

CITY OF SOUTH HUTCHINSON, KANSAS

DECEMBER 31, 2023



CITY OF SOUTH HUTCHINSON, KANSAS

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December 31, 2023

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INDEPENDENT AUDITORS' REPORT

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Mayor and City Council
City of South Hutchinson, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of South Hutchinson, Kansas (the City), 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 on U.S. Generally Accepted Accounting Principles" 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 the 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—Summary of Significant Accounting Policies.

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 the financial statement in accordance with the regulatory basis reporting provisions in the *Kansas Municipal Audit and Accounting Guide*, as described in Note 1—Summary of Significant Accounting Policies, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for 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 generally accepted auditing standards (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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 receipts, expenditures, and unencumbered cash balances – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget and the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget (Schedules 1 through 2, as listed in the table of contents) are presented for additional analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions in the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and the supplementary information 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 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—Summary of Significant Accounting Policies.



Certified Public Accountants

Hutchinson, Kansas
September 18, 2024

CITY OF SOUTH HUTCHINSON, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH -
REGULATORY BASIS
For Year Ended December 31, 2023

Page 1 of 2

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	\$ 1,707,732	\$ 2,730,830	\$ 2,311,495	\$ 2,127,067	\$ -	\$ 2,127,067
SPECIAL PURPOSE FUNDS						
Flood Control	22,179	28,410	14,640	35,949	-	35,949
Employee Benefits	42,202	54,379	50,727	45,854	-	45,854
Special Highway	119,962	77,824	7,935	189,851	-	189,851
Convention and Tourism	-	21,815	21,815	-	-	-
Special Parks	3,859	64	-	3,923	-	3,923
Street/Economic Development	380,709	168,283	15,859	533,133	-	533,133
Diversion	10,962	3,450	7,760	6,652	-	6,652
ASAP	29,645	15,593	10,741	34,497	-	34,497
Technology	7,267	3,368	1,740	8,895	-	8,895
Donations	5,415	155	1,790	3,780	-	3,780
Community Center	18,215	22,875	13,650	27,440	-	27,440
Special Events	838	-	-	838	-	838
ARPA Grant	379,692	-	-	379,692	-	379,692
Community Improvement District	4,885	29,917	34,662	140	-	140
Health Insurance	197,357	70,362	49,091	218,628	-	218,628
Capital Improvement	1,634,185	217,953	129,786	1,722,352	-	1,722,352
Equipment Reserve	698,077	313,334	146,487	864,924	-	864,924
Fire Insurance Proceeds	5,000	-	5,000	-	-	-
Special Law Enforcement	2,953	3,516	152	6,317	-	6,317
BOND AND INTEREST FUND						
Bond and Interest	127,992	1,080,712	859,927	348,777	-	348,777
CAPITAL PROJECT FUND						
	-	1,632,912	1,537,301	95,611	581,430	677,041
BUSINESS FUNDS						
Water	170,444	1,087,173	696,126	561,491	-	561,491
Water Reserve	816,566	100,000	4,940	911,626	-	911,626
Sewer	296,070	1,401,422	1,119,747	577,745	-	577,745
Sewer Reserve	1,246,594	200,000	74,466	1,372,128	-	1,372,128
TOTAL REPORTING ENTITY	<u>\$ 7,928,800</u>	<u>\$ 9,264,347</u>	<u>\$ 7,115,837</u>	<u>\$ 10,077,310</u>	<u>\$ 581,430</u>	<u>\$ 10,658,740</u>

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

CITY OF SOUTH HUTCHINSON, KANSAS

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

For Year Ended December 31, 2023

Page 2 of 2

COMPOSITION OF CASH

Checking accounts	\$ 1,685,737
Money Market accounts	8,122,553
Certificates of deposit	700,000
Temporary Notes	150,000
Petty cash	<u>450</u>
TOTAL REPORTING ENTITY	<u>\$ 10,658,740</u>

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

CITY OF SOUTH HUTCHINSON, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

City of South Hutchinson, Kansas (the City) is a municipal corporation governed by an elected mayor and five-member council.

Fund 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.

Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

The following types of funds comprise the financial activities of the City for the year of 2023:

General Fund

To account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds

To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are intended for specified purposes.

Capital Project Funds

To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Bond and Interest Fund

To account for the accumulation of resources for the payment of interest and principal on long-term debt.

Business Funds

To account for operations financed in whole or in part by fees charged to users for goods and services.

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

The regulatory basis of accounting provisions in the *Kansas Municipal Audit and Accounting Guide* 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 reporting the 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 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 municipality to use the regulatory basis of accounting.

Interest Income

Unless specifically designated, all investment income is credited to the General 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 or from other City funds.

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.

Reimbursed Expenditures

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Budgetary Information

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

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

If a municipality holds 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 held a revenue neutral rate hearing as a part of the process for adoption of the 2023 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no amended budgets for the year ended December 31, 2023.

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 modified accrual basis of accounting modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Special Law Enforcement	ASAP	Donations
Equipment Reserve	Capital Improvement	Technology
Community Improvement District	Special Events	Health Insurance
Fire Insurance Proceeds	Community Center	ARPA Grant

Original appropriations are modified by supplemental appropriation and transfers among budget categories. The City Council approves all significant changes.

Taxes levied to finance the budget become a lien against all property November 1. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. These taxes are made available to the City after January 1 and are distributed by the County Treasurer generally in the months of January and June. Delinquent tax collections are distributed throughout the year.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Management was not aware of any material statutory violations.

NOTE 3—DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the summary statement of receipts, expenditures, and unencumbered cash. In addition, investments are held separately by some of the City's funds. The cash balances of certain funds are restricted as to their use.

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 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 Federal Deposit Insurance Corporation coverage. The City has no other policies that would further limit interest rate risk.

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by Federal Deposit Insurance Corporation (FDIC) insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

Deposits

At year end, the carrying amount of the City's deposits, including certificates of deposit, was \$10,508,290. The bank balance was \$10,714,991. The bank balance was held by two banks with over 97% held by one bank resulting in a concentration of credit risk. Of the bank balance, \$719,748 was covered by FDIC insurance and the remaining \$9,995,243 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

Investments

On June 1, 2021, the City issued \$300,000 taxable general obligation temporary notes, Series 2021 for water line improvements. The temporary notes were purchased as an investment of the City. At December 31, 2023, the balance of the investment in the temporary notes was \$150,000.

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.

NOTE 4—LONG-TERM DEBT

Terms of the City's long-term debt outstanding for the year ended December 31, 2023, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
Series 2012	3.00% to 3.25%	07/26/12	\$ 5,680,000	09/01/32
Series 2016	2.00% to 3.00%	09/15/16	3,845,000	11/01/36
Series 2017	4.75%	09/28/17	565,000	10/01/32
Series 2018	3.00% to 4.00%	09/27/18	1,755,000	10/01/38
Series 2019	3.00%	07/31/19	2,200,000	09/01/39
Series 2023	5.88% to 6.60%	11/01/23	1,660,000	09/01/44
Temporary Notes				
Series 2021	0.05%	06/01/21	300,000	06/01/25

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2012	\$ 650,000	\$ -	\$ 210,000	\$ 440,000	\$ 20,150
Series 2016	2,440,000	-	150,000	2,290,000	67,100
Series 2017	395,000	-	40,000	355,000	18,763
Series 2018	1,500,000	-	75,000	1,425,000	55,300
Series 2019	1,950,000	-	90,000	1,860,000	58,500
Series 2023	-	1,660,000	-	1,660,000	-
Temporary Notes					
Series 2021	225,000	-	75,000	150,000	113
Total Bonded Indebtedness	<u>\$ 7,160,000</u>	<u>\$ 1,660,000</u>	<u>\$ 640,000</u>	<u>\$ 8,180,000</u>	<u>\$ 219,926</u>

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

General Obligation Bonds	Principal	Interest	Total
2024	\$ 405,000	\$ 256,868	\$ 661,868
2025	465,000	298,635	763,635
2026	475,000	284,064	759,064
2027	485,000	269,193	754,193
2028	510,000	252,328	762,328
2029-2033	2,575,000	983,597	3,558,597
2034-2038	2,245,000	512,527	2,757,527
2039-2043	730,000	170,670	900,670
2044	140,000	9,240	149,240
	<u>\$ 8,030,000</u>	<u>\$ 3,037,122</u>	<u>\$ 11,067,122</u>
Temporary Notes			
	Principal	Interest	Total
2024	\$ 75,000	\$ 75	\$ 75,075
2025	75,000	37	75,037
2026	-	-	-
2027	-	-	-
2028	-	-	-
	<u>\$ 150,000</u>	<u>\$ 112</u>	<u>\$ 150,112</u>

Conduit Debt

The City is authorized to issue industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities of the City in the accompanying financial statement.

The aggregate amount of industrial revenue bonds indebtedness outstanding at December 31, 2023, was \$1,849,337.

NOTE 5—INTERFUND TRANSFERS

A summary of operating interfund transfers is as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>Authority</u>	<u>Amount</u>
General	Equipment Reserve	K.S.A. 12-1,117	\$ 269,000
General	Capital Improvement	K.S.A. 12-1,118	217,953
Water	Water Reserve	K.S.A. 12-825d	100,000
Sewer	Sewer Reserve	K.S.A. 12-825d	200,000
Water	Bond and Interest	K.S.A. 12-825d	75,150
Sewer	Bond and Interest	K.S.A. 12-825d	375,900
Water	General	K.S.A. 12-825d	44,600
Sewer	General	K.S.A. 12-825d	68,000

NOTE 6—DEFINED BENEFIT PENSION PLAN

Plan Description

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

Contributions

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

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate for KPERS was 8.43% for the year ended December 31, 2023. Contributions to the pension plan from the City for KPERS were \$83,922 for the year ended December 31, 2023.

Net Pension Liability

At December 31, 2023, KPERS has determined the City's proportionate share of the collective net pension liability for KPERS was \$938,645. The net pension liability was measured as of June 30, 2023, and the total pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and nonemployer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under the *Kansas Municipal Audit and Accounting Guide* does not recognize long-term debt, this liability is not reported in the 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 in the first paragraph above.

NOTE 7—OTHER LONG-TERM LIABILITIES

Compensated Absences

The City's policies regarding vacation leave permit employees to accumulate a maximum of 40 hours of vacation leave. Policies prohibit payment of vacation time in lieu of time off and all accumulated vacation pay is payable upon employment termination. The sick leave policy for the City permits employees to accumulate a maximum of 90 days sick leave. Policy prohibits payment of unused sick pay upon termination by the City.

Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability 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 was set at 1% for the year ended December 31, 2023.

NOTE 8—RISK MANAGEMENT

The City is subject to certain risks such as torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from third parties. There have been no significant reductions in insurance coverage from the prior year and there have been no settled claims in excess of insurance coverage for the prior three years.

NOTE 9—CONCENTRATIONS

A substantial portion of the City's water and sewer sales are to one customer. During 2023, water and sewer sales to the customer were 57% and 66%, respectively.

NOTE 10—CAPITAL PROJECTS

In November 2023, the City issued \$1,660,000 general obligation bonds to finance the construction of an IdeaTek Fiber Project. At December 31, 2023, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

<u>Project</u>	<u>Project Authorization</u>	<u>Expenditures</u>
IdeaTek Fiber Project	<u>\$ 1,660,000</u>	<u>\$ 1,537,301</u>

NOTE 11—COMMITMENTS AND CONTINGENCIES

The City acquired title to a grain elevator in 2014 and has not decided if the structure will be demolished or left standing. Potential costs associated with the elevator have not been reflected in the financial statement.

Litigation

The City may sometimes be a defendant in various legal actions pending or in process concerning personal injury, workers' compensation claims, and property damage. The ultimate liability that might result from the final resolution of these matters is not presently determinable. The financial statement does not include accruals or provisions for loss contingencies that may result from these proceedings.

Neighborhood Revitalization Program

The City participates in a neighborhood revitalization program as allowed by K.S.A. 12-17,114 et seq. Under the program, participants are provided a rebate of ad valorem taxes paid, based on the increase in assessed valuation attributable to improvements made by the taxpayer after being approved for participation in the neighborhood revitalization program. For the year ended December 31, 2023, the City's share of tax rebates totaled \$27,178.

NOTE 12—SUBSEQUENT EVENTS

On January 29, 2024, the City Council approved a Master Facilities Plan with JEO Consulting Group for a wastewater system preliminary engineering report, a water system preliminary engineering report, and an Architectural Facility Assessment with an estimated fee of \$165,000.

CITY OF SOUTH HUTCHINSON, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS (ACTUAL AND BUDGET)
(BUDGETED FUNDS ONLY)

For Year Ended December 31, 2023

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUND	\$ 3,543,729	\$ -	\$ 3,543,729	\$ 2,311,495	\$ (1,232,234)
SPECIAL PURPOSE FUNDS					
Flood Control	50,470	-	50,470	14,640	(35,830)
Employee Benefits	54,000	-	54,000	50,727	(3,273)
Special Highway	177,966	-	177,966	7,935	(170,031)
Convention and Tourism	70,000	-	70,000	21,815	(48,185)
Special Parks	3,758	-	3,758	-	(3,758)
Street/Economic Development	428,294	-	428,294	15,859	(412,435)
Diversion	29,900	-	29,900	7,760	(22,140)
BOND AND INTEREST FUND					
Bond and Interest	938,286	-	938,286	859,927	(78,359)
BUSINESS FUNDS					
Water	788,877	-	788,877	696,126	(92,751)
Sewer	1,254,096	-	1,254,096	1,119,747	(134,349)

CITY OF SOUTH HUTCHINSON, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
Page 1 of 16

	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Taxes			
Ad valorem property tax	\$ 667,272	\$ 687,267	\$ (19,995)
Delinquent tax	19,505	10,000	9,505
Motor vehicle tax	76,286	63,797	12,489
Recreational vehicle tax	1,518	1,105	413
16/20M vehicle tax	379	477	(98)
Commercial vehicle tax	5,562	5,884	(322)
Watercraft tax	-	475	(475)
In lieu of tax	17,600	-	17,600
County sales tax	493,602	385,000	108,602
Local sales tax	336,565	265,000	71,565
Liquor tax	64	-	64
Neighborhood revitalization	(16,556)	(23,000)	6,444
Total Taxes	1,601,797	1,396,005	205,792
Licenses, Fees, and Permits			
Utility franchise tax	660,701	565,000	95,701
Refuse	120,189	102,000	18,189
Permits and inspections	36,378	27,000	9,378
Total Licenses, Fees, and Permits	817,268	694,000	123,268
Fines, Forfeitures, and Penalties	73,922	63,000	10,922
Interest on Idle Funds	45,501	5,000	40,501
Other Receipts			
Reimbursed expense	14,646	5,000	9,646
Farm rent	35,754	35,000	754
Federal Grants	14,981	-	14,981
Administration fees	1,575	1,000	575
Miscellaneous	12,786	33,000	(20,214)
Transfer from:			
Water Fund	44,600	44,600	-
Sewer Fund	68,000	68,000	-
Total Other Receipts	192,342	186,600	5,742
TOTAL RECEIPTS	2,730,830	\$ 2,344,605	\$ 386,225

CITY OF SOUTH HUTCHINSON, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

	2023		Schedule 2 Page 2 of 16
	Actual	Budget	Variance Over (Under)
EXPENDITURES			
General Administration			
Personal services	\$ 132,330	\$ 95,000	\$ 37,330
Contractual services	158,211	120,000	38,211
Commodities	12,260	12,500	(240)
Capital outlay	2,650	-	2,650
Transfer to:			
Equipment Reserve	6,000	6,000	-
Capital Improvement	6,000	6,000	-
Total General Administration	317,451	239,500	77,951
Police			
Personal services	566,475	550,000	16,475
Contractual services	100,706	107,327	(6,621)
Commodities	44,088	51,000	(6,912)
Capital outlay	4,230	-	4,230
Transfer to - Equipment Reserve	65,000	65,000	-
Total Police	780,499	773,327	7,172
Fire			
Personal services	159,276	194,500	(35,224)
Contractual services	79,696	66,604	13,092
Commodities	14,605	25,300	(10,695)
Capital outlay	13,808	-	13,808
Transfer to:			
Equipment Reserve	123,000	123,000	-
Capital Improvement	10,000	10,000	-
Total Fire	400,385	419,404	(19,019)
Street			
Personal services	128,169	205,125	(76,956)
Contractual services	47,951	132,000	(84,049)
Commodities	20,535	17,100	3,435
Transfer to - Equipment Reserve	50,000	50,000	-
Total Street	246,655	404,225	(157,570)

CITY OF SOUTH HUTCHINSON, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
Page 3 of 16

	2023		Variance Over (Under)
	Actual	Budget	
EXPENDITURES (Continued)			
Parks			
Contractual services	\$ 7,209	\$ 11,000	\$ (3,791)
Commodities	2,375	1,000	1,375
Transfer to:			
Equipment Reserve	25,000	25,000	-
Capital Improvement	10,000	10,000	-
Total Parks	<u>44,584</u>	<u>47,000</u>	<u>(2,416)</u>
Street Lighting			
Contractual services	<u>71,557</u>	<u>64,000</u>	<u>7,557</u>
Municipal Court			
Personal services	62,232	67,075	(4,843)
Contractual services	66,637	94,400	(27,763)
Commodities	1,661	4,000	(2,339)
Capital outlay	1,570	-	1,570
Total Municipal Court	<u>132,100</u>	<u>165,475</u>	<u>(33,375)</u>
Nondepartmental			
Refuse	112,578	108,000	4,578
Miscellaneous commodities	13,733	5,000	8,733
Capital outlay	-	95,110	(95,110)
Transfer to - Capital Improvement Fund	191,953	191,953	-
Total Nondepartmental	<u>318,264</u>	<u>400,063</u>	<u>(81,799)</u>
Reserve for future period	<u>-</u>	<u>1,030,735</u>	<u>(1,030,735)</u>
TOTAL EXPENDITURES	<u>2,311,495</u>	<u>\$ 3,543,729</u>	<u>\$ (1,232,234)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	419,335		
UNENCUMBERED CASH, BEGINNING	<u>1,707,732</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,127,067</u>		

CITY OF SOUTH HUTCHINSON, KANSAS

FLOOD CONTROL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
Page 4 of 16

	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 25,181	\$ 25,934	\$ (753)
Delinquent tax	733	600	133
Motor vehicle tax	2,841	2,368	473
Recreational vehicle tax	56	41	15
16/20M vehicle tax	16	18	(2)
Commercial vehicle tax	208	218	(10)
Watercraft tax	-	-	-
Neighborhood revitalization	(625)	(800)	175
	<u>28,410</u>	<u>\$ 28,379</u>	<u>\$ 31</u>
EXPENDITURES			
Contractual services	14,640	\$ 25,170	\$ (10,530)
Cash basis reserve	-	25,300	(25,300)
	<u>14,640</u>	<u>\$ 50,470</u>	<u>\$ (35,830)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	13,770		
UNENCUMBERED CASH, BEGINNING	<u>22,179</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 35,949</u>		

CITY OF SOUTH HUTCHINSON, KANSAS

EMPLOYEE BENEFITS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 50,363	\$ 51,866	\$ (1,503)
Delinquent tax	1,286	3,000	(1,714)
Motor vehicle tax	3,607	2,961	646
Recreational vehicle tax	70	51	19
16/20M vehicle tax	35	22	13
Commercial vehicle tax	268	273	(5)
Watercraft tax	-	21	(21)
Neighborhood revitalization	(1,250)	(1,000)	(250)
	<u>54,379</u>	<u>\$ 57,194</u>	<u>\$ (2,815)</u>
EXPENDITURES			
Workers' compensation	45,176	\$ 48,000	\$ (2,824)
Disability insurance	5,551	6,000	(449)
	<u>50,727</u>	<u>\$ 54,000</u>	<u>\$ (3,273)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	3,652		
UNENCUMBERED CASH, BEGINNING	<u>42,202</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 45,854</u>		

CITY OF SOUTH HUTCHINSON, KANSAS

SPECIAL HIGHWAY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
State payments	\$ 67,667	\$ 69,170	\$ (1,503)
County payments	10,157	9,660	497
TOTAL RECEIPTS	77,824	\$ 78,830	\$ (1,006)
EXPENDITURES			
Contractual services	7,935	\$ 177,966	\$ (170,031)
RECEIPTS OVER (UNDER) EXPENDITURES	69,889		
UNENCUMBERED CASH, BEGINNING	119,962		
UNENCUMBERED CASH, ENDING	\$ 189,851		

CITY OF SOUTH HUTCHINSON, KANSAS
 CONVENTION AND TOURISM FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

	2023		Schedule 2 Page 7 of 16
	Actual	Budget	Variance Over (Under)
RECEIPTS			
Guest tax	\$ 21,815	<u>\$ 70,000</u>	<u>\$ (48,185)</u>
EXPENDITURES			
Contractual services	<u>21,815</u>	<u>\$ 70,000</u>	<u>\$ (48,185)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

CITY OF SOUTH HUTCHINSON, KANSAS

SPECIAL PARKS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Alcohol tax	\$ 64	<u>\$ -</u>	<u>\$ 64</u>
EXPENDITURES	<u>-</u>	<u>\$ 3,758</u>	<u>\$ (3,758)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	64		
UNENCUMBERED CASH, BEGINNING	<u>3,859</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 3,923</u>		

CITY OF SOUTH HUTCHINSON, KANSAS
 STREET/ECONOMIC DEVELOPMENT - SALES TAX FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Sales tax	\$ 168,283	\$ 150,000	\$ 18,283
EXPENDITURES			
Contractual services	15,859	\$ 150,000	\$ (134,141)
Reserve for future period	-	278,294	(278,294)
TOTAL EXPENDITURES	15,859	\$ 428,294	\$ (412,435)
RECEIPTS OVER (UNDER) EXPENDITURES	152,424		
UNENCUMBERED CASH, BEGINNING	380,709		
UNENCUMBERED CASH, ENDING	\$ 533,133		

CITY OF SOUTH HUTCHINSON, KANSAS

DIVERSION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Fees and miscellaneous	\$ 3,450	<u>\$ 20,000</u>	<u>\$ (16,550)</u>
EXPENDITURES			
Contractual services	<u>7,760</u>	<u>\$ 29,900</u>	<u>\$ (22,140)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(4,310)		
UNENCUMBERED CASH, BEGINNING	<u>10,962</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 6,652</u>		

CITY OF SOUTH HUTCHINSON, KANSAS

BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 352,523	\$ 363,087	\$ (10,564)
Delinquent tax	12,169	4,000	8,169
Motor vehicle tax	40,808	33,890	6,918
Recreational vehicle tax	805	587	218
16/20M vehicle tax	272	253	19
Commercial vehicle tax	2,994	3,125	(131)
Watercraft tax	-	243	(243)
Neighborhood revitalization	(8,747)	(12,000)	3,253
Special assessments	228,838	215,000	13,838
Transfer from:			
Water Utility Fund	75,150	75,113	37
Sewer Fund	375,900	175,100	200,800
TOTAL RECEIPTS	<u>1,080,712</u>	<u>\$ 858,398</u>	<u>\$ 222,314</u>
EXPENDITURES			
Principal	640,000	\$ 640,000	\$ -
Interest	219,926	219,926	-
Fees	1	-	1
Cash-basis reserve	-	78,360	(78,360)
TOTAL EXPENDITURES	<u>859,927</u>	<u>\$ 938,286</u>	<u>\$ (78,359)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	220,785		
UNENCUMBERED CASH, BEGINNING	<u>127,992</u>		
UNENCUMBERED CASH, ENDING	<u><u>\$ 348,777</u></u>		

CITY OF SOUTH HUTCHINSON, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Charges for service	\$ 1,066,326	\$ 700,000	\$ 366,326
Reimbursed expense	9,993	20,000	(10,007)
Interest income	6,488	1,500	4,988
Miscellaneous	4,366	5,000	(634)
TOTAL RECEIPTS	1,087,173	\$ 726,500	\$ 360,673
EXPENDITURES			
Personal services	236,988	\$ 275,000	\$ (38,012)
Contractual services	100,107	147,500	(47,393)
Commodities	59,281	50,500	8,781
Sales tax	80,000	61,000	19,000
Transfer to:			
Water Reserve	100,000	100,000	-
General Fund	44,600	44,600	-
Bonds and Interest	75,150	75,113	37
Reserve for future period	-	35,164	(35,164)
TOTAL EXPENDITURES	696,126	\$ 788,877	\$ (92,751)
RECEIPTS OVER (UNDER) EXPENDITURES	391,047		
UNENCUMBERED CASH, BEGINNING	170,444		
UNENCUMBERED CASH, ENDING	\$ 561,491		

CITY OF SOUTH HUTCHINSON, KANSAS

SEWER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2023

Schedule 2
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	2023		Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	
RECEIPTS			
Charges for service	\$ 1,401,263	\$ 1,200,000	\$ 201,263
Reimbursed expense	159	5,000	(4,841)
	<u>1,401,422</u>	<u>\$ 1,205,000</u>	<u>\$ 196,422</u>
TOTAL RECEIPTS			
EXPENDITURES			
Operations			
Personal services	228,184	\$ 275,000	\$ (46,816)
Contractual services	221,586	289,000	(67,414)
Commodities	24,588	53,000	(28,412)
Capital outlay	1,489	125,000	(123,511)
Transfer to:			
Sewer Reserve	200,000	200,000	-
General Fund	68,000	68,000	-
Bond and Interest	375,900	175,100	200,800
Reserve for future period	-	68,996	(68,996)
	<u>1,119,747</u>	<u>\$ 1,254,096</u>	<u>\$ (134,349)</u>
TOTAL EXPENDITURES			
RECEIPTS OVER (UNDER) EXPENDITURES	281,675		
UNENCUMBERED CASH, BEGINNING	<u>296,070</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 577,745</u>		

CITY OF SOUTH HUTCHINSON, KANSAS

BUSINESS NONBUDGETED FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2023

Schedule 2
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	Water Reserve	Sewer Reserve
RECEIPTS		
Operating transfers in	\$ 100,000	\$ 200,000
EXPENDITURES		
Contractual services	4,940	-
Capital outlay	-	74,466
TOTAL EXPENDITURES	4,940	74,466
RECEIPTS OVER (UNDER) EXPENDITURES	95,060	125,534
UNENCUMBERED CASH, BEGINNING	816,566	1,246,594
UNENCUMBERED CASH, ENDING	\$ 911,626	\$ 1,372,128

CITY OF SOUTH HUTCHINSON, KANSAS
 SPECIAL PURPOSE NONBUDGETED FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2023

Schedule 2
 Page 15 of 16

	ASAP	Technology	Donations	Community Center	Special Events	ARPA Grant	Community Improvement District	Health Insurance	Capital Improvement	Equipment Reserve	Fire Insurance Proceeds	Special Law Enforcement
RECEIPTS												
Fines and fees	\$ 1,878	\$ 3,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,516
Bonds	13,715	-	-	-	-	-	-	-	-	-	-	-
Claim reserve payments	-	-	-	-	-	-	-	68,177	-	-	-	-
Sales tax	-	-	-	-	-	-	29,917	-	-	-	-	-
Grants and donations	-	-	155	-	-	-	-	-	-	-	-	-
Reimbursed expense	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	-	-	22,875	-	-	-	-	-	-	-	-
Sale of surplus equipment	-	-	-	-	-	-	-	-	-	35,830	-	-
Insurance claims	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	7,004	-	-
Miscellaneous	-	-	-	-	-	-	-	2,185	-	1,500	-	-
Operating transfers in	-	-	-	-	-	-	-	-	217,953	269,000	-	-
TOTAL RECEIPTS	15,593	3,368	155	22,875	-	-	29,917	70,362	217,953	313,334	-	3,516
EXPENDITURES												
Employee benefits	-	-	-	-	-	-	-	49,091	-	-	-	-
Contractual services	10,741	948	1,790	12,640	-	-	34,662	-	-	-	5,000	152
Commodities	-	792	-	1,010	-	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	129,786	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	146,487	-	-
TOTAL EXPENDITURES	10,741	1,740	1,790	13,650	-	-	34,662	49,091	129,786	146,487	5,000	152
RECEIPTS OVER (UNDER) EXPENDITURES	4,852	1,628	(1,635)	9,225	-	-	(4,745)	21,271	88,167	166,847	(5,000)	3,364
UNENCUMBERED CASH, BEGINNING	29,645	7,267	5,415	18,215	838	379,692	4,885	197,357	1,634,185	698,077	5,000	2,953
UNENCUMBERED CASH, ENDING	\$ 34,497	\$ 8,895	\$ 3,780	\$ 27,440	\$ 838	\$ 379,692	\$ 140	\$ 218,628	\$ 1,722,352	\$ 864,924	\$ -	\$ 6,317

CITY OF SOUTH HUTCHINSON, KANSAS
 CAPITAL PROJECTS NONBUDGETED FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2023

Schedule 2
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IdeaTek Fiber
 Project

RECEIPTS		
Bond proceeds		<u>\$ 1,632,912</u>
EXPENDITURES		
Contractual services		1,514,875
Cost of issuance		<u>22,426</u>
TOTAL EXPENDITURES		<u>1,537,301</u>
RECEIPTS OVER (UNDER) EXPENDITURES		95,611
UNENCUMBERED CASH, BEGINNING		<u>-</u>
UNENCUMBERED CASH, ENDING		<u><u>\$ 95,611</u></u>