

**CITY OF BENTON, KANSAS**

**Financial Statements for the  
Year Ended December 31, 2022  
And Independent Auditors' Report**

# CITY OF BENTON, KANSAS

## TABLE OF CONTENTS

---

	<b>Page</b>
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS:	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
Notes to Financial Statements	4 - 13
SUPPLEMENTAL INFORMATION	
Summary of Expenditures - Actual and Budget	14
General Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	15
Special Highway Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	16
Special Parks Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	17
Community Building Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	18
Water Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	19
Water Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	20
Sewer Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	21
Trash Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	22
Capital Improvement Fund - Schedule of Cash Receipts and Expenditures - Actual	23
Bond and Interest Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	24
BSAC Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	25
Equipment Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	26
Sewer Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	27
ARPA Fund - Schedule of Cash Receipts and Expenditures - Actual	28
OTHER INFORMATION:	
Schedule of Other Statistics	29

***Stephen M. Connelly, CPA, PC***

PO Box 25528

Kansas City, MO 64119

816.718.9977

www.stephenmconnellycpa.com

**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and City Council  
City of Benton, Kansas

***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Benton, Kansas (City), as of and for the year ended December 31, 2022 and the notes to the financial statement.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Unmodified Opinion on Regulatory Basis of Accounting***

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

***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, 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 of Benton, Kansas on the basis of the financial reporting provisions of the *Kanas 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* (KMAAG) 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***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 statements.
- 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 District'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 statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### *Supplementary Information*

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



September 15, 2023

**CITY OF BENTON, KANSAS**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
YEAR ENDED DECEMBER 31, 2022**

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
General Fund	\$ 107,000	\$ 1,001,116	\$ 1,070,734	\$ 37,381
Special Purpose Funds:				
Special Highway Fund	11,568	28,210	33,941	5,837
Special Parks Fund	25,244	10,613	1,382	34,477
Community Building Fund	6,812		6,812	1
BSAC Fund	59,133	8,923	54,770	13,287
ARPA Fund	66,461	66,461	50,222	82,700
Enterprise Funds:				
Water Fund	22,598	227,747	231,059	19,286
Water Reserve Fund	136,791	25,000	79,956	81,836
Sewer Fund	53,869	177,440	184,053	47,255
Sewer Reserve Fund	37,000	20,000	19,046	37,954
Trash Fund	7,425	61,545	59,534	9,437
Project Funds:				
Capital Improvement Fund	162,232	18,870	48,636	132,467
Equipment Reserve Fund	36,175	41,529		77,705
Debt Service Funds:				
Bond and Interest Fund	<u>68,643</u>	<u>145,798</u>	<u>156,555</u>	<u>57,886</u>
Total Reporting Entity	\$ <u>800,953</u>	\$ 1,833,251	\$ 1,996,699	\$ <u>637,508</u>
Less Transfers		<u>70,000</u>	<u>70,000</u>	
		\$ <u>1,763,251</u>	\$ <u>1,926,699</u>	
COMPOSITION OF CASH:				
Operating Account				\$ 505,042
Community Building Account				<u>132,466</u>
Capital Improvement Account				<u>637,508</u>

# CITY OF BENTON, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2022

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Benton, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

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

#### Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special purpose funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Project funds - to account for major capital expenditures not financed by other funds.

Debt service funds - to account for the payment of interest and principal on long-term general debt obligation.

#### Proprietary funds:

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

- b. Basis of Accounting - These financial statements are presented on a basis of accounting, which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements.

The municipality has a GAAP waiver resolution, which requires this type of special reporting.

- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General

fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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 budget amendments for the year ended December 31, 2022.

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

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

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.

e. Comparative Amounts - The amounts shown for the year ended December 31, 2022 in the accompanying financial statements are included to provide a basis for comparison with 2011 and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.



2. TAXES

**Property Taxes** – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following June 20.

**Motor Vehicle Taxes** – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2022, the City received the following from county and state taxes:

	<u>General Fund</u>	<u>Special Highway Fund</u>	<u>Bond &amp; Interest Fund</u>	<u>Special Parks Fund</u>	<u>Totals</u>
Ad Valorem	\$ 627,877	\$	\$	\$	\$ 627,877
Delinquent	19,836		978		20,813
Motor Vehicle	56,002		2,608		58,610
Sales Tax	174,008				174,008
Alcohol	10,488			10,488	20,977
Special Highway		28,210			28,210
Special Assessments			122,212		122,212
	<u>\$ 888,211</u>	<u>\$ 28,210</u>	<u>\$ 125,798</u>	<u>\$ 10,488</u>	<u>\$ 1,052,706</u>

The assessed valuation in 2021 was \$11,304,814, which was used to determine the mill levy for 2022. The mill levy was 58.687 for 2022.

On October 6, 1999, the majority of electors approved the levying of a retailer’s sales tax of 1% in the City for the purpose of improving the City’s water supply system, downtown renovation, and for economic development. The sales tax is to be allocated for the following purposes:

- 40% for the water supply system
- 40% for the sanitary sewer system
- 20% for the storm water drainage

3. DEPOSITS

At year-end the carrying amount of the City's deposits was \$637,5093 and the bank balances were \$648,295. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody and issued by a third-party bank in the City's name.

4. UTILITIES

The City provides water, sewer, and trash services. The City mails their utility bills on the 1<sup>st</sup> of each month. The utility bills are due by the 25<sup>th</sup> of the month. Bills not paid by the 25<sup>th</sup> are subject to a late charge fee of 18%. Water bills include a sewer charge of a \$18.70 minimum, plus \$5.70 for each 1,000 gallons up to the average, and trash of \$8.75 and a recycling charge of \$4.15.

The water rates for 2022 are as follows:

Inside the city limits:

\$16.50 minimum includes the first 1,000 gallons, and \$8.10 for each additional 1,000 gallons. The average winter consumption rate is \$9.75 per 1,000 gallons.

Outside the city limits:

\$29.54 minimum includes 1,000 gallons, and \$9.00 for each 1,000 gallons. The average winter consumption is \$10.50 per 1,000 gallons.

All rental properties require a \$60 water meter deposit.

The amount billed by the City at December 31, 2022 for utilities is as follows:

Water	\$	18,110	35.64%
Sewer		15,570	29.17%
Trash		5,153	10.58%
Other		<u>30</u>	<u>24.60%</u>
Total	\$	<u>38,863</u>	<u>100.00%</u>

5. DEBT

The City's debt is comprised of Kansas Water Pollution Control Revolving Fund in the amount of \$820,401 (\$310,942 outstanding at December 31, 2022), and General Obligation Refunding Bonds, Series A, 2022 in the amount of \$1,180,000 (\$1,325,000 outstanding at December 31, 2022).

General Obligation Improvement Bonds

General Obligation Refunding Bonds, Series A, 2022 in the amount of \$1,385,000 were used to refinance and replace General Obligation Refunding Bonds, Series A, 2015 in the amount of \$2,475,000 that were used to refinance and replace the General Obligation Refunding Bonds Series A, 2009 in the amount of \$110,000, General Obligation Refunding Bonds Series A, 2010 in the amount of \$415,000, and escrowed amounts for the eventual retirement of General Obligation Bonds, Series 2008, and GO Refunding and Improvement Bonds Series 2011. The bonds mature on September 1, 2030. The principal payments will be paid annually on September 1, and interest will be paid semi-annually on March 1 and September 1 with interest rates ranging from 0.25% to 1.45%.

KWPCRLF

At December 31, 2022, \$820,401 in project payments have been received by the City for certain sewer system improvements on a Kansas Water Pollution Control Revolving bearing interest at a rate of 2.72%, with principal and interest payments being made on a semi-annual basis beginning September 1, 2009, through 2029.

Debt Activity:

	<u>Payable at 1/1/2022</u>	<u>Advances</u>	<u>Payments</u>	<u>Payable at 12/31/2022</u>	<u>Interest</u>
KDHE					
State Revolving Loan Fund	354,115		43,173	310,942	9,340
General Obligation Refunding Bonds Series A, 2021	1,325,000		145,000	1,180,000	11,555
General Obligation Refunding Bonds Series A, 2015	-			-	
	<u>\$ 1,679,115</u>	<u>\$</u>	<u>\$ 188,173</u>	<u>\$ 1,490,942</u>	<u>20,895</u>

**Kansas Water Pollution Control Revolving Loan Fund**

	Principal	Interest	Total
2023	44,356	8,158	52,514
2024	45,571	6,943	52,514
2025	46,819	5,695	52,514
2026	48,101	4,413	52,514
2027	49,418	3,096	52,514
2028	50,771	1,743	52,514
2029	25,905	352	26,257
	<u>\$ 310,941</u>	<u>\$ 30,401</u>	<u>\$ 341,342</u>

**GO Refunding Bonds, Series A, 2021:**

	Principal	Interest	Total
2022	145,000	11,555	156,555
2023	145,000	11,048	156,048
2024	145,000	10,395	155,395
2025	145,000	9,598	154,598
2026	145,000	8,583	153,583
2027	150,000	7,350	157,350
2028	150,000	5,850	155,850
2029	150,000	4,125	154,125
2030	150,000	2,175	152,175
	<u>\$ 1,325,000</u>	<u>\$ 70,678</u>	<u>\$ 1,395,678</u>

6. 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 the bonds are recorded as revenue in the appropriate project account. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

7. CONTRACTS

In 1975, the City entered into a 40-year, renewable agreement with the City of Wichita, Kansas to sell water in quantities not to exceed 30,500,000 gallons per year. In 2022, the City of Wichita, KS sold 24,336,000 gallons to the City at an average cost per 1,000 gallons of \$4.67.

8. COMPENSATED ABSENCES FOR EMPLOYEES

Vacation leave shall be earned beginning with the date of employment. An employee who works fewer than 45 weeks beginning each year from their anniversary date shall not accrue any vacation days, provided this provision is not waived due to an illness, or other authorized leave.

Full-time employees are entitled to paid vacation leave time according to the following schedule:

<u>Employment</u>	<u>Days Earned</u>
1 year	5 work days
2 - 4 years	10 work days
5 - 9 years	15 work days
10 years and over	20 work days

Full-time employees, and part-time employees who are employed to work at least 20 hours or more per week, shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents or other physical incapacity, occurring either on or off the job.

Full-time and part-time employees shall be granted 40 working hours of paid sick leave annually, provided the total accumulated sick leave does not exceed 40 hours. Sick leave in excess of 240 hours, not used by the end of the calendar year, will be bought back at half pay.

9. INTERFUND TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 20,000
Sewer Fund		40,000
Water Fund		52,500
Water Reserve Fund	25,000	
Equipment Reserve Fund	37,500	
Capital Improvement Fund	10,000	
Sewer Reserve Fund	20,000	
Bond & Interest Fund	20,000	
	<u>112,500</u>	<u>112,500</u>
	\$	\$

10. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer, and trash services to customers located in Butler County in Kansas. The City grants credit to those customers and requires no collateral.

11. CAPITAL PROJECTS

Capital projects and purchases for the year ending December 31, 2022 consist of approximately \$77,000 spent in the general fund.

12. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. There were no apparent statutory violations other than the items noted during the year ended December 31, 2022 for the funds that were part of this audit. The Trash Fund had expenditures in excess of available monies in the fund which is a violation of KSA 10-1113

### 13. RETIREMENT PLAN

Effective March 1, 2003, the City started a Simple Individual Retirement Plan for eligible employees through American Funds. All employees receiving at least \$5,000 in compensation during any two prior years and who are reasonably expected to receive at least \$5,000 in compensation during the current year are eligible to participate in the plan. The maximum amount of deferrals that may be contributed on behalf of any employee is limited by law to \$19,500 in 2022, with catch-up contributions for those 50 and older limited to an additional \$6,500 in 2022. This limit will be adjusted for inflation in future years in \$500 increments. The City is making a contribution to the accounts of enrolled employees equal to 2% of their compensation for the calendar year 2022. The City contributed \$3,955 for 2022.

### 14. PENSION PLAN

#### General Information about the 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 KSA 74-4901, etc. seq. Kansas Law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at [www.kpers.org](http://www.kpers.org) or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* KSA 74-4919 and KSA 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, 2005. Effective January 1, 2022, Kansas law established the KPERs member-employee contribution rate of 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 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.9% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the City were \$35,787 for the year ended December 31, 2022.

#### Net Pension Liability

At December 31, 2022, the City's proportionate share of the estimated collective net pension liability reported by KPERs was \$398,404. 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 these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## 15. SUBSEQUENT EVENTS

Management has evaluated subsequent events from the financial statement date through July 14, 2022, the date at which these financial statements were available to be issued, and determined there are no other items to recognize disclose.

\* \* \* \* \*



**CITY OF BENTON, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2022**

	<u>Cash Disbursements</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 1,070,734	\$ 1,191,294	\$ 120,560
Special Revenue Funds:			
Special Highway Fund	33,941	35,000	1,059
Special Parks Fund	1,382	26,500	25,118
Community Building Fund	6,812	12,186	5,374
BSAC Fund	54,770	55,000	230
ARPA Fund	50,222	132,136	81,914
Enterprise Funds:			
Water Fund	231,059	235,000	3,941
Sewer Fund	184,053	187,514	3,461
Trash Fund	59,534	70,011	10,477
Debt Service Funds:			
Bond and Interest Fund	<u>156,555</u>	<u>162,000</u>	<u>5,445</u>
Total Budgeted Funds	\$ <u>1,849,062</u>	\$ <u>2,106,641</u>	\$ <u>257,578</u>
Nonbudgeted Funds:			
Capital Improvement Fund	48,636		
Equipment Reserve Fund	-		
Water Reserve Fund	<u>79,956</u>		
Total Expenditures	\$ <u>1,929,018</u>		

CITY OF BENTON, KANSAS

GENERAL FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 YEAR ENDED DECEMBER 31, 2022

	<u>2021</u> Actual	<u>2022</u> Actual	<u>2022</u> Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS:</b>				
County and State Taxes	\$ 849,485	\$ 868,871	\$ 926,052	\$ (57,181)
Franchise Tax	44,565	43,957	65,000	(21,043)
Miscellaneous	7,661	13,088		13,088
License Permits and Fees	7,670	55,574	25,000	30,574
Fees From Fines	8,501	13,369	10,000	3,369
Reimbursements	-	-	-	
Interest & Dividends	6,338	6,258	4,500	1,758
Total Cash Receipts	<u>924,220</u>	<u>1,001,116</u>	<u>\$ 1,030,552</u>	<u>\$ (29,436)</u>
<b>EXPENDITURES:</b>				
General Administration	582,697	769,678	\$ 728,794	\$ (40,884)
Police	205,265	210,337	145,000	(65,337)
Transfer Out	62,000	20,000	140,000	120,000
Capital Outlay	677	2,478	15,000	12,522
Street Lights	10,667	10,965	12,500	1,535
Special Street Improvements	<u>77,789</u>	<u>57,275</u>	<u>150,000</u>	<u>92,725</u>
Total Expenditures	<u>939,095</u>	<u>1,070,734</u>	<u>\$ 1,191,294</u>	<u>\$ 120,560</u>
Receipts over (under) Expenditures	(14,876)	(69,619)		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>121,876</u>	<u>107,000</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 107,000</u>	<u>\$ 37,381</u>		

CITY OF BENTON, KANSAS

SPECIAL HIGHWAY FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 YEAR ENDED DECEMBER 31, 2022

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Interest on Idle Funds	\$ 29,202	\$ 28,210	\$ 25,820	\$ 2,390
County and State Taxes	410	-		
Miscellaneous				
Total Cash Receipts	<u>29,612</u>	<u>28,210</u>	<u>\$ 25,820</u>	<u>\$ 2,390</u>
<b>EXPENDITURES:</b>				
Contracted Services	4,127	499	\$ 35,000	\$ (499)
Commodities	<u>25,472</u>	<u>33,443</u>	<u>35,000</u>	<u>1,557</u>
Total Expenditures	<u>29,599</u>	<u>33,941</u>	<u>\$ 35,000</u>	<u>\$ 1,059</u>
Receipts over (under) Expenditures	13	(5,731)		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>11,555</u>	<u>11,568</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 11,568</u>	<u>\$ 5,837</u>		

CITY OF BENTON, KANSAS

SPECIAL PARKS FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 YEAR ENDED DECEMBER 31, 2022

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Rent	\$ 0	\$ -	\$ 0	\$ 0
Miscellaneous	14,171	125	-	125
Alcohol Tax	<u>10,897</u>	<u>10,488</u>	<u>7,760</u>	<u>2,728</u>
Total Cash Receipts	25,068	10,613	\$ <u><u>7,760</u></u>	\$ <u><u>2,853</u></u>
<b>EXPENDITURES:</b>				
Commodities	<u>16,455</u>	<u>1,382</u>	\$ <u>26,500</u>	\$ <u>25,118</u>
Total Expenditures	<u>16,455</u>	<u>1,382</u>	\$ <u><u>26,500</u></u>	\$ <u><u>25,118</u></u>
Receipts over (under) Expenditures	8,613	9,232		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>16,630</u>	<u>25,243</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	\$ <u><u>25,243</u></u>	\$ <u><u>34,475</u></u>		

CITY OF BENTON, KANSAS

COMMUNITY BUILDING FUND  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 YEAR ENDED DECEMBER 31, 2022

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Contributions	\$ 1,200	\$	\$	\$
Reimbursement				
Rent	<u>1,800</u>			
Total Cash Receipts	3,000		<u>\$</u>	<u>\$</u>
<b>EXPENDITURES:</b>				
Utilities	1,330		\$	\$
Repairs	4,000	6,812		(6,812)
Commodities	<u>1,126</u>		<u>12,186</u>	<u>12,186</u>
Total Expenditures	<u>6,456</u>	<u>6,812</u>	<u>\$ 12,186</u>	<u>\$ 5,374</u>
Receipts over Expenditures	(3,455)	(6,812)		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>10,267</u>	<u>6,812</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 6,812</u>	<u>\$ -</u>		

**CITY OF BENTON, KANSAS**

**WATER FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Water sales	\$ 177,076	\$ 224,127	\$ 200,000	\$ 24,127
Deposits		120		120
New meter installations		3,500	4,000	(500)
Interest				
Total Cash Receipts	<u>177,076</u>	<u>227,747</u>	<u>\$ 204,000</u>	<u>\$ 23,747</u>
<b>EXPENDITURES:</b>				
General Administration	66,302	48,882	\$ 25,000	\$ (23,882)
Production Distribution	114,990	129,677	150,000	20,323
Capital Outlay				
Transfers	<u>28,500</u>	<u>52,500</u>	<u>60,000</u>	<u>7,500</u>
Total Expenditures	<u>209,792</u>	<u>231,059</u>	<u>\$ 235,000</u>	<u>\$ 3,941</u>
Receipts over Expenditures	(32,716)	(3,312)		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>55,314</u>	<u>22,598</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>22,598</u>	<u>\$ 19,286</u>		

**CITY OF BENTON, KANSAS**

**WATER RESERVE FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

---

	<u>2021 Actual</u>	<u>2022 Actual</u>
<b>CASH RECEIPTS:</b>		
Transfer in	\$ 23,500	\$ 25,000
Interest	<u>-</u>	<u>-</u>
Total Cash Receipts	23,500	25,000
<b>EXPENDITURES:</b>		
Commodities	<u>-</u>	<u>79,956</u>
Total Expenditures	<u>0</u>	<u>79,956</u>
Receipts over (under) Expenditures	23,500	(54,956)
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>113,291</u>	<u>136,791</u>
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 136,791</u>	<u>\$ 81,835</u>

**CITY OF BENTON, KANSAS**

**SEWER FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Sewer charges	\$ 171,416	\$ 177,440	\$ 160,000	\$ 17,440
Hook up fee	2,000		40,000	(40,000)
Interest				
Total Cash Receipts	<u>173,416</u>	<u>177,440</u>	<u>\$ 200,000</u>	<u>\$ (22,560)</u>
<b>EXPENDITURES:</b>				
Contractual services	11,745	6,198	\$	\$ (6,198)
Personnel costs	55,023	56,441	30,000	(26,441)
Commodities	17,326	28,900	60,000	31,100
Transfer	25,000	40,000	45,000	5,000
Interest payment	11,611	11,611	11,611	
Principal Payment	40,903	40,903	40,903	
Capital outlay				
Total Expenditures	<u>161,608</u>	<u>184,053</u>	<u>\$ 187,514</u>	<u>\$ 3,461</u>
Receipts (under) Expenditures	11,809	(6,613)		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>42,061</u>	<u>53,870</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 53,870</u>	<u>\$ 47,256</u>		



**CITY OF BENTON, KANSAS**

**TRASH FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Trash Service Fees	\$ 59,525	\$ 61,545	\$ 70,000	\$ (8,455)
Interest				
Total Cash Receipts	<u>59,525</u>	<u>61,545</u>	<u>\$ 70,000</u>	<u>\$ (8,455)</u>
<b>EXPENDITURES:</b>				
Contractual Services	58,486	59,534	\$ 70,011	\$ 10,477
Commodities				
Transfer to Capital Improvement				
Total Expenditures	<u>58,486</u>	<u>59,534</u>	<u>\$ 70,011</u>	<u>\$ 10,477</u>
Receipts over (under) Expenditures	1,038	2,010		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>6,385</u>	<u>7,422</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 7,422</u>	<u>\$ 9,432</u>		

**CITY OF BENTON, KANSAS**

**CAPITAL IMPROVEMENT FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>
<b>CASH RECEIPTS:</b>		
Miscellaneous	\$ -	\$ 13,510
Prairie Village Lot Sales	-	-
Transfer in	-	5,000
Interest	448	360
	<hr/>	<hr/>
Total Cash Receipts	448	18,870
<b>EXPENDITURES:</b>		
Commodities	17,744	48,636
Transfer	20,550	
	<hr/>	<hr/>
Total Expenditures	38,294	48,636
Receipts over (under) Expenditures	(37,846)	(29,766)
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<hr/> 200,077	<hr/> 162,233
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	\$ <u><u>162,233</u></u>	\$ <u><u>132,467</u></u>

**CITY OF BENTON, KANSAS**

**BOND AND INTEREST FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
County Taxes	\$ 159,950	\$ 125,798	\$ 114,428	\$ 11,370
Transfers In	45,000	20,000	45,000	(25,000)
Other	1,409			
Interest				
Total Cash Receipts	<u>206,359</u>	<u>145,798</u>	<u>\$ 159,428</u>	<u>\$ (13,630)</u>
<b>EXPENDITURES:</b>				
Interest Payment	25,742	11,555	\$ 12,000	\$ 445
Principal Payment	<u>141,000</u>	<u>145,000</u>	<u>150,000</u>	<u>5,000</u>
Total Expenditures	<u>166,742</u>	<u>156,555</u>	<u>\$ 162,000</u>	<u>\$ 5,445</u>
Receipts (under) Expenditures	39,618	(10,757)		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>25,675</u>	<u>65,292</u>		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 65,292</u>	<u>\$ 54,535</u>		

**CITY OF BENTON, KANSAS**

**BENTON SPORTS AND ATHLETIC COMMISSION FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Fees	\$ 22,380	\$ 8,923	\$ 30,000	\$ (21,077)
Sponsorships	-	-	500	(500)
Interest	-	-	-	-
Total Cash Receipts	<u>22,380</u>	<u>8,923</u>	<u>\$ 30,500</u>	<u>\$ (21,577)</u>
<b>EXPENDITURES:</b>				
Commodities	4,437	54,650	\$ 45,000	\$ (9,650)
Contractual	<u>1,636</u>	<u>120</u>	<u>10,000</u>	<u>9,880</u>
Total Expenditures	<u>6,073</u>	<u>54,770</u>	<u>\$ 55,000</u>	<u>\$ 230</u>
Receipts over Expenditures	16,306	(45,847)		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>42,827</u>	<u>59,134</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 59,134</u>	<u>\$ 13,287</u>		

# CITY OF BENTON, KANSAS

## EQUIPMENT RESERVE FUND

### SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2022

	<u>2021 Actual</u>	<u>2022 Actual</u>
<b>CASH RECEIPTS:</b>		
Transfers	\$	\$ 37,500
Other	48,372	4,029
	<u>48,372</u>	<u>4,029</u>
Total Cash Receipts	48,372	41,529
<b>EXPENDITURES:</b>		
Contractual	61,764	
Commodities	-	-
	<u>61,764</u>	<u>0</u>
Total Expenditures	61,764	0
Receipts over (under) Expenditures	(13,392)	41,529
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>49,568</u>	<u>36,175</u>
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	\$ <u><u>36,175</u></u>	\$ <u><u>77,705</u></u>

# CITY OF BENTON, KANSAS

## SEWER RESERVE FUND

### SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2022

---

	<u>2021 Actual</u>	<u>2022 Actual</u>
<b>CASH RECEIPTS:</b>		
Transfer in	\$ 22,000	\$ 20,000
Total Cash Receipts	22,000	20,000
<b>EXPENDITURES:</b>		
Commodities	-	19,046
Total Expenditures	0	19,046
Receipts over (under) Expenditures	22,000	954
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	<u>15,000</u>	<u>15,000</u>
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	<u>\$ 37,000</u>	<u>\$ 15,954</u>

**CITY OF BENTON, KANSAS**

**ARPA FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	<u>2021 Actual</u>	<u>2022 Actual</u>	<u>2022 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS:</b>				
Funds received	\$ 66,461	\$ 66,461	\$ 66,068	\$ 393
Total Cash Receipts	66,461	66,461	\$ 66,068	\$ 393
<b>EXPENDITURES:</b>				
Contractual			\$	\$
Commodities	-	50,222	132,136	81,914
Total Expenditures	0	50,222	\$ 132,136	\$ 81,914
Receipts over (under) Expenditures	66,461	16,239		
<b>UNENCUMBERED CASH, BEGINNING BALANCE</b>	0	66,461		
<b>UNENCUMBERED CASH, ENDING BALANCE</b>	\$ 66,461	\$ 82,700		

**CITY OF BENTON, KANSAS**

**SCHEDULE OF OTHER STATISTICS  
YEARS ENDED DECEMBER 31, 2015 - 2022**

	2015	2016	2017	2018	2019	2020	2021	2022
Population	850	850	850	850	850	850	850	850
Assessed Valuation	\$ 7,226,887	\$ 7,397,614	\$ 7,398,615	\$ 8,337,439	\$ 9,031,894	\$ 9,940,039	\$ 11,080,323	\$ 11,304,814
Mill Levy	\$ 55.63	\$ 55.23	\$ 55.85	\$ 55.64	\$ 55.64	\$ 57.37	\$ 58.69	\$ 58.69
Total Receipts	\$ 3,700,785	\$ 1,369,841	\$ 1,384,277	\$ 1,456,957	\$ 1,575,418	\$ 1,480,360	\$ 1,711,436	\$ 1,763,251
Total Disbursements	\$ 3,594,796	\$ 1,333,600	\$ 1,444,294	\$ 1,470,206	\$ 1,481,819	\$ 1,372,642	\$ 1,624,363	\$ 1,926,699
Bond Indebtedness	\$ 4,815,036	\$ 3,298,323	\$ 2,500,605	\$ 2,246,853	\$ 1,987,041	\$ 1,816,138	\$ 1,522,023	\$ 1,490,942
Receipts per Capita	\$ 4,354	\$ 1,612	\$ 1,629	\$ 1,714	\$ 1,853	\$ 1,742	\$ 2,013	\$ 2,074
Disbursements per Capita	\$ 4,229	\$ 1,569	\$ 1,699	\$ 1,730	\$ 1,743	\$ 1,615	\$ 1,911	\$ 2,267
Indebtedness per Capita	\$ 5,665	\$ 3,880	\$ 2,942	\$ 2,643	\$ 2,338	\$ 2,137	\$ 1,791	\$ 1,754