

City of Washington, Kansas

**Financial Statement
As of December 31, 2022
and For the Year Then Ended**

With Report by Independent Auditor



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of the
City of Washington, Kansas

Adverse and Unmodified Opinions

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Washington, Kansas (the City), 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 my opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of my 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, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my 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, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am required to be independent of the City, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City 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.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- 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 my 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.

I am 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 I identified during the audit.

Supplementary Information

My 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, 2, 3 and 4 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 my 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.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2021 (not presented herein), and have issued my report thereon dated March 25, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and my 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/accountsreports/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 my 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 15, 2023 on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

ShIPLEY CPA, LLC

ShIPLEY CPA, LLC
Topeka, Kansas
March 15, 2023

CITY OF WASHINGTON, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
General Fund:						
General	\$ 813,413	\$ 488,069	\$ 405,061	\$ 896,421	\$ -	\$ 896,421
Special Purpose Funds:						
Employee Benefits	149,290	78,566	75,528	152,328	-	152,328
Library	107,852	63,386	59,205	112,033	-	112,033
Special Highway	201,923	31,021	-	232,944	-	232,944
Special Highway Improvement	89,474	285	-	89,759	-	89,759
Special Law and Fire	113,104	2,210	-	115,314	-	115,314
Special Park and Recreation	98,834	235,920	7,345	327,409	-	327,409
Special Alcohol	3,122	11	100	3,033	-	3,033
Municipal Equipment Reserve	386,929	99,660	81,954	404,635	-	404,635
Municipal Improvement	722,340	243,086	46,801	918,625	-	918,625
Ambulance Reserve	97,487	841	332	97,996	-	97,996
Capital Project Fund:						
Capital Projects	382,814	490,239	537,251	335,802	-	335,802
Business Funds:						
Water Utility	1,313,014	346,572	344,691	1,314,895	-	1,314,895
Sewer and Waste Utility	385,498	268,995	183,215	471,278	-	471,278
Electric Utility	1,837,111	2,070,694	1,767,522	2,140,283	42,207	2,182,490
Ambulance Utility	67,764	158,445	140,593	85,616	-	85,616
Related Municipal Entity:						
Washington Public Library	5,847	242,745	10,798	237,794	-	237,794
Total	\$ 6,775,816	\$ 4,820,745	\$ 3,660,396	\$ 7,936,165	\$ 42,207	\$ 7,978,372

Composition of Cash:

Checking accounts	\$ 238,933
Money market	6,579,608
Certificates of deposit	1,299,760
	<u>8,118,301</u>

Total

Less Agency Funds (per Schedule 3)	<u>(139,929)</u>
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Total Reporting Entity (Excluding Agency Funds)	<u>\$ 7,978,372</u>
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CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Washington, Kansas (the City) is a municipal corporation governed by a citizen-elected mayor and five elected council members. The financial statement presents the City of Washington, Kansas and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the city and/or its constituents.

Washington Public Library: The Library Board operates the City's public library. The Library Board operates as a separate governing body. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City. The Washington Public Library is organized under K.S.A. 12-1218. The City levies a property tax for the Washington Public Library under K.S.A 79-1952, which is deposited in the City's Library Fund and transferred to the Washington Public Library for its operations.

This financial statement does not include the related municipal entity shown below.

Washington Housing Authority: The Washington Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The audit of their financial statement is available at the Washington Housing Authority's office, 350 Washington Street, Washington, Kansas 66968.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds. 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 out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the City for the year 2022:

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 that are intended for specified purposes.

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

Business funds – 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.)

Agency funds – Used to account for assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, tax collection accounts, etc.)

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

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 *Kansas Municipal Audit and Accounting Guide (KMAAG)* regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash.

The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Reimbursed Expenses

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 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:

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

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

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 2 – Budgetary Information (continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such amendments to the 2022 budget.

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 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 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: Municipal Equipment Reserve, Municipal Improvement and Ambulance Reserve.

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

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 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 9-1405.

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 3 – Deposits and Investments (continued)

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 Government’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 did not have a peak period pledge agreement during 2022, and therefore the City did not designate peak periods. All deposits were legally secured at December 31, 2022.

At December 31, 2022, the carrying amount of the City’s deposits including certificates of deposit was \$7,740,578 and the bank balance was \$7,961,479. The bank balance was held at two banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits. Of the bank balance, \$500,000 was covered by FDIC insurance and the remaining was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City’s name.

Related Municipal Entity

At December 31, 2022, the carrying amount of the Washington Public Library deposits including certificates of deposit was \$237,794 and the bank balance was \$237,849. The difference between the carrying amount and the bank balance is outstanding checks and deposits. The bank balance was held at one bank. Of the bank balance, all was covered by FDIC insurance.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government 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 – Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 5 – Long-Term Debt

During 2021, the City issued Series 2021 General Obligation Bonds in the amount of \$6,151,000 for the purpose of the refunding the General Obligation Temporary Note Series 2019 which were issued for the water improvement project.

During 2022, the City entered into a lease purchase agreement for two engines for the City’s electric power plant. The amount of the agreement is \$1,884,157 to be paid over 20 years at a rate of 3.78% with payments starting on April 8, 2022.

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 5 – Long-Term Debt (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Balance End of Year	Interest and Service Fee Paid
General Obligation Bond									
Series 2021	1.75%	3/25/2021	\$ 6,151,000	3/25/2061	\$ 6,151,000	\$ -	\$ 107,519	\$ 6,043,481	\$ 107,643
Capital Lease									
Lease Purchase	3.78%	3/8/2022	\$ 1,884,157	3/5/2042	-	1,884,157	48,185	1,835,972	52,652
					<u>\$ 6,151,000</u>	<u>\$ 1,884,157</u>	<u>\$ 155,704</u>	<u>\$ 7,879,453</u>	<u>\$ 160,295</u>

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

	<u>Principal</u>	<u>Interest</u>
2023	\$ 175,205	\$ 174,407
2024	179,566	170,046
2025	184,618	164,994
2026	189,344	160,268
2027	194,210	155,402
2028-2032	1,048,481	699,579
2033-2037	1,194,493	553,567
2038-2042	1,261,599	385,551
2043-2047	801,159	274,651
2048-2052	873,694	202,116
2053-2057	953,036	122,774
2058-2062	824,048	36,600
	<u>\$ 7,879,453</u>	<u>\$ 3,099,955</u>

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 6 – Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Water Improvement Project	\$ 8,283,000	\$ 7,041,871

Note 7 – Interfund Transactions

Operating transfers were as follows:

From	To	Amount	Authority
General	Special Law and Fire	\$ 2,000	12-101a
General	Municipal Equipment Reserve	15,000	12-1,117
General	Capital Projects	10,000	12-1,118
Water Utility	Municipal Equipment Reserve	5,800	12-1,117
Water Utility	Capital Projects	10,000	12-1,118
Electric Utility	Municipal Equipment Reserve	50,000	12-1,117
Electric Utility	Capital Projects	10,000	12-1,118
Sewer and Waste Utility	Municipal Equipment Reserve	10,000	12-1,117
Sewer and Waste Utility	Capital Projects	10,000	12-1,118

Note 8 – Compensated Absences

The City provides compensation for absences. The policy permits employees classified as full-time, one who works 40 hours per week, to accrue vacation time at the following rates:

Years of Service	Accrued Vacation Leave Per Pay Period
Start of employment	1.54 hours
After 2 year anniversary	3.07 hours
After 10 year anniversary	4.62 hours

The City also allows full time employees to earn sick leave at the rate of 3.69 hours per pay period, regardless of their years of service. No employee may accumulate more than 160 hours of vacation leave and 480 hours of sick leave. Upon termination, an employee shall be paid 50% of the accumulated vacation leave at the employee’s current wages and shall not receive any payment for unused sick leave.

Note 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 10 – 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 Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained 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 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$47,260 for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, the City's proportionate share of the collective net pension liability reported by KPERS was \$471,942. 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'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.

CITY OF WASHINGTON, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2022**

Note 11 – Evaluation of Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor’s report, which is the date the financial statement was available for issue.

Regulatory-Required Supplementary Information

**CITY OF WASHINGTON, KANSAS
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund:					
General	\$ 1,059,343	\$ -	\$ 1,059,343	\$ 405,061	\$ (654,282)
Special Purpose Funds:					
Employee Benefits	211,120	-	211,120	75,528	(135,592)
Library	140,750	-	140,750	59,205	(81,545)
Special Highway	198,823	-	198,823	-	(198,823)
Special Highway Improvement	89,212	-	89,212	-	(89,212)
Special Law and Fire	114,052	-	114,052	-	(114,052)
Special Park and Recreation	106,138	-	106,138	7,345	(98,793)
Special Alcohol	3,281	-	3,281	100	(3,181)
Business Funds:					
Water Utility Fund	1,559,150	-	1,559,150	344,691	(1,214,459)
Sewer and Waste Utility	386,345	-	386,345	183,215	(203,130)
Electric Utility Fund	2,903,971	-	2,903,971	1,767,522	(1,136,449)
Ambulance Utility	168,973	-	168,973	140,593	(28,380)

**CITY OF WASHINGTON, KANSAS
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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Ad valorem tax	\$ 195,474	\$ 212,550	\$ 210,848	\$ 1,702
Delinquent tax	5,603	2,279	1,500	779
Motor vehicle tax	34,766	30,719	29,446	1,273
Recreational vehicle tax	534	556	467	89
16/20M vehicle tax	314	136	331	(195)
Commercial vehicle tax	337	-	540	(540)
Watercraft tax	222	172	201	(29)
Neighborhood revitalization rebate	(14,453)	(11,820)	(11,533)	(287)
Liquor tax	3,136	2,882	3,000	(118)
Local sales tax	107,013	112,875	98,000	14,875
Franchise tax	31,578	35,418	30,000	5,418
Payments in lieu of taxes	7,438	7,667	7,600	67
Fines, forfeitures and penalties	105	2,013	200	1,813
Licenses	1,515	1,967	3,000	(1,033)
Cemetery, pool and park fees	24,678	22,899	22,000	899
Intangible tax	6,946	-	6,000	(6,000)
Fire	132	289	-	289
Police	5,513	4,836	7,000	(2,164)
Street	122,675	23,347	5,000	18,347
Friendly Corner	4,200	4,200	4,200	-
Farm and community building rent	1,000	-	2,000	(2,000)
Interest on idle funds	5,228	3,422	6,300	(2,878)
Miscellaneous	26,474	31,662	33,000	(1,338)
Total Receipts	570,428	488,069	\$ 459,100	\$ 28,969
Expenditures				
Administration				
Personnel services	72,556	81,732	\$ 77,000	\$ 81,732
Contractual services	23,420	26,407	32,600	(6,193)
Commodities	3,349	7,467	9,600	(2,133)
Police	9,172	11,010	15,500	(4,490)
Fire	7,299	11,948	11,500	448
Cemetery, Pool & Park	56,463	56,746	66,065	(9,319)
Street	244,607	153,461	269,020	(115,559)
Golf course appropriation	5,000	9,733	5,000	4,733
Housing cleanup	7,807	10,500	12,700	(2,200)
Friendly Corners	8,367	8,875	10,920	(2,045)
Dog Park	-	182	2,000	(1,818)
Economic development	125	-	80,000	(80,000)
Transfers out	22,000	27,000	22,000	5,000
Cash forward	-	-	445,438	(445,438)
Total Expenditures	460,165	405,061	\$ 1,059,343	\$ (577,282)
Receipts Over (Under) Expenditures	110,263	83,008		
Unencumbered Cash, Beginning	703,150	813,413		
Unencumbered Cash, Ending	\$ 813,413	\$ 896,421		

**CITY OF WASHINGTON, KANSAS
EMPLOYEE BENEFITS 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Ad valorem tax	\$ 61,117	\$ 64,983	\$ 65,985	\$ (1,002)
Delinquent tax	1,713	697	442	255
Motor vehicle tax	10,325	9,536	9,163	373
Recreational vehicle tax	160	173	145	28
16/20 M vehicle tax	92	42	103	(61)
Commercial vehicle tax	92	-	168	(168)
Watercraft tax	67	53	63	(10)
Neighborhood revitalization rebate	(4,038)	(3,699)	(3,549)	(150)
Payments in lieu of taxes	2,314	2,399	2,300	99
Interest on idle funds	968	1,087	1,700	(613)
Miscellaneous	2,073	3,295	-	3,295
Total Receipts	<u>74,883</u>	<u>78,566</u>	<u>\$ 76,520</u>	<u>\$ 2,046</u>
Expenditures				
Personal services	76,819	75,528	\$ 115,500	\$ (39,972)
Cash forward	-	-	95,620	(95,620)
Total Expenditures	<u>76,819</u>	<u>75,528</u>	<u>\$ 211,120</u>	<u>\$ (135,592)</u>
Receipts Over (Under) Expenditures	(1,936)	3,038		
Unencumbered Cash, Beginning	<u>151,226</u>	<u>149,290</u>		
Unencumbered Cash, Ending	<u>\$ 149,290</u>	<u>\$ 152,328</u>		

CITY OF WASHINGTON, KANSAS
LIBRARY 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Ad valorem tax	\$ 53,653	\$ 55,190	\$ 56,037	\$ (847)
Delinquent tax	1,553	618	400	218
Motor vehicle tax	9,647	8,456	8,126	330
Recreational vehicle tax	147	153	129	24
16/20 M vehicle tax	82	37	91	(54)
Commercial vehicle tax	104	-	149	(149)
Watercraft tax	62	47	55	(8)
Neighborhood revitalization rebate	(4,448)	(3,142)	(3,140)	(2)
Payments in lieu of taxes	2,053	2,038	2,100	(62)
Interest on idle funds	59	182	420	(238)
Miscellaneous	4,900	(193)	-	(193)
Total Receipts	67,812	63,386	\$ 64,367	\$ (981)
Expenditures				
Personal services	38,060	38,414	\$ 42,000	\$ (3,586)
Contractual services	9,172	10,203	10,000	203
Commodities	129	588	500	88
Capital outlay	-	-	67,151	(67,151)
Library appopriation	10,000	10,000	20,000	(10,000)
Miscellaneous	-	-	1,099	8,901
Total Expenditures	57,361	59,205	\$ 140,750	\$ (71,545)
Receipts Over (Under) Expenditures	10,451	4,181		
Unencumbered Cash, Beginning	97,401	107,852		
Unencumbered Cash, Ending	\$ 107,852	\$ 112,033		

**CITY OF WASHINGTON, KANSAS
SPECIAL HIGHWAY 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas gas tax	\$ 30,836	\$ 28,802	\$ 27,260	\$ 1,542
Interest on idle funds	2,135	2,219	2,600	(381)
Total Receipts	<u>32,971</u>	<u>31,021</u>	<u>\$ 29,860</u>	<u>\$ 1,161</u>
Expenditures				
Contractual services	-	-	\$ -	\$ -
Commodities	-	-	32,856	(32,856)
Cash forward	-	-	165,967	(165,967)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 198,823</u>	<u>\$ (198,823)</u>
Receipts Over (Under) Expenditures	32,971	31,021		
Unencumbered Cash, Beginning	<u>168,952</u>	<u>201,923</u>		
Unencumbered Cash, Ending	<u>\$ 201,923</u>	<u>\$ 232,944</u>		

**CITY OF WASHINGTON, KANSAS
 SPECIAL HIGHWAY 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Interest on idle funds	\$ 1,661	\$ 285	\$ 1,700	\$ (1,415)
Total Receipts	<u>1,661</u>	<u>285</u>	<u>\$ 1,700</u>	<u>\$ (1,415)</u>
Expenditures				
Contractual services	-	-	\$ 2,400	\$ (2,400)
Cash forward	-	-	86,812	(86,812)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 89,212</u>	<u>\$ (89,212)</u>
Receipts Over (Under) Expenditures	1,661	285		
Unencumbered Cash, Beginning	<u>87,813</u>	<u>89,474</u>		
Unencumbered Cash, Ending	<u>\$ 89,474</u>	<u>\$ 89,759</u>		

**CITY OF WASHINGTON, KANSAS
SPECIAL LAW AND FIRE 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Interest on idle funds	\$ 452	\$ 210	\$ 700	\$ (490)
Transfers in	2,000	2,000	2,000	-
Total Receipts	<u>2,452</u>	<u>2,210</u>	<u>\$ 2,700</u>	<u>\$ (490)</u>
Expenditures				
Commodities	-	-	\$ 2,000	\$ (2,000)
Cash forward	-	-	112,052	(112,052)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 114,052</u>	<u>\$ (114,052)</u>
Receipts Over (Under) Expenditures	2,452	2,210		
Unencumbered Cash, Beginning	<u>110,652</u>	<u>113,104</u>		
Unencumbered Cash, Ending	<u>\$ 113,104</u>	<u>\$ 115,314</u>		

**CITY OF WASHINGTON, KANSAS
SPECIAL PARK 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Liquor tax	\$ 3,136	\$ 2,882	\$ 3,000	\$ (118)
Fines, forfeitures and penalites	4,314	5,007	5,000	7
Interest on idle funds	245	472	465	7
Miscellaneous	30	227,559	-	227,559
Total Receipts	<u>7,725</u>	<u>235,920</u>	<u>\$ 8,465</u>	<u>\$ 227,455</u>
Expenditures				
Commodities	100	7,345	\$ 15,500	\$ (8,155)
Cash forward	-	-	90,638	(90,638)
Total Expenditures	<u>100</u>	<u>7,345</u>	<u>\$ 106,138</u>	<u>\$ (98,793)</u>
Receipts Over (Under) Expenditures	7,625	228,575		
Unencumbered Cash, Beginning	<u>91,209</u>	<u>98,834</u>		
Unencumbered Cash, Ending	<u>\$ 98,834</u>	<u>\$ 327,409</u>		

**CITY OF WASHINGTON, KANSAS
SPECIAL ALCOHOL 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Interest on idle funds	\$ 61	\$ 11	\$ 60	\$ (49)
Total Receipts	<u>61</u>	<u>11</u>	<u>\$ 60</u>	<u>\$ (49)</u>
Expenditures				
Programs	-	100	\$ 100	\$ -
Cash forward	-	-	3,181	(3,181)
Total Expenditures	<u>-</u>	<u>100</u>	<u>\$ 3,281</u>	<u>\$ (3,181)</u>
Receipts Over (Under) Expenditures	61	(89)		
Unencumbered Cash, Beginning	<u>3,061</u>	<u>3,122</u>		
Unencumbered Cash, Ending	<u>\$ 3,122</u>	<u>\$ 3,033</u>		

**CITY OF WASHINGTON, KANSAS
MUNICIPAL EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)**

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Interest on idle funds	\$ 1,087	\$ 1,070
Miscellaneous	-	17,790
Transfers in	69,900	80,800
	<u>70,987</u>	<u>99,660</u>
Expenditures		
Contractual services	110,946	-
Capital outlay	7,178	81,954
	<u>118,124</u>	<u>81,954</u>
Receipts Over (Under) Expenditures	(47,137)	17,706
Unencumbered Cash, Beginning	<u>434,066</u>	<u>386,929</u>
Unencumbered Cash, Ending	<u>\$ 386,929</u>	<u>\$ 404,635</u>

**CITY OF WASHINGTON, KANSAS
MUNICIPAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)**

	<u>Prior Year Actual</u>	<u>Actual</u>
Receipts		
Local sales tax	\$ 215,302	\$ 241,777
Interest on idle funds	287	1,309
	<u>215,589</u>	<u>243,086</u>
Total Receipts		
Expenditures		
Contractual services	-	46,801
	<u>-</u>	<u>46,801</u>
Total Expenditures		
Receipts Over (Under) Expenditures	215,589	196,285
Unencumbered Cash, Beginning	<u>506,751</u>	<u>722,340</u>
Unencumbered Cash, Ending	<u>\$ 722,340</u>	<u>\$ 918,625</u>

**CITY OF WASHINGTON, KANSAS
 AMBULANCE RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2021)**

	Prior Year Actual	Actual
Receipts		
Interest on idle funds	\$ 412	\$ 509
County payments	-	332
Transfers in	5,000	-
	5,412	841
Expenditures		
Capital outlay	1,199	332
	1,199	332
Receipts Over (Under) Expenditures	4,213	509
Unencumbered Cash, Beginning	93,274	97,487
Unencumbered Cash, Ending	\$ 97,487	\$ 97,996

CITY OF WASHINGTON, KANSAS
CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>Prior Year</u> <u>Actual</u>	<u>Actual</u>
Receipts		
Bond proceeds	\$ 6,151,000	\$ -
Interest on idle funds	217	602
Grants	766,160	449,637
Transfers in	20,000	40,000
	<u>6,937,377</u>	<u>490,239</u>
Total Receipts		
Expenditures		
Contractual services	1,716,898	534,656
Principal	5,961,712	-
Interest	229,288	2,595
Bond issuance cost	8,289	-
	<u>7,916,187</u>	<u>537,251</u>
Total Expenditures		
Receipts Over (Under) Expenditures	(978,810)	(47,012)
Unencumbered Cash, Beginning	<u>1,361,624</u>	<u>382,814</u>
Unencumbered Cash, Ending	<u>\$ 382,814</u>	<u>\$ 335,802</u>

**CITY OF WASHINGTON, KANSAS
 WATER UTILITY 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
User fees	\$ 354,011	\$ 339,372	\$ 335,000	\$ 4,372
Interest on idle funds	1,296	2,553	3,500	(947)
Sale of property, refunds and other	28,541	4,647	1,000	3,647
Total Receipts	<u>383,848</u>	<u>346,572</u>	<u>\$ 339,500</u>	<u>\$ 7,072</u>
Expenditures				
Personal services	44,655	51,140	\$ 58,300	\$ (7,160)
Contractual services	60,836	60,459	360,137	(299,678)
Commodities	1,493	2,130	18,250	(16,120)
Capital outlay	-	-	30,500	(30,500)
Debt service	-	215,162	-	215,162
Transfers out	10,800	15,800	10,800	5,000
Cash forward	-	-	1,081,163	(1,081,163)
Total Expenditures	<u>117,784</u>	<u>344,691</u>	<u>\$ 1,559,150</u>	<u>\$ (1,214,459)</u>
Receipts Over (Under) Expenditures	266,064	1,881		
Unencumbered Cash, Beginning	<u>1,046,950</u>	<u>1,313,014</u>		
Unencumbered Cash, Ending	<u>\$ 1,313,014</u>	<u>\$ 1,314,895</u>		

**CITY OF WASHINGTON, KANSAS
SEWER AND WASTE UTILITY 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
User fees	\$ 167,798	\$ 182,733	\$ 171,400	\$ 11,333
Interest on idle funds	2,174	2,320	2,800	(480)
Fines, forfeitures and penalites	1,915	83,942	1,000	82,942
Total Receipts	<u>171,887</u>	<u>268,995</u>	<u>\$ 175,200</u>	<u>\$ 93,795</u>
Expenditures				
Personal services	48,248	36,235	\$ 69,200	\$ (32,965)
Contractual services	22,409	121,613	35,500	86,113
Commodities	6,477	5,367	11,700	(6,333)
Capital outlay	-	-	36,000	(36,000)
Transfers out	15,000	20,000	15,000	5,000
Cash forward	-	-	218,945	(218,945)
Total Expenditures	<u>92,134</u>	<u>183,215</u>	<u>\$ 386,345</u>	<u>\$ (203,130)</u>
Receipts Over (Under) Expenditures	79,753	85,780		
Unencumbered Cash, Beginning	<u>305,745</u>	<u>385,498</u>		
Unencumbered Cash, Ending	<u>\$ 385,498</u>	<u>\$ 471,278</u>		

CITY OF WASHINGTON, KANSAS
ELECTRIC UTILITY 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
User fees	\$ 1,640,288	\$ 1,640,868	\$ 1,557,000	\$ 83,868
Interest on idle funds	12,433	3,767	7,000	(3,233)
Sale of property and penalties	26,397	80,562	10,000	70,562
Miscellaneous	327,553	332,082	-	332,082
Fines, forfeitures and penalties	12,391	13,415	8,500	4,915
Total Receipts	<u>2,019,062</u>	<u>2,070,694</u>	<u>\$ 1,582,500</u>	<u>\$ 488,194</u>
Expenditures				
Personal services	348,061	351,517	\$ 519,500	\$ (167,983)
Contractual services	1,143,785	1,058,496	1,386,050	(327,554)
Commodities	147,981	154,576	122,650	31,926
Capital outlay	32,578	42,091	145,000	(102,909)
Lease principal and interest	-	100,837	-	100,837
Miscellaneous	17	5	-	5
Transfers out	44,100	60,000	55,000	5,000
Cash forward	-	-	675,771	(675,771)
Total Expenditures	<u>1,716,522</u>	<u>1,767,522</u>	<u>\$ 2,903,971</u>	<u>\$ (1,136,449)</u>
Receipts Over (Under) Expenditures	302,540	303,172		
Unencumbered Cash, Beginning	<u>1,534,571</u>	<u>1,837,111</u>		
Unencumbered Cash, Ending	<u>\$ 1,837,111</u>	<u>\$ 2,140,283</u>		

**CITY OF WASHINGTON, KANSAS
 AMBULANCE UTILITY 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)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
User fees	\$ 55,178	\$ 84,849	\$ 55,000	\$ 29,849
Interest on idle funds	25	81	230	(149)
Fines, forfeitures and penalites	6	72	3,100	(3,028)
State payments	2,300	1,150	-	1,150
County payments	48,855	72,293	50,000	22,293
Total Receipts	<u>106,364</u>	<u>158,445</u>	<u>\$ 108,330</u>	<u>\$ 50,115</u>
Expenditures				
Personal services	82,799	109,893	\$ 98,000	\$ 11,893
Contractual services	17,526	21,414	18,750	2,664
Commodities	3,788	9,286	6,800	2,486
Capital outlay	-	-	1,000	(1,000)
Transfers out	5,000	-	5,000	(5,000)
Cash forward	-	-	39,423	(39,423)
Total Expenditures	<u>109,113</u>	<u>140,593</u>	<u>\$ 168,973</u>	<u>\$ (28,380)</u>
Receipts Over (Under) Expenditures	(2,749)	17,852		
Unencumbered Cash, Beginning	<u>70,513</u>	<u>67,764</u>		
Unencumbered Cash, Ending	<u>\$ 67,764</u>	<u>\$ 85,616</u>		

**CITY OF WASHINGTON, KANSAS
 AGENCY FUNDS
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS – ACTUAL
 REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2022**

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Electric Meter Deposit	\$ 37,986	\$ 30,231	\$ -	\$ 68,217
Water Meter Deposit	406	12,522	-	12,928
Cemetery Perpetual Care	58,095	150	-	58,245
Unreimbursed Medical	539	-	-	539
Total Agency Funds	\$ 97,026	\$ 42,903	\$ -	\$ 139,929

CITY OF WASHINGTON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
WASHINGTON PUBLIC LIBRARY
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With Comparative Actual Totals for the Prior Year Ended December 31, 2021)

	<u>Prior Year</u> <u>Actual</u>	<u>Actual</u>
Receipts		
Fines, forfeitures and penalties	\$ 4,602	\$ 5,100
State of Kansas	1,779	-
Donation	-	227,559
Interest on idle funds	5	86
Appropriations	<u>10,000</u>	<u>10,000</u>
Total Receipts	<u>16,386</u>	<u>242,745</u>
Expenditures		
Contractual	14,730	2,446
Commodities	-	6,182
Capital outlay	<u>-</u>	<u>2,170</u>
Total Expenditures	<u>14,730</u>	<u>10,798</u>
Receipts Over (Under) Expenditures	1,656	231,947
Unencumbered Cash, Beginning	<u>4,191</u>	<u>5,847</u>
Unencumbered Cash, Ending	<u>\$ 5,847</u>	<u>\$ 237,794</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Mayor and City Council of the
City of Washington, Kansas

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Washington, Kansas (the City), which comprise the Summary Statement of Receipts, Expenditures and Unencumbered Cash as of and for the year ended December 31, 2022, and the related notes to the financial statement, and have issued my report thereon dated March 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Shiplely CPA, LLC

Shiplely CPA, LLC
Topeka, Kansas
March 15, 2023