginning	14,912	**34,607**		
Unencumbered Cash - Ending	$ 34,607	**29,646**		

CITY OF WESTMORELAND, KANSAS
Street Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 6,707	**7,203**	7,523	(320)
Commercial Vehicle Tax	64	**71**	-	71
Delinquent Tax	68	**331**	-	331
16/20 Motor Vehicle Tax	10	**10**	1	9
Motor Vehicle Tax	786	**827**	754	73
Recreation Vehicle Tax	12	**18**	16	2
Watercraft Vehicle Tax	3	**4**	-	4
Total Receipts	7,650	**8,464**	8,294	170
Expenditures				
Contractual	7,473	**4,797**	7,250	(2,453)
Commodities	5,384	**-**	17,250	(17,250)
Total Expenditures	12,857	**4,797**	24,500	(19,703)
Receipts Over (Under) Expenditures	(5,207)	**3,667**		
Unencumbered Cash - Beginning	14,989	**9,782**		
Unencumbered Cash - Ending	$ 9,782	**13,449**		

Schedule 2-5

CITY OF WESTMORELAND, KANSAS
American Rescue Plan Act Grant Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	Prior Year Actual	**Current Year Actual**
Receipts		
Federal Grant	$ 56,618	**-**
Expenditures		
Commodities - Water	-	**21,970**
Contractual - Sewer	66,993	**-**
Total Expenditures	66,993	**21,970**
Receipts Over (Under) Expenditures	(10,375)	**(21,970)**
Unencumbered Cash - Beginning	40,166	**29,791**
Unencumbered Cash - Ending	$ 29,791	**7,821**

CITY OF WESTMORELAND, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Receipts				
Ad Valorem Tax	$ 16,137	**26,736**	27,940	(1,204)
Delinquent Tax	149	**804**	-	804
Motor Vehicle Tax	1,890	**1,990**	1,815	175
16/20 Motor Vehicle Tax	25	**24**	2	22
Commercial Vehicle Tax	153	**172**	-	172
Recreational Vehicle Tax	28	**43**	39	4
Special Assessments	12,508	**12,457**	10,000	2,457
Watercraft Vehicle Tax	7	**10**	7	3
Transfers In	71,635	**75,000**	75,000	-
Total Receipts	102,532	**117,236**	114,803	2,433
Expenditures				
Bond Principal	35,000	**30,000**	30,000	-
Bond Interest	13,432	**12,733**	12,733	-
KDHE Principal	46,917	**47,973**	47,973	-
KDHE Interest	8,655	**7,740**	7,740	-
Cash Basis Reserve	-	**-**	42,000	(42,000)
Service Fees	1,860	**1,719**	2,000	(281)
Total Expenditures	105,864	**100,165**	142,446	(42,281)
Receipts Over (Under) Expenditures	(3,332)	**17,071**		
Unencumbered Cash - Beginning	33,442	**30,110**		
Unencumbered Cash - Ending	$ 30,110	**47,181**		

CITY OF WESTMORELAND, KANSAS
Utilities Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Charges for Service	$ 306,652	**315,240**	320,000	(4,760)
Fine, Forfeitures, and Penalties	4,619	**5,478**	4,500	978
Miscellaneous Income	2,715	**4,387**	-	4,387
Refuse Income	59,018	**67,273**	55,000	12,273
Reimbursements	523	**656**	500	156
Sales Tax	965	**1,045**	850	195
Total Receipts	374,492	**394,079**	380,850	13,229
Expenditures				
Personnel Services	66,952	**65,058**	75,000	(9,942)
Payroll Taxes	5,169	**4,994**	7,000	(2,006)
Contractual	1,909	**6,866**	38,370	(31,504)
Commodities	5,565	**2,593**	15,000	(12,407)
Utilities: Water	137,812	**143,190**	260,000	(116,810)
Utilities: Trash	54,477	**62,787**	-	62,787
Utilities: Other	303	**1,028**	-	1,028
Taxes	15,485	**15,546**	6,500	9,046
Lease Principal	11,263	**11,714**	11,714	-
Lease Interest	4,151	**3,700**	3,700	-
Service Fees	945	**-**	1,750	(1,750)
Transfers Out	75,632	**78,998**	79,000	(2)
Miscellaneous	265	**3,200**	-	3,200
Total Expenditures	379,928	**399,674**	498,034	(98,360)
Receipts Over (Under) Expenditures	(5,436)	**(5,595)**		
Unencumbered Cash - Beginning	160,933	**155,497**		
Prior Year Cancelled Encumbrances	-	**10,540**		
Unencumbered Cash - Ending	$ 155,497	**160,442**		

CITY OF WESTMORELAND, KANSAS
Utility Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		Prior Year Actual	**Current Year Actual**
Receipts			
Transfers In	$	3,997	**3,998**
Expenditures		**-**	**-**
Receipts Over (Under) Expenditures		3,997	**3,998**
Unencumbered Cash - Beginning		16,333	**20,330**
Unencumbered Cash - Ending	$	20,330	**24,328**