

OSAWATOMIE CITY COUNCIL  
AGENDA

May 25, 2023

6:30 p.m. | Memorial Hall | 411 11th Street

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Invocation
5. Consent Agenda

*Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.*

  - A. May 25<sup>th</sup>, 2023 Agenda
  - B. Meeting Minutes – May 11<sup>th</sup>, 2023
  - C. Pay Application(s)  
-Western Consultants – WWTP - \$2,000.00
  - D. Dale & Jo's Fireworks Permit
6. Comments from the Public

*Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Public Hearing
8. Presentations, Proclamations, and Appointments
  - A. Presentation of FY2022 Audit by Jarred, Gilmore & Phillips, PA – Kyle Spielbusch
  - B. Recommendation for Appointment to Osawatomie Public Library Board of Trustees  
- Elizabeth Holmes - Chris Newport - Doug Singer
9. Unfinished Business
  - A. Resolution 1139 – Authorizing the Sale of Temp Notes for Trails, Water, and 6<sup>th</sup> Street
10. New Business (*None*)
11. Council Report
12. Mayor's Report
13. City Manager & Staff Report
14. Adjourn

*NEXT REGULAR MEETING – June 8, 2023*

Osawatomie, Kansas. **May 11, 2023.** The Council Meeting was held at Memorial Hall located at 411 11<sup>th</sup> Street. Mayor Nick Hampson called the meeting to order at 6:30 p.m. Council members present were: Schasteen, Diehm, Dickinson, LaDuex, Bratton, Filipin and Caldwell. Council member Macek was absent. City Staff present at the meeting were City Manager Mike Scanlon, Deputy City Manager Bret Glendening, City Clerk Tammy Seamands, City Attorney Jeff Deane, Public Works Director Michele Silsbee, Assistant City Manager Sam Moon, Police Chief David Stuteville, Deputy Police Chief William Bradshaw, Public Safety Officer Nick Gazzano, Public Safety Officer Donnie Basore, Public Safety Officer John Johnson, Public Safety Officer Kyle Hurt, Public Safety Officer David Harper-Head, Public Safety Officer Nina Shelton, Public Safety Officer Paris Sills, Public Safety Officer Phillip Davis, Public Safety Officer Dustin Stuteville, Public Safety Officer Kolton Carbon, Public Safety Officer Daniel Deleon, WWTP Operator Bruce Hurt and Business Liaison Kari Bradley. Members of the public were: Jacki Glendening, Mitch Tally, Kelly Behnke, Andria Seymour, Nastassia Stahl, Will Thompson, Chris Harper-Head, Steve Tatum, Katy Tatum, Tyler Vaughan, Kelly Johnson and three kids, Alyson Basore, Michelle Burroughs, Leigh Ann McLean, Derek Henness, Nicole Henness, and Paul Davidson.

**INVOCATION.** – Paul Davidson, New Hope Parish

**CONSENT AGENDA.** Approval of May 11, 2023 Agenda, April 27<sup>th</sup> Council Meeting Minutes, Pay Application – Killough Construction – Street Project - \$288,224.49, Pay Application – Western Consultants – WWTP - \$2,761.00, Pay Application – Crossland Heavy Contractors – WWTP - \$211,771.15, Pay Application – BG Consultants – WWTP - \$28,688.72, Pay Application – BG Consultants – Water Distribution Project - \$4,800.00, Pay Application – BG Consultants – John Brown & South Levee Loop - \$535.50, Pay Application – BG Consultants – 2022/2023 Street Projects - \$25,476.75, Fireworks Stand Permit – Eddies Fireworks **Motion** made by Dickinson, seconded by Schasteen to approve the consent agenda as presented. Yeas: All

**COMMENTS FROM THE PUBLIC.** – Paul Davidson – VBS has tentatively been set for July 31- August 4<sup>th</sup> at the 1<sup>st</sup> Presbyterian Church. There will be classes for all age groups.

**PUBLIC HEARINGS.** – None.

**PRESENTATIONS, PROCLAMATIONS AND APPOINTMENTS.**

OSAWATOMIE POLICE DEPARTMENT ANNUAL AWARDS – Public safety officer Nicholas Gazzano presented the following awards: Police Commendation Awards – Police Chief David Stuteville, Detective. John Johnson, Officer. Dustin Stuteville and Detective Garret Hall. Meritorious Conduct – Deputy Police Chief William Bradshaw, Detective John Johnson, Officer. Kyle Hurt, Officer Donnie Basore, Officer. Kolton Carbon, Sergeant Mitch Talley (Miami county Sheriff's Office), Purple Heart – Officer David Harper-Head and Officer of the Year – Detective Curtis Isele.

CONSIDERATION OF APPOINTMENTS TO OSAWATOMIE LIBRARY BOARD – There are five candidates for consideration and only three board positions open. A committee made up of Karen LaDuex, Tammy Filipin and one Library board member will interview the five candidates and then bring back their recommendations to the council.

APPOINTMENT OF COUNCIL LIAISON TO ARTS COMMISSION – **Motion** made by LaDuex, seconded by Caldwell to appoint Dale Bratton as the Council Liaison to the Arts Commission. Yeas: All.

#### **UNFINISHED BUSINESS.**

RESOLUTION 1132 – EMPLOYEE HEALTH INSURANCE PLAN 2023/2024 POLICY YEAR - Tyler Vaughan with Vaughn Fire Solutions reviewed the health insurance options. At this point the best option is to move to a Health Savings Account that is paired with a qualified high deductible plan and since we are already enrolled in a QHDP, it only makes sense to pair that plan with an HSA. The recommendation is to offer a \$6,000 HSA under an ASO (Administrative Services Only) contract. This is as close as you can be to self-insured, without being fully self-insured. The city will pay 75% of employee cost and 60% of the family plan. The city will contribute \$1,000 to the employee plan or \$2,000 to the family plan HSA. All voluntary lines (Accident, critical illness and disability) will be moved to Principal and we will offer a voluntary cancer plan from Bankers Fidelity. **Motion** made by Bratton, seconded by Filipin to approve Resolution 1132 – Directing staff on the health insurance renewal for city employees effective July 1, 2023 as presented. Yeas: All.

RESOLUTION 1135 – AUTHORIZING THE MAYOR TO SIGN AN EMPLOYMENT AGREEMENT WITH BRET GLENDENING TO SERVE AS THE CITY MANAGER OF OSAWATOMIE, KS STARTING ON JULY 8, 2023. - On April 13, 2023 the city council adopted Resolution 1120 which established the plan to transition the Deputy City Manager into the City Manager role and the City Manager into the role of a contract employee who would be dedicated solely to planning, economic development, grant applications, and the continued pursuit of National Park Status for John Brown Park. Resolution 1120 established a new pay range for the city manager position.

On April 27th, the council approved the work plan for Our City Planning, LLC as well as Resolution 1130 which adjusted the pay ranges of all other positions with the City of Osawatomie based off of the city manager pay range established in Resolution 1120.

This resolution authorizes the mayor to sign the agreement with the Mr. Bret Glendening, next city manager for Osawatomie. The only changes to the agreement are the date of the agreement and the effective date of the personnel change takes place. **Motion** made by LaDuex, seconded by Dickinson to approve Resolution 1135 – Authorizing the mayor to sign employment agreement with Bret Glendening to be the 15<sup>th</sup> City Manager for the City of Osawatomie as presented. Yeas: All.

RESOLUTION 1136 – AUTHORIZING THE ISSUANCE OF TEMPORARY NOTES FOR 6<sup>TH</sup> STREET - At the beginning of 2023, there was \$4,120,000 (rounded) remaining of the GO Bonds that were issued in March of 2022. Brown Avenue from 16th to 18th was built, several segments of existing streets were milled and overlaid with a portion of the bond proceeds and design for Brown Ave. and 6th Street were also paid for with these proceeds.

Of the \$4,120,000 that remains, we have committed \$1,734,000 for the Main St. Terr/18th St. and Walnut Ave. projects, and here is where we are at for the remaining streets that have been designed or are nearing the completion of design:

Begin. Balance CIP Street Fund (1/1/23):	\$4,120,000	<b>FCST CASH for 6<sup>th</sup> St. begin. 1/1/2024:</b>	<b>\$ 443,000</b>
Main St. Terr/18 <sup>th</sup> St./Walnut Ave.:	\$1,734,000	Add: Cost Share Grant:	\$1,500,000
<b>Balance Remaining for 6<sup>th</sup> &amp; Brown:</b>	<b>\$2,386,000</b>	Mi. Co. Sales Tax:	\$ 500,000
<i>Less Brown Ave. (no water line):</i>	<i>\$2,160,000</i>	<b>Total Resources Available:</b>	<b>\$2,443,000</b>
Balance Remaining for 6 <sup>th</sup> (no water):	\$ 226,000	Less Estimated Cost (see supplement):	\$4,357,969
Add in ½ cent sales tax for 2022/2023:	\$ 400,000	<i>(Construction, Observation and Const. Engineering)</i>	
<i>Less design remaining on 6<sup>th</sup> St.:</i>	<i>\$ 183,000</i>	<b>DIFFERENCE:</b>	<b>(\$1,914,969)</b>
<b>FCST CASH for 6<sup>th</sup> St. begin. 1/1/2024:</b>	<b>\$ 443,000</b>	Temp. Note Proceeds:	\$2,500,000
		Balance Remaining*:	\$ 585,000

\*Balance Remaining to cover potential increases in construction costs. If we do not see a significant cost increase from the estimated \$4.3M, the design costs for the 2024/2025 Streets that were identified in Resolution 1104 is \$505,567. These funds could be used to pay for the design associated with those streets. If we happen to have any funds left over, we would recommend those dollars be put into additional mill and overlay projects around town. **Motion** made by Bratton, seconded by Caldwell to approve Resolution 1136 – Authorizing the improvements or reimprovement of certain main trafficways within the City of Osawatomie, Kansas; and providing for the payment of the costs thereof as presented. Yeas: All.

## NEW BUSINESS.

RESOLUTION 1125 – ALUMNI STREET CLOSING – On March 23, 2023 the city council approved the special event permit for the Osawatomie Alumni Street Dance that will take place on May 27, 2023 from 9:00 p.m. to 12:00 a.m. The special event permit allowed for the closing of Main Street between 5th & 6th and allows for the consumption of alcoholic liquor in that area.

Pursuant to state law, alcoholic liquor may be consumed at a special event to be held on designated public streets, alleys, and sidewalks when a temporary permit has been issued by the Kansas Division of Alcohol Beverage Control (ABC) and the governing body has approved the event as required by K.S.A. 41-719 and 41-2645 and amendments.

The Kansas Division of ABC has requested a formal resolution approved by the governing body to affirm the permit that was issued. **Motion** made by Lawrence, seconded by LaDuex to approve Resolution 1125 – Authorizing temporary closing of portions of certain streets in Osawatomie on May 27, 2023, to permit the consumption of alcoholic beverages in designated areas during the Osawatomie Alumni Celebration as presented. Yeas: All.

RESOLUTION 1137 – LIGHTS ON THE LAKE STREET CLOSING- On April 27, 2023 the city council approved the special event permit for the 2023 Osawatomie Lights on the Lake Celebration that will take place on July 1, 2023 from 3:00 p.m. to 11:30 p.m. The special

event permit allowed for the closing of the Osawatomie City Lake and allows for the consumption of alcoholic liquor in that area.

Pursuant to state law, alcoholic liquor may be consumed at a special event to be held on designated public streets, alleys, and sidewalks when a temporary permit has been issued by the Kansas Division of Alcohol Beverage Control (ABC) and the governing body has approved the event as required by K.S.A. 41-719 and 41-2645 and amendments.

The Kansas Division of ABC has requested a formal resolution approved by the governing body to affirm the permit that was issued. Motion made by Lawrence, seconded by Schasteen to approve resolution 1137 – Authorizing temporary closing of portions of certain streets in Osawatomie in designated areas during the Osawatomie Lights on the Lake Celebration as presented. Yeas: All.

**RESOLUTION 1138 – DIRECTING THE CITY MANAGER TO COMPLETE THE PURCHASE OF THE PFALTZGRAFF PROPERTY – IDENTIFIED AS PARCEL ID #1720901001002070 CONSISTING OF 3.12 ACRES –** With the addition of the John Brown Ghost Cabin at the Adair Homestead and in concert with the City’s submission of the parcels and relics that will be under consideration for the John Brown National Historical Park Site the city is wishing to build a parking lot that will allow for increased visitor traffic to the John Brown Ghost Cabin. The purchase price is \$42,600 with an additional \$1,400 to cover title search and associated closing costs. To be funded \$12,000 from General Fund Reserves and \$32,000 in potential outside revenues. Motion made by Schasteen, seconded by Filipin to approve Resolution 1138 – Directing the City Manager to complete the purchase of the Pfaltzgraff property identified as parcel ID# 1720901001002070 consisting of 3.12 acres as presented. Yeas: All.

**EXECUTIVE SESSION – None.**

## **COUNCIL REPORTS**

Karen LaDuex ~ I still have pancake tickets if anyone would like one.

Cathy Caldwell ~ Congratulations Bret! I am glad that you are going to be our next city manager. I look forward to working with you.

We have a real problem with the number of loose dogs we have in town but we also have no place to put them. The pound is full.

## **MAYOR’S REPORT**

So it’s that time of year GRADUATION -- congratulations to Michele Silsbee on graduating with an MPA from Wichita State and again congratulations to Sam on her graduation from KU and here recent acceptance into the KU MPA program...we have very talented people and we are so lucky they want to work for the City and our citizens.

I want to thank Councilmember LaDuex for attending and lending her support to the request for funding from Miami County for land around the Ghost Cabin.... according to Mike they even clapped for Karen for all the work she did to bring the Ghost Cabin to life.

I want to thank Terry Upshaw for the switchover that the State Hospital did from Evergy to the City's electric system – that happened Tuesday and went flawless. Nobody knows the amount of work that Terry and his crew had to do to make this all happen – many thanks to Terry and Bret for pulling this off.

Our portion of the Flint Hills trail and City made it into The Journal which is put out by the Kansas Leadership Center (it's a several page spread) and I believe Mike provided handouts of the article. WIBW TV station in Topeka picked up our John Brown Earthwork....and the Lawrence Journal World ran a story on it today – which I believe Mike also provided.

There's a world wind of events coming up in the next Month – so I'm going to ask Mike and Sam to be extra vigilant in making sure the word is getting out to the City Council on all the things we are doing and the Council needs to be invited to. There's a whole bunch going on.

We received a thank you card from Claire Hall for the scholarship.

Thank you, Kari, for all that you have done for the city and we wish you well on your new adventure.

### **CITY MANAGER & STAFF REPORTS.**

Mike Scanlon – For about the last 18 months there has been some discussion on affordable housing such as what things should be weighed and considered and ways to create affordable housing alternatives. I have passed out a model that has been put together by MARC and a nonprofit. I was included in the discussion. I think this plan is something that we should consider in the future.

The John Brown calendar of events have 22 items to be executed in the next month and a half.

For those of you that would like to run for public office you have until noon on June 1<sup>st</sup> to submit an application.

Bret Glendening – KDHE just approved the preliminary water treatment engineering report.

Jeff Deane – gave an update on Charles Johnson.

Sam Moon – 05/25 Ribbon Cutting for the 6<sup>th</sup> Street wingwall. Stan Herd June 15 – June 16<sup>th</sup> John Brown Jamboree – June 15<sup>th</sup> – June 17<sup>th</sup> and 05/20 is the 3<sup>rd</sup> Saturdays event. Also, Morgan will be graduating this summer as well.

**OTHER DISCUSSION/MOTIONS.**

**Motion** made by LaDuex, seconded by Schasteen to adjourn. Yeas: All. The mayor declared the meeting adjourned at 07:58 p.m.

/s/ Tammy Seamands  
Tammy Seamands, City Clerk

# Western Consultants

PO Box 187  
Lawrence, KS 66044  
Phone: 816.805.9183

Date: 2/16/23 – 5/15/23

**Bill To: City of Osawatomie**  
**439 Main St**  
**Osawatomie, KS 66064**

**For: KDHE Administration**  
**WWTP Improvements**

DESCRIPTION	AMOUNT
Preparation of Disbursements 8-10	
16 hrs @ \$125.00 per hour	\$2,000.00
<b>TOTAL</b>	<b>\$2,000.00</b>



City Clerk's Office  
509 5th Street  
PO Box 37  
Osawatomie, Kansas 66064  
(913) 755 - 2146  
cityclerk@osawatomieks.org



City Hall  
439 Main Street  
PO Box 37  
Osawatomie, Kansas 66064  
(913) 755 - 2146  
info@osawatomieks.org

### APPLICATION FOR FIREWORKS STAND PERMIT (2023)

Name of Stand: Date & Jo's Fireworks

Location of Stand: 1306 1st St. of Storage: 1306 1st St.

Applicant's Name: Jo Shau

Address: 19027 W 311th St. Paola KS 66071  
(Street) (City) (State) (Zip)

Home #: \_\_\_\_\_ Cell #: 913-731-4304 Email: djshau87@hotmail.com

Fed ID #: \_\_\_\_\_ State of KS Tax ID #: 004-K09588701 F01

I understand and agree to follow the laws of the State of Kansas and the Ordinances of the City of Osawatomie. I have received a copy of the City of Osawatomie Code 2010, Chapter 7, Article 3. The application fee does not guarantee issuance of a permit. Final approval is subject to inspection approval at the time of setup.

Applicant's Signature: Jo Shau Date: 05/11/23

Applications for the sale of fireworks shall be filed with the City Clerk between January 1 & May 31 of the year in which the permit is to be effective. Upon submittal of the application with the permit fee, the City Council will consider the application for approval at their next regularly scheduled meeting. However, all necessary documents must be received by the Deputy City Clerk at least 5 working days before a Council meeting if wanting approval before the May 31<sup>st</sup> deadline. Those documents are listed below in bold.

#### FOR OFFICE USE ONLY (Stand Fee \$1,000)

Date of Application: 5/11/23 Receipt #: 90000 Check #: 5625

on file  
✓

#### Drawing

**Certificate of Insurance – City of Osawatomie MUST be named as ADDITIONAL INSURED**

**If located in a tent, proof of flame retardant.**

**Letter of permission from property owner (if applicable).**

**Letter of permission from property owner of structures, etc. within 50' (if applicable).**

**Electricity Temporary Hookup**

Rcpt #: \_\_\_\_\_ Check #: \_\_\_\_\_

Council Approval Date

Endorsement of Chief of Police, Fire Chief, Utility Distribution Supervisor & Building Official  
(Inspection sheet attached)

Permit Approved by Clerk Signature: \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/12/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**PRODUCER**  
Ryder Rosacker McCue & Huston (MGD by Hull & Company)  
509 W Koenig St  
Grand Island NE 68801

**CONTACT NAME:** Kristy Wolfe  
**PHONE (A/C, No, Ext):** 308-382-2330 **FAX (A/C, No):** 308-382-7109  
**E-MAIL ADDRESS:** kwolfe@ryderinsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : SCOTTSDALE INS CO	41297
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

**INSURED**  
Dale & Jo Shay  
1306 6th St  
Osawatomie, KS 66064

**COVERAGES****CERTIFICATE NUMBER:** 334236977**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			CPS4043279	6/1/2023	6/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <b>DED</b> <input type="checkbox"/> <b>RETENTION \$</b> <input type="checkbox"/>						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Regarding the General Liability coverage, Waiver of Subrogation applies to the entities listed below per attached form CG 24 04 when required by written agreement.

Regarding the General Liability coverage, Blanket Additional Insured applies to the entities listed below per attached form GLS-150s when required by written agreement.

Additional Insured: City of Osawatomie  
Location: 1306 6th St, Osawatomie, KS

**CERTIFICATE HOLDER****CANCELLATION**

City of Osawatomie  
509 5th Street  
PO Box 37  
Osawatomie KS 66064

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

May 19, 2023

Jarred, Gilmore, & Phillips, PA  
P.O. Box 779  
Chanute, Kansas 66720

This representation letter is provided in connection with your audit of the financial statement of the City of Osawatomie, Kansas, which comprise the aggregate cash and unencumbered cash balances of funds of the City of Osawatomie, Kansas as of December 31, 2022, and the aggregate cash received and expenditures paid of such funds for the year then ended, taken as a whole in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide and the disclosures (collectively, the "financial statement"), for the purpose of expressing an opinion as to whether the financial statement is presented fairly, in all material respects, in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of May 19, 2023, the following representations made to you during your audit.

#### **Financial Statement**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 28, 2022, including our responsibility for the preparation and fair presentation of the financial statement in accordance with the Kansas regulatory basis of accounting and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statement referred to above is fairly presented in conformity with the Kansas regulatory basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required by the Kansas regulatory basis of accounting to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the Kansas regulatory basis of accounting .
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statement that would require adjustment to or disclosure in the financial statement or in the schedule of findings and questioned costs.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed.
- 9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the City's accounts.



- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

- 11) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statement and the schedule of expenditures of federal awards.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
- Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statement.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statement communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statement.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of the City's related parties and all the related party relationships and transactions, including any side agreements.

**Government-specific**

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have a process to track the status of audit findings and recommendations
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or unencumbered cash.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statement.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statement, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statement, disclosures, and the schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statement, disclosures, and schedule of expenditures of federal awards.
- 27) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 29) The financial statement properly classifies all funds and activities.
- 30) Expenditures have been appropriately classified in or allocated to functions and programs in the financial statement, and allocations have been made on a reasonable basis.
- 31) Receipts are appropriately classified in the financial statement in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide.
- 32) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 33) With respect to the Summary of Expenditures - Actual and Budget (Budgeted Funds Only) – Regulatory Basis, Schedules of Receipts and Expenditures - Actual and Budget – Regulatory Basis for each individual fund, and the Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis:
- a) We acknowledge our responsibility for presenting the Summary of Expenditures - Actual and Budget (Budgeted Funds Only) – Regulatory Basis, Schedules of Receipts and Expenditures - Actual and Budget – Regulatory Basis for each individual fund, and the Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis, in accordance with the Kansas Municipal Audit and Accounting Guide, and we believe the Summary of Expenditures - Actual and Budget (Budgeted Funds Only) – Regulatory Basis, Schedules of Receipts and Expenditures - Actual and Budget – Regulatory Basis for each individual fund, and the Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis, including its form and content, is fairly presented in accordance with the Kansas Municipal Audit and Accounting Guide. The methods of measurement and presentation of the Summary of Expenditures - Actual and Budget (Budgeted Funds Only) – Regulatory Basis, Schedules of Receipts and Expenditures - Actual and Budget – Regulatory Basis for each individual fund, and the Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the Summary of Expenditures - Actual and Budget (Budgeted Funds Only) – Regulatory Basis, Schedules of Receipts and Expenditures - Actual and Budget – Regulatory Basis for each individual fund, and the Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis, is not presented with the audited financial statement, we will make the audited financial statement readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

34) With respect to federal award programs:

- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
- b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
- c) If the SEFA is not presented with the audited financial statement, we will make the audited financial statement readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statement has been prepared.
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- t) We have charged costs to federal awards in accordance with applicable cost principles.
- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Signature: \_\_\_\_\_

Title: Mayor

Signature: \_\_\_\_\_

Title: City Clerk

Signature: \_\_\_\_\_

Title: City Administrator

**CITY OF OSAWATOMIE, KANSAS**

Independent Auditor's Report and  
Financial Statement with  
Supplementary Information

For the Year Ended December 31, 2022



# CITY OF OSAWATOMIE, KANSAS

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# **CITY OF OSAWATOMIE, KANSAS**

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**JARRED, GILMORE & PHILLIPS, PA**  
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Osawatomie, 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), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Osawatomie, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the

preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 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*, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, schedules of receipts and expenditures – actual and budget – regulatory basis for each individual fund, and schedule of receipts and disbursements – agency funds, regulatory basis (Schedules 1, 2, and 3 as listed in the table of contents) are presented for 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*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Osawatomie, Kansas as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated July 18, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2021, on the basis of accounting described in Note 1.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2023, on our consideration of the City of Osawatomie, Kansas' internal control over financial reporting and on our 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 our 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 of Osawatomie, Kansas' 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 of Osawatomie, Kansas' internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

May 19, 2023  
Chanute, Kansas

## CITY OF OSAWATOMIE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2022
General	\$ 418,884.93	\$ 2,744,551.02	\$ 2,965,125.31	\$ 198,310.64	\$ 126,012.76	\$ 324,323.40
Special Purpose Funds:						
Industrial	11,113.42	62,575.78	70,861.90	2,827.30	13,838.00	16,665.30
Library	113,332.44	36,072.09	27,972.27	121,432.26	225.94	121,658.20
Employee Benefits	83,793.71	689,927.35	773,560.75	160.31	26,952.44	27,112.75
Special Parks and Recreation	159.99	57,628.54	39,968.75	17,819.78	30.03	17,849.81
Tourism	44,887.31	251,257.66	248,906.64	47,238.33	992.12	48,230.45
Police Seizures	-	1,019.00	-	1,019.00	-	1,019.00
Opioid Settlement	-	1,037.79	-	1,037.79	-	1,037.79
Street Improvement	104,463.19	235,135.15	133,969.60	205,628.74	-	205,628.74
Golf Course	139,778.63	748,001.86	644,619.28	243,161.21	63,404.43	306,565.64
Capital Improvements General	155,212.81	15,100.00	170,304.73	8.08	-	8.08
Capital Improvements Water	51,235.20	66,101.30	1,074,113.67	(956,777.17)	160,459.48	(796,317.69)
Capital Improvements Sewer	157,128.86	106,088.96	709,506.69	(446,288.87)	10,941.00	(435,347.87)
Capital Improvements Street	223,796.76	5,314,377.38	1,396,091.21	4,142,082.93	-	4,142,082.93
Capital Improvements Grant	3,556.79	-	-	3,556.79	-	3,556.79
Capital Improvements Technology	28,849.87	50,727.22	55,869.60	23,707.49	-	23,707.49
Public Safety Equipment	1,470.98	220,905.79	124,836.27	97,540.50	-	97,540.50
American Rescue Plan Act	326,888.80	326,888.60	653,777.40	-	-	-
Capital Project Funds:						
Electric Generation Bond Account	33,294.86	353.37	33,648.23	-	-	-
Bond and Interest Fund:						
General Obligation Bond and Interest	309,904.70	1,090,489.73	920,750.96	479,643.47	-	479,643.47
Business Funds:						
Electric Utility	478,613.17	4,416,631.37	4,204,845.18	690,399.36	122,176.35	812,575.71
Electric Utility Debt Service	164,634.73	450,000.00	353,126.25	261,508.48	-	261,508.48
Water Utility	55,948.06	1,206,935.36	1,219,793.44	43,089.98	32,980.08	76,070.06
Refuse Utility	1,221.96	378,366.79	379,412.78	175.97	31,435.04	31,611.01
Sewer Utility	90,337.79	1,333,365.72	1,221,839.72	201,863.79	357,308.56	559,172.35
Total Reporting Entity (Excluding Agency Funds)	\$ 2,998,508.96	\$ 19,803,537.83	\$ 17,422,900.63	\$ 5,379,146.16	\$ 946,756.23	\$ 6,325,902.39

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

**Statement 1 (Continued)**

**CITY OF OSAWATOMIE, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2022

Total Cash to be accounted for:	\$ 6,325,902.39
<hr/>	
Composition of Cash:	
Cash on Hand .....	\$ 800.00
Checking Accounts:	
Operating Account .....	305,348.20
Cash Flow Account .....	4,142,782.43
ADSAP .....	7,401.00
Municipal Court .....	24,275.08
Police Forfeitures.....	22,665.58
Cafeteria 125 Checking.....	84,270.27
Street & Sewer Project.....	456,565.62
Grant Account.....	3,556.79
PayPal Donations Account.....	2,930.01
USDA Loan Checking.....	23,414.40
Fire Department PR Checking .....	433.07
Opioid Settlement Account .....	1,037.79
City Event Account .....	598.92
Seizure Account .....	1,019.00
Petty Cash .....	2,000.00
Investments:	
Kansas Municipal Investment Pool.....	964,909.61
Certificates of Deposit .....	453,990.89
<hr/>	
Total Reporting Entity	6,497,998.66
Agency Funds Per Schedule 3	(172,096.27)
<hr/>	
Total Reporting Entity (Excluding Agency Funds)	\$ 6,325,902.39
<hr/>	

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

## **CITY OF OSAWATOMIE, KANSAS**

Notes to the Financial Statement  
December 31, 2022

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statement and schedules of the City of Osawatomie, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

#### Financial Reporting Entity

The City of Osawatomie, Kansas (the City) is a municipal corporation governed by an elected eight-member council. These financial statements present the City of Osawatomie, Kansas (the primary government).

*Related Municipal Entities:* A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

The Osawatomie Housing Authority – The Osawatomie Housing Authority operates the City's housing projects. The Osawatomie Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Osawatomie Housing Authority's financial statements should be included with the City's financial statements. However, the statements are omitted in an apparent departure from accounting principles generally accepted in the United States of America. Separate financial statements are prepared and are available at the Osawatomie Housing Authority. The Osawatomie Housing Authority is considered a major component unit.

The City of Osawatomie - Public Library - The City of Osawatomie, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separate internal financial statement are available at the Library. The Osawatomie Public Library is considered a major component unit.

#### Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Osawatomie, Kansas, for the year of 2022:

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



## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### Regulatory Basis Fund Types (Continued)

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

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

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

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.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection account, etc.).

### Basis of Presentation – Regulatory Basis of Accounting

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

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

### Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

### Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis 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 or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

### Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

### Budgetary Information

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

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

If the 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 20<sup>th</sup>. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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. During the year ended December 31, 2022 the City amended the General Fund, Industrial Fund, Street Improvement Fund, Tourism Fund, Special Parks & Recreation Fund, Public Safety Equipment Fund, Electric Utility Fund, Sewer Utility Fund, and the Golf Course Fund.

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.

## 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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, and trust funds, and the following special purpose funds:

- Police Seizures Fund
- Opioid Settlement Fund
- Capital Improvements General Fund
- Capital Improvements Water Fund
- Capital Improvements Sewer Fund
- Capital Improvements Street Fund
- Capital Improvements Grant Fund
- Capital Improvements Special Projects Fund
- Capital Improvements Technology Fund
- American Rescue Plan Act Fund

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

## 2. **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation with K.S.A. 10-1,113. The City has obligated expenditures in excess of available monies in the Capital Improvements Water Fund and Capital Improvements Sewer Fund, however, K.S.A. 10-1,116 provides that under certain situations, the funds can end the year with a negative unencumbered cash balance and therefore, are exempt from the cash basis laws of the State of Kansas. This fund met the criteria under the statutes and therefore, is deemed not to be in violation of the Kansas cash basis law. As shown in Schedule 1, the City was in compliance with Kansas budget laws.

### Compliance with Revenue Bond Covenants

The City is required, under the ordinances on Revenue Bond Issues, to maintain in its Business Funds certain restricted accounts. The ordinances provide that the following reserve accounts be set up in amounts described below:

<u>RESERVE ACCOUNTS</u>	<u>REQUIRED AMOUNT</u>	<u>ACTUAL AMOUNT</u>
Principal and Interest Account for Electric Revenue Bonds Series 2015 – requires transfers Monthly of 1/12 of next maturing interest and 1/12 of next maturing principal.	\$ 145,600.00	\$ 261,508.48

## 2. **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY** (Continued)

The City agrees to fix, establish, maintain and collect such rates, fees or charges for Electric Utility service which will be sufficient to enable the City to have, in each fiscal year, Net Revenues in an amount that will not be less than 125% of the Debt Service Requirements required to be paid by the City during that fiscal year on all System revenue bonds at the time outstanding. Net income is defined as gross income less operating expenses, but before any transfers, depreciation and capital expense. For the year ended December 31, 2022, the City had net revenues available for debt service of \$1,097,509.26, which is 251.26%. The loan agreement defines net revenues available for debt service to be revenues, less ordinary and necessary expenses of operating the system, but not including charges for interest and principal paid on the loan, or charges for depreciation. Therefore, this amount consists of receipts over expenditures, less debt service expenditures and capital outlay. Capital outlay is not considered to be an ordinary expense.

## 3. **DEPOSITS AND INVESTMENTS**

As of December 31, 2022, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-2</u>	<u>Rating</u>
Kansas Investment Pool	\$ 964,909.61	\$ 964,909.61	\$ - -	S&P AAf/S1+

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 branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

*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. The City's allocation of investments as of December 31, 2022, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Investment Pool	100%

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2022.

### **3. DEPOSITS AND INVESTMENTS** (Continued)

*Deposits:* At year-end, the City's carrying amount of deposits was \$5,532,289.05 and the bank balance was \$5,684,633.04. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,433.07 was covered by FDIC insurance and \$5,184,199.97 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments to be adequately secured.

At December 31, 2022, the City has invested \$964,909.61 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligation that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

#### 4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>									
Paid by Tax Levies:									
Series 2019 A Street Bonds	3.60%	5/23/2019	\$ 1,135,000.00	9/1/2038	\$ 1,060,000.00	\$ -	\$ (45,000.00)	\$ 1,015,000.00	\$ 38,160.00
Series 2020 Temporary	1.10%	12/29/2020	421,000.00	9/1/2022	421,000.00	-	(421,000.00)	-	2,315.50
Series 2022 Temporary	3.40%	8/30/2022	346,000.00	8/1/2024	-	346,000.00	-	346,000.00	-
Series 2022A Street Bonds	2.00%	3/15/2022	6,175,000.00	3/1/2032	-	6,175,000.00	-	6,175,000.00	56,947.21
Paid by Tax Levies and Utility Receipts:									
Series 2016A - Refunding	2.00-4.00%	5/19/2016	8,145,000.00	9/1/2045	6,575,000.00	-	(380,000.00)	6,195,000.00	210,680.00
Paid by Utility Receipts:									
Series 2012A - Refunding	2.00-4.70%	5/1/2012	2,810,000.00	9/1/2027	325,000.00	-	(95,000.00)	230,000.00	9,037.50
<b>Revenue Bonds</b>									
Paid by Utility Receipts:									
Series 2015 - Electric	3.50%	12/14/2015	6,095,000.00	9/1/2035	4,750,000.00	-	(270,000.00)	4,480,000.00	166,250.00
State Low Interest Loan	0.25%	3/17/2021	700,000.00	1/1/2031	630,451.87	-	(69,352.19)	561,099.68	1,532.81
<b>State Revolving Loans</b>									
KDHE No. 1961-01	2.83%	11/20/2013	1,266,256.72	3/1/2030	984,707.60	-	(984,707.60)	-	15,094.75
KDHE No. 3015-01	1.38%	5/10/2021	2,360,500.00	3/1/2043	165,760.00	106,088.96	-	271,848.96	2,938.36
GRDA Repayment	2.50%	10/31/2021	260,936.00	2/28/2026	255,904.08	-	(52,985.16)	202,918.92	5,314.84
<b>Finance Leases</b>									
Case Tractor & Bush Hog	2.50%	7/6/2015	76,261.00	7/6/2023	20,501.74	-	(9,983.57)	10,518.17	653.39
Fire truck	3.10%	4/5/2018	277,107.76	10/1/2026	184,802.22	-	(35,622.33)	149,179.89	3,263.93
Software	3.10%	4/5/2018	239,334.88	10/1/2022	65,363.60	-	(65,363.60)	-	753.58
Golf Course Equipment	5.00%	4/25/2019	108,650.00	5/1/2026	74,103.16	-	(74,103.16)	-	3,568.89
Golf Carts	4.85%	11/16/2022	214,952.10	11/16/2027	-	214,952.10	(3,183.26)	211,768.84	869.78
Backhoe	2.25%	10/14/2020	100,056.00	7/1/2025	80,404.91	-	(19,460.41)	60,944.50	1,804.08
John Deere Excavator	9.12%	8/9/2019	26,723.74	8/9/2023	12,644.14	-	(6,322.07)	6,322.07	-
Total Contractual Indebtedness					<u>\$ 15,605,643.32</u>	<u>\$ 6,842,041.06</u>	<u>\$ (2,532,083.35)</u>	<u>\$ 19,915,601.03</u>	<u>\$ 519,184.62</u>

#### 4. LONG-TERM DEBT (Continued)

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

Issue	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2046	Less Proceeds not Drawn Down	Total
Principal											
<b>General Obligation Bonds</b>											
Paid by Tax Levies:											
Series 2019 A Street Bonds	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 55,000.00	\$ 55,000.00	\$ 305,000.00	\$ 370,000.00	\$ 80,000.00	\$ -	\$ -	\$ 1,015,000.00
Series 2022 Temporary	-	346,000.00	-	-	-	-	-	-	-	-	346,000.00
Series 2022A Street Bonds	600,000.00	605,000.00	615,000.00	635,000.00	650,000.00	3,070,000.00	-	-	-	-	6,175,000.00
Paid by Tax Levies and Utility Receipts:											
Series 2016A	385,000.00	405,000.00	410,000.00	430,000.00	440,000.00	1,560,000.00	1,380,000.00	700,000.00	485,000.00	-	6,195,000.00
Paid by Utility Receipts:											
Series 2012A	65,000.00	40,000.00	40,000.00	40,000.00	45,000.00	-	-	-	-	-	230,000.00
<b>Revenue Bonds</b>											
Series 2015	280,000.00	285,000.00	300,000.00	310,000.00	320,000.00	1,770,000.00	1,215,000.00	-	-	-	4,480,000.00
State Low Interest Loan	34,741.14	69,612.60	69,786.75	69,961.32	70,136.33	246,861.54	-	-	-	-	561,099.68
<b>State Revolving Loans</b>											
KDHE No. 3015-01	51,444.98	103,957.34	105,396.90	106,856.39	108,336.10	564,603.28	604,793.07	647,843.68	67,268.26	(2,088,651.04)	271,848.96
GRDA Repayment	59,202.32	60,699.46	62,234.46	20,782.68	-	-	-	-	-	-	202,918.92
<b>Finance Leases</b>											
Case Tractor & Bush Hog	10,518.17	-	-	-	-	-	-	-	-	-	10,518.17
Fire Truck	35,611.81	36,724.32	37,871.61	38,972.15	-	-	-	-	-	-	149,179.89
Golf Carts	39,085.25	41,027.85	43,114.68	45,283.20	43,257.86	-	-	-	-	-	211,768.84
Backhoe	19,873.21	20,324.00	20,747.29	-	-	-	-	-	-	-	60,944.50
John Deere Excavator	6,322.07	-	-	-	-	-	-	-	-	-	6,322.07
Total Principal Payments	1,636,798.95	2,063,345.57	1,754,151.69	1,751,855.74	1,731,730.29	7,516,464.82	3,569,793.07	1,427,843.68	552,268.26	(2,088,651.04)	19,915,601.03
Interest											
<b>General Obligation Bonds</b>											
Paid by Tax Levies:											
Series 2019 A Street Bonds	36,540.00	34,740.00	32,940.00	31,140.00	29,160.00	114,840.00	55,260.00	2,880.00	-	-	337,500.00
Series 2022 Temporary	10,816.34	11,764.00	-	-	-	-	-	-	-	-	22,580.34
Series 2022A Street Bonds	117,500.00	105,450.00	93,250.00	80,750.00	67,900.00	148,200.00	-	-	-	-	613,050.00
Paid by Tax Levies and Utility Receipts:											
Series 2016A	199,280.00	187,730.00	175,580.00	163,880.00	150,380.00	583,300.00	358,870.00	183,000.00	39,400.00	-	2,041,420.00
Paid by Utility Receipts:											
Series 2012A	6,900.00	4,950.00	3,750.00	2,550.00	1,350.00	-	-	-	-	-	19,500.00
<b>Revenue Bonds</b>											
Series 2015	156,800.00	147,000.00	137,025.00	126,525.00	115,675.00	402,850.00	86,100.00	-	-	-	1,171,975.00
State Low interest Loan	1,446.12	1,272.42	1,098.27	923.70	748.69	1,235.86	-	-	-	-	6,725.06
<b>State Revolving Loans</b>											
KDHE No. 3015-01	16,287.46	31,507.54	30,067.98	28,608.49	28,608.49	120,432.74	80,791.88	38,329.28	2,772.23	-	377,406.09
GRDA Repayment	4,397.68	2,900.54	1,365.54	106.74	-	-	-	-	-	-	8,770.50
<b>Finance Leases</b>											
Case Tractor & Bush Hog	259.44	-	-	-	-	-	-	-	-	-	259.44
Fire Truck	4,353.27	3,240.75	2,093.47	910.35	-	-	-	-	-	-	10,597.84
Golf Carts	9,551.23	7,608.63	5,521.80	3,353.28	1,075.58	-	-	-	-	-	27,110.52
Backhoe	1,391.28	940.49	474.25	-	-	-	-	-	-	-	2,806.02
John Deere Excavator	528.33	-	-	-	-	-	-	-	-	-	528.33
Total Interest Payments	566,051.15	539,104.37	483,166.31	438,747.56	394,897.76	1,370,858.60	581,021.88	224,209.28	42,172.23	-	4,640,229.14
Total Principal and Interest	<u>\$ 2,202,850.10</u>	<u>\$ 2,602,449.94</u>	<u>\$ 2,237,318.00</u>	<u>\$ 2,190,603.30</u>	<u>\$ 2,126,628.05</u>	<u>\$ 8,887,323.42</u>	<u>\$ 4,150,814.95</u>	<u>\$ 1,652,052.96</u>	<u>\$ 594,440.49</u>	<u>\$ (2,088,651.04)</u>	<u>\$ 24,555,830.17</u>

## 5. FINANCE LEASE OBLIGATIONS

The City has entered into a finance lease agreement in order to finance the acquisition of a 2015 Case Tractor and Bush Hog. Payments are made yearly, including interest at approximately 2.50%. Final maturity of the lease is July 6, 2023. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	<u>\$ 10,777.61</u>
	10,777.61
Less imputed interest	<u>(259.44)</u>
Net Present Value of Minimum	
Lease Payments	10,518.17
Less: Current Maturities	<u>(10,518.17)</u>
Long-Term Finance Lease Obligations	<u>\$ 0.00</u>

The City has entered into a finance lease agreement in order to finance the acquisition of a Fire Truck. Payments are made twice a year, including interest at approximately 3.10%. Final maturity of the lease is October 1, 2026. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	<u>\$ 39,965.08</u>
2024	39,965.07
2025	39,965.08
2026	<u>39,882.50</u>
	159,777.73
Less imputed interest	<u>(10,597.84)</u>
Net Present Value of Minimum	
Lease Payments	149,179.89
Less: Current Maturities	<u>(35,611.81)</u>
Long-Term Finance Lease Obligations	<u>\$ 113,568.08</u>



**5. FINANCE LEASE OBLIGATIONS** (Continued)

The City has entered into a finance lease agreement in order to finance the acquisition of the golf carts. Payments are made monthly, including interest at 4.85%. Final maturity of the lease is November 16, 2027. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	\$ 48,636.48
2024	48,636.48
2025	48,636.48
2026	48,636.48
2027	<u>44,333.44</u>
	238,879.36
Less imputed interest	<u>(27,110.52)</u>
Net Present Value of Minimum Lease Payments	211,768.84
Less: Current Maturities	<u>(39,085.25)</u>
Long-Term Finance Lease Obligations	<u>\$ 172,683.59</u>

The City has entered into a finance lease agreement in order to finance the acquisition of a Cash Backhoe. Payments are made annually, including interest at 2.25%. Final maturity of the lease is July 1, 2025. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	\$ 21,264.49
2024	21,264.49
2025	<u>21,221.54</u>
	63,750.52
Less imputed interest	<u>(2,806.02)</u>
Net Present Value of Minimum Lease Payments	60,944.50
Less: Current Maturities	<u>(19,873.21)</u>
Long-Term Finance Lease Obligations	<u>\$ 41,071.29</u>

## 5. **FINANCE LEASE OBLIGATIONS** (Continued)

The City has entered into a finance lease agreement in order to finance the acquisition of a John Deere excavator. Payments are made annually, including interest at 9.12%. Final maturity of the lease is August 9, 2023. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2023	\$ 6,850.40
	6,850.40
Less imputed interest	(528.33)
Net Present Value of Minimum	
Lease Payments	6,322.07
Less: Current Maturities	(6,322.07)
Long-Term Finance Lease Obligations	\$ 0.00

## 6. **RIGHT TO USE CONTRACTS**

As of December 31, 2022 the City has entered into a number of contracts for equipment. Rent expense for the year ended December 31, 2022, was \$22,245.70. Under the current agreements, the future minimum rental payments are as follows:

2023	\$ 9,278.55
2024	7,074.18
2025	4,093.38
2026	1,271.34

## 7. **DEFINED BENEFIT 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 K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](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.* 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, 2017. Effective January 1, 2017, 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.

## **7. DEFINED BENEFIT PENSION PLAN** (Continued)

State law provides that the employer contribution rates for KPERS 1 and 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 \$275,937.78 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 \$2,717,398.00. 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](http://www.kpers.org) or can be obtained as described above.

## **8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### *Death and Disability Other Post-Employment Benefits*

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

### *Compensated Absences:*

All full-time employees of the City are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

Years Continuous Employment:	Days Granted per Year:	Maximum Days Accrued:
Less than 5 years	12 Days	20 Days
After 5 but less than 10	15 Days	25 Days
After 10 but less than 15	18 Days	30 Days
More than 15 years	21 Days	30 Days

No vacation time may be taken by an employee until they have been in the service of the City continuously for a period of six months. In the event of termination, an employee will be compensated for unused vacation leave, provided they have been in the service of the City for at least six full months.

Sick leave accrues to all full-time employees at the rate of 8 hours per month to a maximum of 960 hours. All employees shall receive their sick leave credit on the last payroll of the month.

Employees who terminate by other than retirement will not be paid for accumulated sick leave. Upon retirement 30 days of remaining sick leave will be paid at their hourly rate, provided the employee has accrued 960 hours and provided one year notice to the City of their intent to retire.

## **8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS** (Continued)

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees. The liability for compensated absences was \$153,087.92. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

### *Other Post Employment Benefits:*

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

## **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; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

## **10. CONTINGENT LIABILITIES**

In the normal course of operations, the City receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

## **11. CONCENTRATION OF RISK**

The City provides water to two rural water districts, as well as the state hospital. During 2022, sales to Miami County Rural Water District No. 1 accounted for 7.90% of the water sold, sales to Miami County Rural Water District No. 3 accounted for 40.35% of the water sold, and sales to the state hospital accounted for 7.37% of the water sold. Risk of accounting loss exists from the possibility that a customer would no longer purchase water from the City. Impact of potential risk cannot be determined.

## **12. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Electric Utility	General	K.S.A. 12-825d	\$ 120,237.00
Electric Utility	Employee Benefits	K.S.A. 12-16,102	26,500.00
Electric Utility	Special Parks and Recreation	K.S.A. 12-825d	27,600.00
Electric Utility	Golf Course	K.S.A. 12-825d	50,000.00
Electric Utility	Refuse Utility	K.S.A. 12-825d	5,500.00
Electric Utility	Electric Utility Debt Service	K.S.A. 13-1270	450,000.00
Water Utility	General	K.S.A. 12-825d	12,250.00
Water Utility	Employee Benefits	K.S.A. 12-16,102	60,000.00
Water Utility	General Obligation Bond and Interest	K.S.A. 13-1270	94,500.00
Sewer Utility	General	K.S.A. 12-825d	57,750.00
Sewer Utility	Employee Benefits	K.S.A. 12-16,102	60,000.00
Sewer Utility	General Obligation Bond and Interest	K.S.A. 13-1270	131,250.00
Street Improvements	Capital Improvements Street	K.S.A. 12-1,118	52,625.00
Public Safety Equipment	Capital Improvements Technology	K.S.A. 12-1,118	13,524.00

## **13. SUBSEQUENT EVENTS**

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement.

The City did authorize the purchase of a used bucket truck for the electric department for an amount not to exceed \$230,000.00 to be paid for using funds held in reserves. As well as authorized temporary notes in the amount of \$7,380,000.00 to pay for the 6<sup>th</sup> street project, trails project, and water project.

## **SUPPLEMENTARY INFORMATION**

**CITY OF OSAWATOMIE, KANSAS**  
Summary of Expenditures - Actual and Budget  
(Budgeted Funds Only)  
Regulatory Basis  
For the Year Ended December 31, 2022

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	\$ 3,642,367.00	\$ 26,222.84	\$ 3,668,589.84	\$ 2,965,125.31	\$ (703,464.53)
Special Purpose Funds:					
Industrial	71,997.00	-	71,997.00	70,861.90	(1,135.10)
Library	50,000.00	-	50,000.00	27,972.27	(22,027.73)
Employee Benefits	900,000.00	2,462.84	902,462.84	773,560.75	(128,902.09)
Special Parks and Recreation	49,787.00	-	49,787.00	39,968.75	(9,818.25)
Tourism	254,245.00	-	254,245.00	248,906.64	(5,338.36)
Street Improvement	165,595.00	-	165,595.00	133,969.60	(31,625.40)
Golf Course	654,078.00	-	654,078.00	644,619.28	(9,458.72)
Public Safety Equipment	125,959.00	-	125,959.00	124,836.27	(1,122.73)
Bond and Interest Fund:					
General Obligation Bond and Interest	1,400,000.00	-	1,400,000.00	920,750.96	(479,249.04)
Business Funds:					
Electric Utility	4,173,327.00	38,393.79	4,211,720.79	4,204,845.18	(6,875.61)
Electric Utility Debt Service	615,638.00	-	615,638.00	353,126.25	(262,511.75)
Water Utility	1,300,000.00	-	1,300,000.00	1,219,793.44	(80,206.56)
Refuse Utility	480,000.00	-	480,000.00	379,412.78	(100,587.22)
Sewer Utility	1,248,514.00	-	1,248,514.00	1,221,839.72	(26,674.28)

**CITY OF OSAWATOMIE, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 703,745.07	\$ 732,253.39	\$ 768,585.00	\$ (36,331.61)
Delinquent Tax	28,964.72	37,166.98	38,331.00	(1,164.02)
Motor Vehicle Tax	77,783.01	63,093.36	57,246.00	5,847.36
Recreational Vehicle Tax	1,463.82	983.68	899.00	84.68
16/20M Vehicle Tax	173.78	289.54	953.00	(663.46)
Commercial Vehicle Tax	569.09	635.57	-	635.57
Neighborhood Revitalization	-	(2,942.34)	-	(2,942.34)
Special Assessments	13,193.86	19,189.76	-	19,189.76
Sales Tax	998,566.64	1,016,366.56	1,020,452.00	(4,085.44)
Franchise Taxes	108,115.83	135,069.62	173,940.00	(38,870.38)
Intergovernmental				
Local Alcoholic Liquor Tax	4,964.39	4,603.52	4,664.00	(60.48)
Grant Proceeds	34,778.28	103,887.60	473,379.00	(369,491.40)
CDBG-CV Grant Proceeds	104,900.00	-	-	-
ARPA Grant Proceeds	-	73,899.00	-	73,899.00
Licenses and Permits	33,981.50	44,276.70	55,175.00	(10,898.30)
Charges for Services				
Sale of Cemetery Lots	14,550.00	5,785.00	-	5,785.00
Cemetery Charges	33,680.00	2,155.00	-	2,155.00
Auditorium Rent	3,100.00	3,690.00	-	3,690.00
Memorial Hall Rent	4,360.00	4,085.00	-	4,085.00
Animal Control	6,881.00	10,932.87	-	10,932.87
Student Resource Officer	30,445.52	49,396.34	-	49,396.34
Assigned Counsel	5,760.00	-	-	-
Fines, Forfeitures and Penalties				
Fines	96,002.43	143,335.32	131,732.00	11,603.32
Use of Money and Property				
Interest Income	6,546.50	71,430.29	44,431.00	26,999.29
Sales of Equipment and Property	259.20	-	-	-
Sale of Asset	292,183.48	3,180.00	-	3,180.00
Other Receipts				
Miscellaneous	6,279.24	5,328.42	59,413.00	(54,084.58)
Reimbursed Expense	21,168.63	26,222.84	-	26,222.84
Operating Transfers from:				
Electric Utility Fund	387,000.00	120,237.00	195,237.00	(75,000.00)
Water Utility Fund	176,000.00	12,250.00	50,000.00	(37,750.00)
Sewer Utility Fund	145,000.00	57,750.00	45,000.00	12,750.00
Total Receipts	3,340,415.99	2,744,551.02	\$ 3,119,437.00	\$ (374,885.98)



**CITY OF OSAWATOMIE, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
General Administration				
Personal Services	\$ 476,235.00	\$ 368,064.28	\$ 442,612.00	\$ (74,547.72)
Contractual Services	313,561.51	327,439.08	214,400.00	113,039.08
Commodities	31,760.71	28,896.30	572,709.00	(543,812.70)
Capital Outlay	94,590.70	94,182.66	17,500.00	76,682.66
Governing Body				
Personal Services	-	-	16,400.00	(16,400.00)
Code Enforcement				
Personal Services	180,128.65	117,821.83	138,000.00	(20,178.17)
Contractual Services	39,873.68	19,913.42	42,081.00	(22,167.58)
Commodities	17,389.02	29,128.89	28,856.00	272.89
Police and Fire				
Personal Services	786,640.85	746,559.29	897,251.00	(150,691.71)
Contractual Services	166,991.79	62,810.12	88,869.00	(26,058.88)
Commodities	81,153.94	87,605.41	60,943.00	26,662.41
Capital Outlay	41,667.72	5,134.28	12,500.00	(7,365.72)
John Brown Cabin				
Personal Services	34,023.08	38,706.77	42,500.00	(3,793.23)
Contractual Services	5,893.05	8,030.66	6,050.00	1,980.66
Commodities	72.24	39.30	5,423.00	(5,383.70)
Capital Outlay	-	-	2,800.00	(2,800.00)
Streets and Alleys				
Personal Services	163,746.52	210,034.35	168,057.00	41,977.35
Contractual Services	16,348.38	25,927.88	25,200.00	727.88
Commodities	56,660.65	67,148.52	41,000.00	26,148.52
Capital Outlay	1,615.00	3,160.00	125,955.00	(122,795.00)
Property & Maintenance				
Personal Services	113,293.85	97,393.94	164,610.00	(67,216.06)
Contractual Services	49,484.65	143,656.36	42,700.00	100,956.36
Commodities	47,136.45	35,846.83	108,700.00	(72,853.17)
Capital Outlay	26,384.60	3,287.54	49,327.00	(46,039.46)
Lease Purchase	-	10,636.96	-	10,636.96

**CITY OF OSAWATOMIE, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Municipal Court Services				
Personal Services	\$ 42,972.72	\$ 51,746.23	\$ -	\$ 51,746.23
Contractual Services	96,632.64	82,637.90	-	82,637.90
Commodities	1,043.69	874.74	-	874.74
Other Expenses	14,591.00	16,409.50	-	16,409.50
Levees and Stormwater				
Contractual Services	13,883.30	2,669.95	-	2,669.95
Commodities	6,077.02	1,348.78	-	1,348.78
Lease Purchase - Tractor and Bush Hog	10,636.96	-	-	-
Library				
Personal Services	119,351.07	109,343.09	117,400.00	(8,056.91)
Contractual Services	23,960.61	19,810.58	19,900.00	(89.42)
Commodities	19,095.46	17,550.46	36,796.00	(19,245.54)
Capital Outlay	-	-	3,500.00	(3,500.00)
Information Technology				
Personal Services	35.82	-	-	-
Contractual Services	166,841.71	82,890.47	94,900.00	(12,009.53)
Commodities	15,724.61	6,855.14	7,800.00	(944.86)
Capital Outlay	37,118.23	41,563.80	47,628.00	(6,064.20)
Total Certified Budget			3,642,367.00	(677,241.69)
Adjustments for Qualifying Budget Credits			26,222.84	(26,222.84)
Total Expenditures	3,312,616.88	2,965,125.31	\$ 3,668,589.84	\$ (703,464.53)
Receipts Over(Under) Expenditures	27,799.11	(220,574.29)		
Unencumbered Cash, Beginning	391,085.82	418,884.93		
Unencumbered Cash, Ending	\$ 418,884.93	\$ 198,310.64		

**CITY OF OSAWATOMIE, KANSAS**  
**INDUSTRIAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Tax	\$ 4,693.00	\$ 4,726.26	\$ 4,960.00	\$ (233.74)
Delinquent Tax	173.44	234.69	231.00	3.69
Motor Vehicle Tax	514.96	419.11	380.00	39.11
Recreational Vehicle Tax	9.66	6.53	6.00	0.53
16/20M Vehicle Tax	1.18	1.91	6.00	(4.09)
Commercial Vehicle Tax	3.75	4.23	-	4.23
Neighborhood Revitalization	-	(18.95)	-	(18.95)
Use of Money and Property				
Rental Income	(3,300.00)	5,625.00	3,900.00	1,725.00
Sale of Assets	22,501.00	37,507.00	37,507.00	-
Other Receipts				
Reimbursed Expense	294.00	250.00	333.00	(83.00)
Miscellaneous	3,080.47	13,820.00	13,820.00	-
Operating Transfer from Golf Course Fund	15,302.00	-	-	-
Total Receipts	43,273.46	62,575.78	\$ 61,143.00	\$ 1,432.78
Expenditures				
General Government				
Contractual Services	50,446.90	52,583.28	\$ 54,644.00	\$ (2,060.72)
Capital Outlay	16,762.00	18,278.62	17,353.00	925.62
Total Expenditures	67,208.90	70,861.90	\$ 71,997.00	\$ (1,135.10)
Receipts Over(Under) Expenditures	(23,935.44)	(8,286.12)		
Unencumbered Cash, Beginning	35,048.86	11,113.42		
Unencumbered Cash, Ending	\$ 11,113.42	\$ 2,827.30		

**CITY OF OSAWATOMIE, KANSAS**  
**LIBRARY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Grant Proceeds	\$ 11,426.00	\$ 27,081.75	\$ 15,000.00	\$ 12,081.75
Use of Money and Property				
Interest Income	121.14	75.13	500.00	(424.87)
Other Receipts				
Reimbursed Expense	-	475.00	-	475.00
Donations	1,985.14	8,440.21	-	8,440.21
Total Receipts	13,532.28	36,072.09	\$ 15,500.00	\$ 20,572.09
Expenditures				
Culture and Recreation				
Contractual Services	776.68	16,659.68	\$ 2,500.00	\$ 14,159.68
Commodities	15,480.59	1,086.42	10,000.00	(8,913.58)
Capital Outlay	-	10,226.17	37,500.00	(27,273.83)
Total Expenditures	16,257.27	27,972.27	\$ 50,000.00	\$ (22,027.73)
Receipts Over(Under) Expenditures	(2,724.99)	8,099.82		
Unencumbered Cash, Beginning	116,057.43	113,332.44		
Unencumbered Cash, Ending	\$ 113,332.44	\$ 121,432.26		

**CITY OF OSAWATOMIE, KANSAS**  
**EMPLOYEE BENEFITS FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

		Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)	
Receipts					
Taxes and Shared Receipt					
Ad Valorem Property Tax	\$ 471,780.17	\$ 473,768.29	\$ 497,278.00	\$ (23,509.71)	
Delinquent Tax	20,908.94	25,740.50	15,049.00	10,691.50	
Motor Vehicle Tax	47,853.00	42,080.86	50,000.00	(7,919.14)	
Recreational Vehicle Tax	5,489.40	656.59	800.00	(143.41)	
16/20M Vehicle Tax	127.56	190.33	200.00	(9.67)	
Commercial Vehicle Tax	374.97	426.08	500.00	(73.92)	
Neighborhood Revitalization	-	(1,898.14)	-	(1,898.14)	
Other Receipts					
Reimbursed Expense	10,774.03	2,462.84	-	2,462.84	
Operating Transfers from:					
Electric Utility Fund	67,500.00	26,500.00	95,000.00	(68,500.00)	
Sewer Utility Fund	35,000.00	60,000.00	56,411.00	3,589.00	
Water Utility Fund	54,945.00	60,000.00	65,000.00	(5,000.00)	
Total Receipts	714,753.07	689,927.35	\$ 780,238.00	\$ (90,310.65)	
Expenditures					
General Government					
Personal Services	912,199.41	753,292.09	\$ 874,072.00	\$ (120,779.91)	
Contractual Services	3,320.02	20,268.66	5,000.00	15,268.66	
Other					
Cash Basis Reserve	-	-	20,928.00	(20,928.00)	
Total Certified Budget			900,000.00	(126,439.25)	
Adjustments for Qualifying					
Budget Credits			2,462.84	(2,462.84)	
Total Expenditures	915,519.43	773,560.75	\$ 902,462.84	\$ (128,902.09)	
Receipts Over(Under) Expenditures	(200,766.36)	(83,633.40)			
Unencumbered Cash, Beginning	284,560.07	83,793.71			
Unencumbered Cash, Ending	\$ 83,793.71	\$ 160.31			

**CITY OF OSAWATOMIE, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

		Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)	
Receipts					
Taxes and Shared Receipt					
Local Alcoholic Liquor Tax	\$ 4,964.39	\$ 4,603.54	\$ 4,664.00	\$ (60.46)	
Other Receipts					
Donations	-	5,000.00	5,000.00	-	
Miscellaneous	-	20,425.00	-	20,425.00	
Operating Transfers from					
Electric Utility Fund	-	27,600.00	50,000.00	(22,400.00)	
Total Receipts	4,964.39	57,628.54	\$ 59,664.00	\$ (2,035.46)	
Expenditures					
Culture and Recreation					
Facilities					
Contractual Services	3,501.62	31,038.36	\$ 38,220.00	\$ (7,181.64)	
Commodities	3,300.24	8,930.39	9,985.00	(1,054.61)	
Capital Outlay	41,575.50	-	1,582.00	(1,582.00)	
Total Expenditures	48,377.36	39,968.75	\$ 49,787.00	\$ (9,818.25)	
Receipts Over(Under) Expenditures	(43,412.97)	17,659.79			
Unencumbered Cash, Beginning	43,572.96	159.99			
Unencumbered Cash, Ending	\$ 159.99	\$ 17,819.78			

**CITY OF OSAWATOMIE, KANSAS**  
**TOURISM FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Transient Guest Tax	\$ 15,664.71	\$ 15,359.23	\$ 12,008.00	\$ 3,351.23
Intergovernmental				
ARPA Grant Proceeds	-	110,000.00	110,000.00	-
Other Grant Proceeds	-	31,000.00	-	31,000.00
Charges for Services				
Rental Income	150.00	150.00	150.00	-
Sponsorship Income	17,409.85	56,449.85	98,083.00	(41,633.15)
Ticket Sales	-	26,282.58	-	26,282.58
Entry Fees	1,300.00	1,640.00	-	1,640.00
Other Receipts				
Donations	2,658.00	2,537.58	58,988.00	(56,450.42)
Reimbursed Expense	6,765.10	1,100.00	-	1,100.00
Miscellaneous	14,520.16	6,738.42	140.00	6,598.42
Operating Transfers from				
Electric Utility Fund	10,000.00	-	-	-
Total Receipts	68,467.82	251,257.66	\$ 279,369.00	\$ (28,111.34)
Expenditures				
John Brown Cabin				
Contractual Services	42,789.34	84,629.67	\$ 204,031.00	\$ (119,401.33)
Commodities	46,284.37	20,517.28	50,000.00	(29,482.72)
Capital Outlay	10,128.46	-	214.00	(214.00)
John Brown Jamboree				
Contractual Services	-	36,936.60	-	36,936.60
Lights on the Lake				
Contractual Services	-	99,693.73	-	99,693.73
Commodities	-	7,129.36	-	7,129.36
Total Expenditures	99,202.17	248,906.64	\$ 254,245.00	\$ (5,338.36)
Receipts Over(Under) Expenditures	(30,734.35)	2,351.02		
Unencumbered Cash, Beginning	75,621.66	44,887.31		
Unencumbered Cash, Ending	\$ 44,887.31	\$ 47,238.33		

**CITY OF OSAWATOMIE, KANSAS**  
**911 FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfer from General Fund	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
General Government Capital Outlay	9,897.41	-	\$ -	\$ -
Total Expenditures	9,897.41	-	\$ -	\$ -
Receipts Over(Under) Expenditures	(9,897.41)	-		
Unencumbered Cash, Beginning	9,897.41	-		
Unencumbered Cash, Ending	\$ -	\$ -		



**CITY OF OSAWATOMIE, KANSAS**  
**POLICE SEIZURES FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Miscellaneous	\$ -	\$ 1,019.00
Total Receipts	-	1,019.00
Expenditures		
General Government		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	1,019.00
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 1,019.00

**CITY OF OSAWATOMIE, KANSAS**  
**OPIOID SETTLEMENT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Miscellaneous	\$ -	\$ 1,037.79
Total Receipts	-	1,037.79
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	1,037.79
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 1,037.79

**CITY OF OSAWATOMIE, KANSAS**  
**STREET IMPROVEMENT FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	\$ 123,475.12	\$ 114,994.03	\$ 114,080.00	\$ 914.03
Sales Tax	-	90,844.61	74,473.00	16,371.61
Intergovernmental				
County Connecting Links	5,100.00	5,100.00	5,100.00	-
Use of Money and Property				
Sale of Assets	-	22,442.50	22,443.00	(0.50)
Other Receipts				
Reimbursed Expense	-	1,754.01	900.00	854.01
Total Receipts	128,575.12	235,135.15	\$ 216,996.00	\$ 18,139.15
Expenditures				
Street Improvements				
Contractual Services	4,520.87	3,739.92	\$ -	\$ 3,739.92
Commodities	32,771.01	56,340.19	59,025.00	(2,684.81)
Capital Outlay	-	-	15,139.00	(15,139.00)
Debt Service				
Principal	-	19,460.41	19,460.00	0.41
Interest	-	1,804.08	1,804.00	0.08
Operating Transfer to				
Capital Improvements				
Street Fund	100,000.00	52,625.00	70,167.00	(17,542.00)
Total Expenditures	137,291.88	133,969.60	\$ 165,595.00	\$ (31,625.40)
Receipts Over(Under) Expenditures	(8,716.76)	101,165.55		
Unencumbered Cash, Beginning	113,179.95	104,463.19		
Unencumbered Cash, Ending	\$ 104,463.19	\$ 205,628.74		

**CITY OF OSAWATOMIE, KANSAS**  
**GOLF COURSE FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Golf Course Sheds	\$ 2,593.50	\$ 3,925.00	\$ 2,000.00	\$ 1,925.00
Membership Fees	41,893.09	52,614.55	25,000.00	27,614.55
Green Fees	108,940.50	138,879.46	143,571.00	(4,691.54)
Golf Cart Fees	75,774.16	99,827.94	99,000.00	827.94
Sales Tax	14,986.72	19,161.52	18,028.00	1,133.52
Driving Range	9,707.13	11,318.30	5,832.00	5,486.30
Concessions	54,928.02	75,054.30	74,000.00	1,054.30
Tournaments	29,710.41	50,966.80	36,367.00	14,599.80
Pro Shop	10,347.99	15,677.67	7,700.00	7,977.67
Other Fees	4,569.37	6,670.11	3,500.00	3,170.11
Use of Money and Property				
Sales of Equipment and Property	655.00	467.50	624.00	(156.50)
Lease Proceeds	-	214,952.10	215,000.00	(47.90)
Other Receipts				
Reimbursed Expense	3,819.00	87.30	116.00	(28.70)
Miscellaneous	1,375.11	8,399.31	10,853.00	(2,453.69)
Operating Transfers from				
Electric Utility Fund	80,000.00	50,000.00	50,000.00	-
Total Receipts	439,300.00	748,001.86	\$ 691,591.00	\$ 56,410.86
Expenditures				
Culture and Recreation				
Personal Services	125,534.14	174,544.71	\$ 171,779.00	\$ 2,765.71
Contractual Services	105,929.99	96,153.87	96,519.00	(365.13)
Commodities	98,486.87	128,630.61	156,911.00	(28,280.39)
Capital Outlay	11,500.00	163,565.00	155,000.00	8,565.00
Debt Service				
Principal	31,084.01	77,286.42	66,229.00	11,057.42
Interest	4,713.87	4,438.67	7,640.00	(3,201.33)
Operating Transfer to				
Industrial Fund	15,302.00	-	-	-
Total Expenditures	392,550.88	644,619.28	\$ 654,078.00	\$ (9,458.72)
Receipts Over(Under) Expenditures	46,749.12	103,382.58		
Unencumbered Cash, Beginning	93,029.51	139,778.63		
Unencumbered Cash, Ending	\$ 139,778.63	\$ 243,161.21		

**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS GENERAL FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Intergovernmental		
State Grant Proceeds	\$ -	\$ 15,100.00
Operating Transfers from		
Electric Utility Fund	75,000.00	-
Total Receipts	<u>75,000.00</u>	<u>15,100.00</u>
Expenditures		
Capital Projects		
Capital Outlay	<u>162,980.38</u>	<u>170,304.73</u>
Total Expenditures	<u>162,980.38</u>	<u>170,304.73</u>
Receipts Over(Under) Expenditures	(87,980.38)	(155,204.73)
Unencumbered Cash, Beginning	<u>243,193.19</u>	<u>155,212.81</u>
Unencumbered Cash, Ending	<u>\$ 155,212.81</u>	<u>\$ 8.08</u>

**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS WATER FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2022  
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	\$ -	\$ 66,101.30
Total Receipts	-	66,101.30
Expenditures		
Capital Projects		
Capital Outlay	57,021.99	1,074,113.67
Total Expenditures	57,021.99	1,074,113.67
Receipts Over(Under) Expenditures	(57,021.99)	(1,008,012.37)
Unencumbered Cash, Beginning	108,257.19	51,235.20
Unencumbered Cash, Ending	\$ 51,235.20	\$ (956,777.17)

**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS SEWER FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Use of Money and Property		
Temporary Notes Proceeds	\$ 165,760.00	\$ 106,088.96
Operating Transfers From		
Sewer Utility Fund	75,000.00	-
Total Receipts	<u>240,760.00</u>	<u>106,088.96</u>
Expenditures		
Capital Projects		
Capital Outlay	251,498.00	706,568.33
Debt Service		
Interest	3,113.06	2,938.36
Total Expenditures	<u>254,611.06</u>	<u>709,506.69</u>
Receipts Over(Under) Expenditures	(13,851.06)	(603,417.73)
Unencumbered Cash, Beginning	<u>170,979.92</u>	<u>157,128.86</u>
Unencumbered Cash, Ending	<u>\$ 157,128.86</u>	<u>\$ (446,288.87)</u>

**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS STREET FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Taxes and Shared Receipt		
Sales Tax	\$ -	\$ 43,360.55
Use of Money and Property		
Bond Proceeds	-	5,218,391.83
Operating Transfer from:		
Street Improvement Fund		
Capital Improvements	100,000.00	52,625.00
Total Receipts	<u>100,000.00</u>	<u>5,314,377.38</u>
Expenditures		
Capital Projects		
Capital Outlay	22,389.81	1,396,091.21
Debt Services		
Lease Purchase	21,264.49	-
Total Expenditures	<u>43,654.30</u>	<u>1,396,091.21</u>
Receipts Over(Under) Expenditures	56,345.70	3,918,286.17
Unencumbered Cash, Beginning	<u>167,451.06</u>	<u>223,796.76</u>
Unencumbered Cash, Ending	<u>\$ 223,796.76</u>	<u>\$ 4,142,082.93</u>



**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS GRANT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Operating Transfers From		
Capital Improvements		
Street Fund	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Capital Projects		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	3,556.79	3,556.79
Unencumbered Cash, Ending	\$ 3,556.79	\$ 3,556.79

**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS SPECIAL PROJECTS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Grant Proceeds	\$ 26,812.00	\$ -
Total Receipts	26,812.00	-
Expenditures		
Capital Projects		
Contractual Services	8,784.98	-
Capital Outlay	103,683.94	-
Total Expenditures	112,468.92	-
Receipts Over(Under) Expenditures	(85,656.92)	-
Unencumbered Cash, Beginning	85,656.92	-
Unencumbered Cash, Ending	\$ -	\$ -

**CITY OF OSAWATOMIE, KANSAS**  
**CAPITAL IMPROVEMENTS TECHNOLOGY FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Technology Fees	\$ 37,200.46	\$ 37,203.22
Operating Transfer from		
Public Safety Equipment	29,000.00	13,524.00
Total Receipts	66,200.46	50,727.22
Expenditures		
Capital Projects		
Capital Outlay	3,125.00	-
Debt Service		
Principal	59,820.63	54,906.44
Interest	5,217.74	963.16
Total Expenditures	68,163.37	55,869.60
Receipts Over(Under) Expenditures	(1,962.91)	(5,142.38)
Unencumbered Cash, Beginning	30,812.78	28,849.87
Unencumbered Cash, Ending	\$ 28,849.87	\$ 23,707.49

**CITY OF OSAWATOMIE, KANSAS**  
**PUBLIC SAFETY EQUIPMENT FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Tax	\$ 23,464.57	\$ 23,579.76	\$ 24,745.00	\$ (1,165.24)
Delinquent Tax	942.21	1,226.84	1,209.00	17.84
Motor Vehicle Tax	2,574.50	2,095.83	1,901.00	194.83
Recreational Vehicle Tax	48.35	32.70	30.00	2.70
16/20M Vehicle Tax	5.90	9.51	31.00	(21.49)
Commercial Vehicle Tax	18.71	21.19	-	21.19
Neighborhood Revitalization	-	(94.46)	-	(94.46)
Sales Tax	-	98,911.92	100,115.00	(1,203.08)
Intergovernmental				
State Grant Proceeds	46,500.00	-	-	-
Local Grant Proceeds	-	-	15,100.00	(15,100.00)
Use of Money and Property				
Bond Proceeds	-	85,000.00	85,000.00	-
Other Receipts				
Reimbursed Expense	400.00	762.50	763.00	(0.50)
Miscellaneous	-	9,360.00	9,359.00	1.00
Total Receipts	73,954.24	220,905.79	\$ 238,253.00	\$ (17,347.21)
Expenditures				
General Government				
Contractual	-	621.27	\$ 828.00	\$ (206.73)
Commodities	111.11	-	-	-
Capital Outlay	36,492.92	61,557.16	47,474.00	14,083.16
Debt Services				
Principal	32,480.08	46,079.49	61,079.00	(14,999.51)
Interest	7,484.99	3,054.35	3,054.00	0.35
Operating Transfer to				
Capital Improvements				
Technology Fund	29,000.00	13,524.00	13,524.00	-
Total Expenditures	105,569.10	124,836.27	\$ 125,959.00	\$ (1,122.73)
Receipts Over(Under) Expenditures	(31,614.86)	96,069.52		
Unencumbered Cash, Beginning	33,085.84	1,470.98		
Unencumbered Cash, Ending	\$ 1,470.98	\$ 97,540.50		

**CITY OF OSAWATOMIE, KANSAS**  
**AMERICAN RESCUE PLAN ACT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	\$ 326,888.80	\$ 326,888.60
Total Receipts	326,888.80	326,888.60
Expenditures		
General Government		
Personal Services	-	252,900.77
Contractual Services	-	360,876.73
Commodities	-	39,999.90
Total Expenditures	-	653,777.40
Receipts Over(Under) Expenditures	326,888.80	(326,888.80)
Unencumbered Cash, Beginning	-	326,888.80
Unencumbered Cash, Ending	\$ 326,888.80	\$ -

**CITY OF OSAWATOMIE, KANSAS**  
**ELECTRIC GENERATION BOND ACCOUNT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Use of Money and Property		
Interest	\$ 2.17	\$ 353.37
Total Receipts	<u>2.17</u>	<u>353.37</u>
Expenditures		
Capital Projects		
Capital Outlay	<u>45,620.00</u>	<u>33,648.23</u>
Total Expenditures	<u>45,620.00</u>	<u>33,648.23</u>
Receipts Over(Under) Expenditures	(45,617.83)	(33,294.86)
Unencumbered Cash, Beginning	<u>78,912.69</u>	<u>33,294.86</u>
Unencumbered Cash, Ending	<u>\$ 33,294.86</u>	<u>\$ -</u>

**CITY OF OSAWATOMIE, KANSAS**  
**GENERAL OBLIGATION BOND AND INTEREST FUND**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 404,642.60	\$ 809,010.79	\$ 849,145.00	\$ (40,134.21)
Delinquent Tax	16,210.60	21,675.91	25,000.00	(3,324.09)
Motor Vehicle Tax	44,849.84	36,350.73	40,000.00	(3,649.27)
Recreational Vehicle Tax	845.10	566.58	600.00	(33.42)
16/20M Vehicle Tax	98.34	167.76	200.00	(32.24)
Commercial Vehicle Tax	329.57	365.44	300.00	65.44
Neighborhood Revitalization	-	(3,397.48)	-	(3,397.48)
Use of Money and Property				
Bond Proceeds	-	-	190,278.00	(190,278.00)
Operating Transfers from:				
Sewer Utility Fund	325,000.00	131,250.00	175,000.00	(43,750.00)
Water Utility Fund	126,500.00	94,500.00	126,000.00	(31,500.00)
Total Receipts	918,476.05	1,090,489.73	\$ 1,406,523.00	\$ (316,033.27)
Expenditures				
Debt Service				
Bond Principal	510,000.00	520,000.00	\$ 925,000.00	\$ (405,000.00)
Bond Interest	269,035.00	397,949.71	345,000.00	52,949.71
Commissions and Postage	1,100.00	2,801.25	45,000.00	(42,198.75)
Other				
Cash Basis Reserve	-	-	85,000.00	(85,000.00)
Total Expenditures	780,135.00	920,750.96	\$ 1,400,000.00	\$ (479,249.04)
Receipts Over(Under) Expenditures	138,341.05	169,738.77		
Unencumbered Cash, Beginning	171,563.65	309,904.70		
Unencumbered Cash, Ending	\$ 309,904.70	\$ 479,643.47		

**CITY OF OSAWATOMIE, KANSAS**  
**ELECTRIC UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Electric Charges	\$ 3,557,428.82	\$ 4,083,634.38	\$ 4,192,132.00	\$ (108,497.62)
Sales Tax	126,866.85	155,662.92	155,941.00	(278.08)
Utility Deposits	(100.00)	-	-	-
Late Fees	60,035.07	65,121.33	64,431.00	690.33
Other Charges	67,960.20	51,069.68	-	51,069.68
Use of Money and Property				
Interest Income	1,229.10	205.12	123.00	82.12
Sale of Assets	21,500.00	19,574.30	26,099.00	(6,524.70)
Loan Proceeds	700,000.00	-	-	-
No Fund Warrants	400,000.00	-	-	-
Other Receipts				
Miscellaneous	529.87	2,969.85	4,587.00	(1,617.15)
Reimbursed Expense	45,410.51	38,393.79	46,359.00	(7,965.21)
Total Receipts	4,980,860.42	4,416,631.37	\$ 4,489,672.00	\$ (73,040.63)
Expenditures				
Administration				
Personal Services	-	185,594.73	\$ 60,594.00	\$ 125,000.73
Contractual Services	307,068.83	312,814.83	348,251.00	(35,436.17)
Commodities	138.06	575.00	1,000.00	(425.00)
Capital Outlay	-	-	8,429.00	(8,429.00)
Electric Production				
Personal Services	66,948.73	28,574.44	81,219.00	(52,644.56)
Contractual Services	2,363,168.88	2,199,782.20	2,242,400.00	(42,617.80)
Commodities	45,977.19	18,232.16	38,330.00	(20,097.84)
Capital Outlay	724.11	-	-	-
Electric Distribution				
Personal Services	307,719.41	347,579.53	380,892.00	(33,312.47)
Contractual Services	77,681.37	39,636.75	59,402.00	(19,765.25)
Commodities	94,069.14	186,332.47	178,570.00	7,762.47
Capital Outlay	20,325.26	70,379.00	-	70,379.00
Debt Service				
Principal	474,580.05	122,337.35	47,257.00	75,080.35
Interest	1,815.38	6,847.65	-	6,847.65
Lease Purchase - Utility Equip	6,322.07	6,322.07	-	6,322.07



**CITY OF OSAWATOMIE, KANSAS**  
**ELECTRIC UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 387,000.00	\$ 120,237.00	\$ 260,316.00	\$ (140,079.00)
Electric Utility Debt				
Service Fund	450,000.01	450,000.00	350,000.00	100,000.00
Golf Course Fund	80,000.00	50,000.00	66,667.00	(16,667.00)
Special Parks and				
Recreation Fund	-	27,600.00	50,000.00	(22,400.00)
Employee Benefits Fund	67,500.00	26,500.00	-	26,500.00
Capital Improvements				
General Fund	75,000.00	-	-	-
Tourism Fund	10,000.00	-	-	-
Refuse Utility Fund	25,000.00	5,500.00	-	5,500.00
Total Certified Budget			4,173,327.00	31,518.18
Adjustments for Qualifying				
Budget Credits			38,393.79	(38,393.79)
Total Expenditures	4,861,038.49	4,204,845.18	\$ 4,211,720.79	\$ (6,875.61)
Receipts Over(Under) Expenditures	119,821.93	211,786.19		
Unencumbered Cash, Beginning	358,791.24	478,613.17		
Unencumbered Cash, Ending	\$ 478,613.17	\$ 690,399.36		

**CITY OF OSAWATOMIE, KANSAS**  
**ELECTRIC UTILITY DEBT SERVICE FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from Electric Utility Fund	\$ 450,000.01	\$ 450,000.00	\$ 450,000.00	\$ -
Total Receipts	450,000.01	450,000.00	\$ 450,000.00	\$ -
Expenditures				
Debt Service				
Bond Principal	260,000.00	270,000.00	\$ 435,638.00	\$ (165,638.00)
Bond Interest	175,350.00	83,125.00	180,000.00	(96,875.00)
Commissions and Postage	2.50	1.25	-	1.25
Total Expenditures	435,352.50	353,126.25	\$ 615,638.00	\$ (262,511.75)
Receipts Over(Under) Expenditures	14,647.51	96,873.75		
Unencumbered Cash, Beginning	149,987.22	164,634.73		
Unencumbered Cash, Ending	\$ 164,634.73	\$ 261,508.48		

**CITY OF OSAWATOMIE, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 974,685.37	\$ 1,171,031.97	\$ 1,064,000.00	\$ 107,031.97
Sales Tax	123.82	5.20	150.00	(144.80)
Late Fees	11,947.24	14,015.16	3,350.00	10,665.16
Other Charges	10,700.09	13,839.77	11,000.00	2,839.77
Use of Money and Property				
Rental Income	24,790.44	6,000.00	-	6,000.00
Sale of Assets	7,130.00	-	-	-
Other Receipts				
Reimbursed Expense	7,979.18	2,043.26	1,050.00	993.26
Total Receipts	1,037,356.14	1,206,935.36	\$ 1,079,550.00	\$ 127,385.36
Expenditures				
Administration				
Personal Services	-	182,359.33	\$ 80,373.00	\$ 101,986.33
Contractual Services	25,919.15	31,275.73	39,724.00	(8,448.27)
Commodities	-	-	1,000.00	(1,000.00)
Water Treatment				
Personal Services	181,255.33	291,647.28	208,205.00	83,442.28
Contractual Services	187,996.20	96,395.99	195,461.00	(99,065.01)
Commodities	144,049.70	182,758.47	124,950.00	57,808.47
Capital Outlay	3,637.89	-	-	-
Water Distribution				
Personal Services	127,648.94	112,243.01	166,537.00	(54,293.99)
Contractual Services	24,946.61	29,954.92	36,300.00	(6,345.08)
Commodities	69,830.09	126,408.71	81,450.00	44,958.71
Capital Outlay	1,615.00	-	-	-

**CITY OF OSAWATOMIE, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 176,000.00	\$ 12,250.00	\$ 90,000.00	\$ (77,750.00)
General Obligation Bond and Interest Fund	126,500.00	94,500.00	126,000.00	(31,500.00)
Employee Benefits Fund	54,945.00	60,000.00	65,000.00	(5,000.00)
Cash Basis Reserve	-	-	85,000.00	(85,000.00)
Total Expenditures	1,124,343.91	1,219,793.44	\$ 1,300,000.00	\$ (80,206.56)
Receipts Over(Under) Expenditures	(86,987.77)	(12,858.08)		
Unencumbered Cash, Beginning	142,935.83	55,948.06		
Unencumbered Cash, Ending	\$ 55,948.06	\$ 43,089.98		

**CITY OF OSAWATOMIE, KANSAS**  
**REFUSE UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Refuse Fees	\$ 348,072.66	\$ 369,156.84	\$ 480,000.00	\$ (110,843.16)
Other Receipts				
Miscellaneous	2,190.00	3,709.95	-	3,709.95
Operating Transfer from:				
Electric Utility Fund	25,000.00	5,500.00	-	5,500.00
Total Receipts	375,262.66	378,366.79	\$ 480,000.00	\$ (101,633.21)
Expenditures				
Collections				
Contractual Services	375,804.76	379,412.78	\$ 480,000.00	\$ (100,587.22)
Total Expenditures	375,804.76	379,412.78	\$ 480,000.00	\$ (100,587.22)
Receipts Over(Under) Expenditures	(542.10)	(1,045.99)		
Unencumbered Cash, Beginning	1,764.06	1,221.96		
Unencumbered Cash, Ending	\$ 1,221.96	\$ 175.97		

**CITY OF OSAWATOMIE, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Sewer Charges	\$ 951,583.30	\$ 971,782.11	\$ 965,809.00	\$ 5,973.11
Late Fees	14,071.75	13,528.73	-	13,528.73
Other Charges	-	1,500.00	-	1,500.00
Use of Money and Property				
Loan Proceeds	-	346,000.00	346,000.00	-
Other Receipts				
Reimbursed Expense	2,351.12	554.88	74.00	480.88
Total Receipts	968,006.17	1,333,365.72	\$ 1,311,883.00	\$ 21,482.72
Expenditures				
Collections				
Personal Services	18,873.90	74,220.44	\$ 47,179.00	\$ 27,041.44
Contractual Services	45,884.09	25,259.53	58,513.00	(33,253.47)
Commodities	12,210.57	-	10,200.00	(10,200.00)
Capital Outlay	63,628.00	-	-	-
Administration				
Personal Services	38,661.07	81,511.46	\$ 128,055.00	(46,543.54)
Contractual Services	32,652.78	46,048.48	38,642.00	7,406.48
Commodities	-	-	2,800.00	(2,800.00)
Capital Outlay	1,615.00	-	-	-
Operations				
Personal Services	48,743.27	96,681.06	76,477.00	20,204.06
Contractual Services	79,417.78	126,994.04	112,955.00	14,039.04
Commodities	19,594.81	33,074.38	32,643.00	431.38
Debt Service				
Principal Payments	101,134.63	485,508.16	421,000.00	64,508.16
Interest Payments	27,366.99	3,542.17	68,050.00	(64,507.83)
Service Fee	2,651.84	-	-	-

**CITY OF OSAWATOMIE, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2022

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2021)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 145,000.00	\$ 57,750.00	\$ 77,000.00	\$ (19,250.00)
Capital Improvements				
Sewer Fund	75,000.00	-	-	-
Employee Benefits Fund	35,000.00	60,000.00	-	60,000.00
General Obligation				
Bond and Interest Fund	325,000.00	131,250.00	175,000.00	(43,750.00)
Total Expenditures	1,072,434.73	1,221,839.72	<u>\$ 1,248,514.00</u>	<u>\$ (26,674.28)</u>
Receipts Over(Under) Expenditures	(104,428.56)	111,526.00		
Unencumbered Cash, Beginning	194,766.35	90,337.79		
Unencumbered Cash, Ending	<u>\$ 90,337.79</u>	<u>\$ 201,863.79</u>		

**CITY OF OSAWATOMIE, KANSAS**  
**AGENCY FUNDS**  
Schedule of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended December 31, 2022

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Cafeteria 125	\$ 88,906.32	\$ 14,839.92	\$ 21,397.47	\$ 82,348.77
Court ADSAP	7,401.00	-	-	7,401.00
Court Bonds	21,890.08	38,518.00	36,133.00	24,275.08
Evidence Liability	12,899.79	-	-	12,899.79
Fire Department Account	433.07	-	-	433.07
Forfeiture	26,466.76	912.75	4,713.93	22,665.58
Mayor's Christmas Tree Fund	2,780.01	-	2,350.00	430.01
PayPal Donations	13,637.46	15,427.21	-	29,064.67
Rural Fire	1,385.00	-	8,806.70	(7,421.70)
	<u>\$ 175,799.49</u>	<u>\$ 69,697.88</u>	<u>\$ 73,401.10</u>	<u>\$ 172,096.27</u>



# CITY OF OSAWATOMIE, KANSAS

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Provided to Sub-Recipients	Cash Receipts	Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Passed through the Kansas Department of Commerce Community Development Block Grant	21-PF-027	14.228	\$ -	\$ -	\$ 185,459.89
Total U.S. Department of Housing and Urban Development			-	-	185,459.89
<b><u>U.S. Department of the Treasury</u></b>					
Passed through Kansas Department of Administration: Coronavirus State and Local Fiscal Recovery Funds - COVID - 19	Not assigned	21.027	-	326,888.60	653,777.40
Passed through Miami County, Kansas Coronavirus State and Local Fiscal Recovery Funds - COVID - 19	Not assigned	21.027	-	250,000.30	192,752.19
		Total 21.027	-	576,888.90	846,529.59
Total U.S. Department of the Treasury			-	576,888.90	846,529.59
Total Expenditures of Federal Awards			\$ -	\$ 576,888.90	\$ 1,031,989.48

### NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Osawatomie, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

### NOTE B -- INDIRECT COSTS

The City of Osawatomie, Kansas did not elect to use the 10% de minimis cost rate.

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and City Council  
City of Osawatomie, Kansas

We 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 City of Osawatomie, Kansas, as of and for the year ended December 31, 2022, and the related notes to the financial statement, which collectively comprise the City of Osawatomie, Kansas' basic financial statement, and have issued our report thereon dated May 19, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered City of Osawatomie, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of City of Osawatomie, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Osawatomie, Kansas' 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 district's financial statement 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.

Our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Osawatomie, Kansas' financial statement is free from material misstatement, we 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 our 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.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
May 19, 2023

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

Honorable Mayor and City Council  
City of Osawatomie, Kansas

**Report on Compliance for Each Major Federal Program**  
***Opinion on Each Major Federal Program***

We have audited City of Osawatomie, Kansas' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Osawatomie, Kansas' major federal programs for the year ended December 31, 2022. City of Osawatomie, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Osawatomie, Kansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Osawatomie, Kansas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Osawatomie, Kansas' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Osawatomie, Kansas' federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Osawatomie, Kansas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Osawatomie, Kansas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Osawatomie, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Osawatomie, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Osawatomie, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
May 19, 2023

**CITY OF OSAWATOMIE, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statement:**

The auditor's report expresses an adverse opinion on the basic financial statement of City of Osawatomie, Kansas on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified?	_____	Yes	<u>  X  </u>	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u>  X  </u>	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified?	_____	Yes	<u>  X  </u>	None Reported

The auditor's report on compliance for the major federal award programs for City of Osawatomie, Kansas expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	<u>  X  </u>	No
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Identification of major programs:

**U.S. DEPARTMENT OF THE TREASURY**

Coronavirus State and Local Fiscal  
Recovery Funds

CFDA No. 21.027

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	<u>  X  </u>	No
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**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**CITY OF OSAWATOMIE, KANSAS**

Schedule of Prior Audit Findings  
For the Year Ended December 31, 2022

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NONE





**Osawatomie**  
KANSAS

## Public Service Application

(one application per committee)

Name: Elizabeth Holmes  
Physical Address: 317 Parker Ave  
Mailing Address (if different): \_\_\_\_\_  
City, State, Zip: Osawatomie KS 66064  
Cell: 913-909-2807 Work: \_\_\_\_\_ E-Mail: lizziemorri@gmail.com  
Place of Employment: Farmers Trs. Claims Position: Virtual customer service rep  
Product or services rendered by employer: Claims status customer service  
Brief description of job duties/responsibilities: Customers chat in with claims questions and we review the claims, adj decisions and relay what we can legally.  
Spouse's place of employment: N/A Position: \_\_\_\_\_  
Product or Service rendered by spouse's employer: \_\_\_\_\_

Committee, Board, Commission, Task Force or other position to which you wish to be appointed:

Library Board

Why do you wish to serve in this position? I love libraries and all that they stand for and all of their capacities to the community. IF I'd gone to college instead of the A.F. I would have been a librarian!

Have you served on any other board, committee, commission or in an elected position with the City? If yes, please state your experience as a member: Arts Commission

Do you or your spouse have any monetary interest, direct or indirect, in any pending or incomplete transaction or contract to which the City is, or is to be, a party? If yes, please explain: None at all

By signing below, I understand that the above information I have voluntarily provided is to be used solely for the purpose of the background check. I do hereby affirm that I am currently a registered voter in the city of Osawatomie, Kansas. I reside in Ward No. 1.

Signature

Date

### PLEASE RETURN TO CITY OFFICES

439 Main Street

PO Box 37, Osawatomie, KS 66064

[info@osawatomieks.org](mailto:info@osawatomieks.org)

--- OFFICE USE ONLY ---		
Received: _____	Council Approval Date: _____	Letter of Approval: _____
Scanned: _____	Term Expiration Date: _____	Letter of Non-Approval: _____

5/1/2021



City of  
Osawatomie

## Public Service Application

(one application per committee)

Name: Chris Newport  
 Physical Address: 412 11th St.  
 Mailing Address (if different): \_\_\_\_\_  
 City, State, Zip: Osawatomie  
 Cell: 913-731-3402 Work: 755-2191 E-Mail: newport@usd367.org  
 Place of Employment: OHS Position: ELA Teacher  
 Product or services rendered by employer: \_\_\_\_\_  
 Brief description of job duties/responsibilities: \_\_\_\_\_  
 \_\_\_\_\_  
 Spouse's place of employment: Retired Position: \_\_\_\_\_  
 Product or Service rendered by spouse's employer: \_\_\_\_\_

Committee, Board, Commission, Task Force or other position to which you wish to be appointed:

Library Board

Why do you wish to serve in this position? To help Morgan!

Have you served on any other board, committee, commission or in an elected position with the City? If yes, please state your experience as a member: \_\_\_\_\_

Do you or your spouse have any monetary interest, direct or indirect, in any pending or incomplete transaction or contract to which the City is, or is to be, a party? If yes, please explain: \_\_\_\_\_

By signing below, I understand that the above information I have voluntarily provided is to be used solely for the purpose of the background check. I do hereby affirm that I am currently a registered voter in the city of Osawatomie, Kansas. I reside in Ward No. \_\_\_\_\_.

Chris Newport  
 Signature

4-17-2023  
 Date

PLEASE RETURN TO CITY CLERK

PO Box 37, Osawatomie, KS 66064

439 Main Street

[ozcity@osawatomieks.org](mailto:ozcity@osawatomieks.org)

Received: \_\_\_\_\_  
 Sent: \_\_\_\_\_

Official Approval Date: \_\_\_\_\_  
 Time Registration Date: \_\_\_\_\_

Letter of Approval: \_\_\_\_\_  
 Letter of Non-Approval: \_\_\_\_\_



City of  
Osawatomie

## Public Service Application

(one application per committee)

Name: DOUGLAS SINGEL  
 Physical Address: 1635 MAIN STREET  
 Mailing Address (if different): SAME  
 City, State, Zip: OSAWATOMIE KS 66064  
 Cell: 913-449-7922 Work: SAME E-Mail: dougsingel@yahoo.com  
 Place of Employment: SINGER CONST. Position: OWNER  
 Product or services rendered by employer: RESIDENTIAL CONST. & SERVICES  
 Brief description of job duties/responsibilities: REMODEL, DECK, CONST. SERVICES  
 Spouse's place of employment: N/A Position:   
 Product or Service rendered by spouse's employer: N/A

Committee, Board, Commission, Task Force or other position to which you wish to be appointed:

LIBRARY BOARD  
 Why do you wish to serve in this position? TO PROMOTE, ENHANCE AND  
OVERSEE THE FUNCTION OF OUR PUBLIC LIBRARY  
SYSTEM

Have you served on any other board, committee, commission or in an elected position with the City? If yes, please state your experience as a member: I SERVED ON PLANNING & ZONING

EXPERIENCE WAS SATISFYING & FULFILLING  
 Do you or your spouse have any monetary interest, direct or indirect, in any pending or incomplete transaction or contract to which the City is, or is to be, a party? If yes, please explain: ABSOLUTELY NOT

By signing below, I understand that the above information I have voluntarily provided is to be used solely for the purpose of the background check. I do hereby affirm that I am currently a registered voter in the city of Osawatomie, Kansas. I reside in Ward No. \_\_\_\_\_

Douglas Singel  
 Signature

4/16/2023  
 Date

PLEASE RETURN TO CITY CLERK

439 Main Street

PO Box 37, Osawatomie, KS 66064

ozcity@osawatomieks.org

— OFFICIAL USE ONLY —			
Submitted:	Committee Approval Date:	Letter of Approval:	
Received:	Term Expiration Date:	Letter of Non-Approval:	

5-17-2021



<b>ACTION ITEM SUMMARY</b>	Item Number:	9.C.
	Date:	May 4, 2023
Deputy City Manager	From:	Bret Glendening

**RE:** Resolution 1139 – Authorizing Offering for Sale Temporary Notes for Trails, Water Project & 6<sup>th</sup> Street

**RECOMMENDATION:** That the City Council approve Resolution 1139

**DETAILS:** The council has previously approved resolutions authorizing the issuance of Temporary Notes for the following projects: The John Brown & South Levee Loop Trail project funded largely by KDOT Transportation Alternative grant dollars; water line replacements along Brown Avenue and 6<sup>th</sup> Street funded in part by USDA-RD grant and loan, and the 6<sup>th</sup> Street project which is funded partially with a KDOT Cost Share grant.

This resolution authorizes offering at competitive public sale, the temporary note issue to interested parties (banks). This is the same process we went through in 2022 when we issued the Pave the Way bonds.

Related Statute / City Ordinances	Multiple Pave the Way & Street Improvement Ordinances & Resolutions, as well as KDOT-TA resolutions & water project resolutions
Line-Item Code/Description	N/A
Available Budget:	~\$2M in debt is being retired in 2023.

**EXCERPT OF MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF OSAWATOMIE, KANSAS  
HELD ON MAY 25, 2023**

The City Council (the "Governing Body") met in regular session at the usual meeting place in the City at 6:30 P.M., the following members being present and participating, to-wit:

Absent:

The Mayor declared that a quorum was present and called the meeting to order.

\* \* \* \* \*

(Other Proceedings)

The matter of providing for the offering for sale of General Obligation Notes, Series 2023-1, came on for consideration and was discussed.

Councilmember \_\_\_\_\_ presented and moved the adoption of a Resolution entitled:

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL  
OBLIGATION NOTES, SERIES 2023-1, OF THE CITY OF OSAWATOMIE,  
KANSAS.**

Councilmember \_\_\_\_\_ seconded the motion to adopt the Resolution. The Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: \_\_\_\_\_.

Nay: \_\_\_\_\_.

The Mayor declared the Resolution duly adopted by the Governing Body and the Clerk designated the same Resolution No. \_\_\_\_.

\* \* \* \* \*

(Other Proceedings)

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## CERTIFICATE

I hereby certify that the foregoing Excerpt of Minutes is a true and correct excerpt of the proceedings of the Governing Body of the City of Osawatomie, Kansas, held on the date stated therein, and that the official minutes of such proceedings are on file in my office.

(SEAL)

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Clerk

**RESOLUTION NO. 1139**

**A RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION NOTES, SERIES 2023-1, OF THE CITY OF OSAWATOMIE, KANSAS.**

**WHEREAS**, the City of Osawatomie, Kansas (the “Issuer”), has previously authorized certain improvements described as follows (collectively the “Improvements”):

<b><u>Project Description</u></b>	<b><u>Ord./Res. No.</u></b>	<b><u>Authority (K.S.A.)</u></b>	<b><u>Amount*</u></b>
Water System Improvements	1111	65-163d <i>et seq.</i>	\$2,500,000
		Kan. Const. Art. 12, § 5;	
City Trail Project	3824	K.S.A. 12-101	1,683,847
Main Trafficway Improvements	1136	12-685 <i>et seq.</i>	<u>2,500,000</u>
<b>Total:</b>			<b><u>\$6,683,847</u></b>

\*Exclusive of capitalized interest and costs of issuance

**WHEREAS**, the Issuer is authorized by law to issue general obligation bonds to pay the costs of the Improvements; and

**WHEREAS**, it is necessary for the Issuer to provide cash funds (from time to time) to meet its obligations incurred in constructing the Improvements prior to the completion thereof and the issuance of the Issuer's general obligation bonds, and it is desirable and in the interest of the Issuer that such funds be raised by the issuance of temporary notes of the Issuer; and

**WHEREAS**, the City Council of the Issuer (the “Governing Body”) has selected the firm of Ehlers Municipal Advisors, (the “Municipal Advisor”), as municipal advisor for one or more series of temporary notes of the Issuer in order to provide funds to temporarily finance the Improvements; and

**WHEREAS**, the Issuer desires to authorize the Municipal Advisor to proceed with the offering for sale of the temporary notes and related activities; and

**WHEREAS**, one of the duties and responsibilities of the Issuer is to prepare and distribute a preliminary official statement relating to the temporary notes; and

**WHEREAS**, the Issuer desires to authorize the Municipal Advisor and Gilmore & Bell, P.C., Wichita, Kansas, the Issuer’s bond counsel (“Bond Counsel”), in conjunction with the Clerk and such other city officials as are necessary, to proceed with the preparation and distribution of a preliminary official statement and notice of note sale and to authorize the distribution thereof and all other preliminary action necessary to sell the temporary notes.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OSAWATOMIE, KANSAS, AS FOLLOWS:**

**Section 1.** The Issuer is hereby authorized to offer at competitive public sale the Issuer’s General Obligation Notes, Series 2023-1 (the “Notes”) as described in the Notice of Note Sale, which is hereby approved in substantially the form presented to the Governing Body this date (the “Notice of Note

Sale”). All proposals for the purchase of the Notes shall be delivered to the Governing Body at its meeting to be held on the sale date referenced in the Notice of Note Sale, at which meeting the Governing Body shall review such bids and award the sale of the Notes or reject all proposals.

**Section 2.** The Mayor and Clerk, in conjunction with the Municipal Advisor and Bond Counsel, are hereby authorized to cause to be prepared a Preliminary Official Statement relating to the Notes (the “Preliminary Official Statement”), and such officials and other representatives of the Issuer are hereby authorized to use such document in connection with the sale of the Notes.

**Section 3.** For the purpose of enabling the purchaser of the Notes (the “Purchaser”) to comply with the requirements of Rule 15c2-12 of the Securities Exchange Commission (the “Rule”), the Mayor and Clerk are hereby authorized: (a) to approve the form of the Preliminary Official Statement and to execute the “Certificate Deeming Preliminary Official Statement Final” in substantially the form attached hereto as ***Exhibit A*** as approval of the Preliminary Official Statement, such official's signature thereon being conclusive evidence of such official's and the Issuer's approval thereof; (b) covenant to provide continuous secondary market disclosure by annually transmitting certain financial information and operating data and other information necessary to comply with the Rule to the Municipal Securities Rulemaking Board; and (c) take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the Purchaser to comply with the requirement of the Rule.

**Section 4.** The Issuer agrees to provide to the Purchaser within seven business days of the date of the sale of Notes or within sufficient time to accompany any confirmation that requests payment from any customer of the Purchaser, whichever is earlier, sufficient copies of the final Official Statement to enable the Purchaser to comply with the requirements of the Rule and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

**Section 5.** The Mayor, Clerk, and the other officers and representatives of the Issuer, the Municipal Advisor and Bond Counsel are hereby authorized and directed to take such other action as may be necessary to carry out the sale of the Notes.

The transactions described in this Resolution may be conducted, and documents related to the Notes may be sent, received, executed, and stored, by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 6.** This Resolution shall be in full force and effect from and after its adoption.

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**ADOPTED** by the City Council on May 25, 2023.

(SEAL)

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Mayor

ATTEST:

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Clerk

***EXHIBIT A***

**CERTIFICATE DEEMING  
PRELIMINARY OFFICIAL STATEMENT FINAL**

\_\_\_\_\_, 2023

Re: \$7,380,000\* City of Osawatomie, Kansas, General Obligation Notes, Series 2023-1

The undersigned are the duly acting Mayor and Clerk of the City of Osawatomie, Kansas (the “Issuer”), and are authorized to deliver this Certificate to the purchaser (the “Purchaser”) of the above-referenced notes (the “Notes”) on behalf of the Issuer. The Issuer has previously caused to be delivered to the Purchaser copies of the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the Notes.

For the purpose of enabling the Purchaser to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “Rule”), the Issuer hereby deems the information regarding the Issuer contained in the Preliminary Official Statement to be final as of its date, except for the omission of such information as is permitted by the Rule, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal per maturity, delivery dates, ratings, identity of the underwriters and other terms of the Notes depending on such matters.

**CITY OF OSAWATOMIE, KANSAS**

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: Clerk

**NOTICE OF NOTE SALE**

**\$7,380,000\***

**CITY OF OSAWATOMIE, KANSAS**

**GENERAL OBLIGATION NOTES  
SERIES 2023-1**

(GENERAL OBLIGATION NOTES PAYABLE  
FROM UNLIMITED AD VALOREM TAXES)

**Bids.** Electronic bids (as explained below) bids for the purchase of the above-referenced temporary notes (the “Notes”) of the City of Osawatomie, Kansas (the “Issuer”) herein described will be received on behalf of the undersigned Clerk of the Issuer via PARITY<sup>®</sup>, until 10:00 A.M. applicable Central Time (the “Submittal Hour”), on

**JUNE 22, 2023**

(the “Sale Date”). All bids will be publicly evaluated at said time and place and the award of the Notes to the successful bidder (the “Successful Bidder”) will be acted upon by the City Council of the Issuer (the “Governing Body”) at its meeting to be held at 6:30 p.m. on the Sale Date. No other written, emailed or facsimile bids will be considered. Capitalized terms not otherwise defined herein shall have the meanings set forth in the hereinafter referenced Preliminary Official Statement relating to the Notes.

**Terms of the Notes.** The Notes will consist of fully registered notes in the denomination of \$5,000 or any integral multiple thereof (the “Authorized Denomination”). The Notes will be dated July 12, 2023 (the “Dated Date”), and will become due in principal installments on March 1, in the years as follows:

<b>Stated Maturity</b>	<b>Principal</b>
<b><u>(March 1)</u></b>	<b><u>Amount*</u></b>
2025	\$2,655,000
2026	1,870,000
2027	2,855,000

The Notes will bear interest from the Dated Date at rates to be determined when the Notes are sold as hereinafter provided, which interest will be payable semiannually on March 1 and September 1 in each year, beginning on March 1, 2024 (the “Interest Payment Dates”).

**\* Adjustment of Issue Size.** The Issuer reserves the right to increase or decrease the total principal amount of the Notes or the schedule of principal payments described above, depending on the purchase price and interest rates bid and the offering prices specified by the Successful Bidder. The Successful Bidder may not withdraw its bid or change the interest rates bid as a result of any changes made to the principal amount of the Notes or schedule of principal payments as described herein. If there is an increase or decrease in the final aggregate principal amount of the Notes or the schedule of principal payments as described above, the Issuer will notify the Successful Bidder by means of telephone or facsimile transmission, subsequently confirmed in writing, no later than 2:00 p.m., applicable Central Time, on the

Sale Date. The actual purchase price for the Notes shall be calculated by applying the percentage of par value bid by the Successful Bidder against the final aggregate principal amount of the Notes, as adjusted, plus accrued interest from the Dated Date to the Closing Date (as hereinafter defined).

**Place of Payment.** The principal of and interest on the Notes will be payable in lawful money of the United States of America by check or draft of the Treasurer of the State of Kansas, Topeka, Kansas (the “Paying Agent” and “Note Registrar”). The principal of each Note will be payable at maturity or earlier redemption to the owners thereof whose names are on the registration books (the “Note Register”) of the Note Registrar (the “Registered Owner”) upon presentation and surrender at the principal office of the Paying Agent. Interest on each Note will be payable to the Registered Owner of such Note as of the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date (the “Record Date”): (a) mailed by the Paying Agent to the address of such Registered Owner as shown on the Note Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; or (b) in the case of an interest payment to Cede & Co. or any Registered Owner of \$500,000 or more in aggregate principal amount of Notes, by wire transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest, containing the wire transfer address to which such Registered Owner wishes to have such wire directed.

**Note Registration.** The Notes will be registered pursuant to a plan of registration approved by the Issuer and the Attorney General of the State of Kansas (the “State”). The Issuer will pay for the fees of the Note Registrar for registration and transfer of the Notes and will also pay for printing a reasonable supply of registered note blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, will be the responsibility of the Registered Owners.

**Book-Entry-Only System.** The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Notes. The Notes will initially be issued exclusively in “book entry” form and shall be initially registered in the name of Cede & Co., as the nominee of DTC and no beneficial owner will receive certificates representing their interests in the Notes. During the term of the Notes, so long as the book-entry-only system is continued, the Issuer will make payments of principal of, premium, if any, and interest on the Notes to DTC or its nominee as the Registered Owner of the Notes. DTC will make book-entry-only transfers among its participants and receive and transmit payment of principal of, premium, if any, and interest on the Notes to its participants who shall be responsible for transmitting payments to beneficial owners of the Notes in accordance with agreements between such participants and the beneficial owners. The Issuer will not be responsible for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. In the event that: (a) DTC determines not to continue to act as securities depository for the Notes, or (b) the Issuer determines that continuation of the book-entry-only form of evidence and transfer of ownership of the Notes would adversely affect the interests of the beneficial owners of the Notes, the Issuer will discontinue the book-entry-only form of registration with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause to be authenticated and delivered to the beneficial owners replacement Notes in the form of fully registered certificates. Reference is made to the Preliminary Official Statement for further information regarding the book-entry-only system of registration of the Notes and DTC.

### **Redemption of Notes Prior to Maturity.**

**General.** Whenever the Issuer is to select Notes for the purpose of redemption, it will, in the case of Notes in denominations greater than the minimum Authorized Denomination, if less than all of the Notes then outstanding are to be called for redemption, treat each minimum Authorized Denomination of face

value of each such fully registered Note as though it were a separate Note in the minimum Authorized Denomination.

**Optional Redemption.** At the option of the Issuer, the Notes will be subject to redemption and payment prior to maturity on March 1, 2025, and thereafter, as a whole or in part (selection of maturities and the amount of Notes of each maturity to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at any time, at the redemption price of 100% (expressed as a percentage of the principal amount), plus accrued interest to the date of redemption.

**Notice and Effect of Call for Redemption.** Unless waived by any owner of Notes to be redeemed, if the Issuer shall call any Notes for redemption and payment prior to the maturity thereof, the Issuer shall give written notice of its intention to call and pay said Notes to the Note Registrar and the Successful Bidder. In addition, the Issuer shall cause the Note Registrar to give written notice of redemption to the registered owners of said Notes. Each of said written notices shall be deposited in United States first class mail not less than 30 days prior to the Redemption Date. All notices of redemption shall state the Redemption Date, the redemption price, the Notes to be redeemed, the place of surrender of Notes so called for redemption and a statement of the effect of the redemption. The Issuer shall also give such additional notice as may be required by State law or regulation of the Securities and Exchange Commission in effect as of the date of such notice. If any Note be called for redemption and payment as aforesaid, all interest on such Note shall cease from and after the Redemption Date, provided funds are available for its payment at the price hereinbefore specified.

**Authority, Purpose and Security.** The Notes are being issued pursuant to the Constitution, particularly Art. 12 § 5 thereof, of the State of Kansas, K.S.A. 10-123, K.S.A. 12-101, K.S.A. 12-685 *et seq.*, and K.S.A. 65-163d *et seq.*, as amended, and a resolution adopted by the Governing Body (the “Note Resolution”) for the purpose of paying the cost of certain capital improvements (the “Improvements”). The Notes shall be general obligations of the Issuer payable as to both principal and interest from the proceeds of general obligation bonds of the Issuer, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Notes as the same become due.

**Submission of Bids.** All bids must be submitted using the PARITY® bidding platform and must be submitted in accordance with its Rules of Participation, as well as the provisions of this Notice of Note Sale. ***Any bid submitted shall include the initial offering prices to the public for each maturity of the Notes.*** If provisions of this Notice of Note Sale conflict with those of PARITY®, this Notice of Note Sale shall control. Bids must be received prior to the Submittal Hour on the Sale Date. The Issuer and Municipal Advisor shall not be responsible for failure of transmission of facsimile or delivery by mail or in person of any bid.

**PARITY®.** Information about the electronic bidding services of PARITY® may be obtained from i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Phone No. (212) 849-5023.

**Conditions of Bids.** Proposals will be received on the Notes bearing such rate or rates of interest as may be specified by the bidders, subject to the following conditions: (a) the same rate shall apply to all Notes of the same maturity year; (b) no interest rate may exceed a rate equal to the daily yield for the 10-year Treasury Bond published by ***THE BOND BUYER***, in New York, New York, on the Monday next preceding the day on which the Notes are sold, plus 3%; and (c) no supplemental interest payments will be considered. No bid shall be for less than [ ] % of the principal amount of the Notes and accrued interest thereon to the date of delivery will be considered. Each bid shall specify the total interest cost (expressed in dollars) during the term of the Notes on the basis of such bid, the discount, if any, the premium, if any,

offered by the bidder, the net interest cost (expressed in dollars) on the basis of such bid, and, and an estimate of the TIC (as hereinafter defined) on the basis of such bid. Each bidder shall certify to the Issuer the correctness of the information contained on the Official Bid Form; the Issuer will be entitled to rely on such certification. Each bidder agrees that, if it is awarded the Notes, it will provide the certification described under the caption “Establishment of Issue Price” in this Notice.

**Good Faith Deposit.** A good faith deposit is not required to bid on the Notes.

**Basis of Award.** The award of the Notes will be made on the basis of the lowest true interest cost (“TIC”), which will be determined as follows: the TIC is the discount rate (expressed as a per annum percentage rate) which, when used in computing the present value of all payments of principal and interest to be paid on the Notes, from the payment dates to the Dated Date, produces an amount equal to the price bid, including any adjustments for premium or discount, if any. Present value will be computed on the basis of semiannual compounding and a 360-day year of twelve 30-day months. Bidders are requested to provide a calculation of the TIC for the Notes on the Official Bid Form, computed as specified herein on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Issuer. The Municipal Advisor will verify the TIC based on such bids. If there is any discrepancy between the TIC specified and the bid price and interest rates specified, the specified bid price and interest rates shall govern and the TIC specified in the bid shall be adjusted accordingly. If two or more proper bids providing for identical amounts for the lowest TIC are received, the governing body of the Issuer will determine which bid, if any, will be accepted, and its determination is final.

The Issuer reserves the right to reject any and/or all bids and to waive any irregularities in a submitted bid. Any bid received after the Submittal Hour on the Sale Date will not be considered. Any disputes arising hereunder shall be governed by the laws of the State, and any party submitting a bid agrees to be subject to jurisdiction and venue of the federal and state courts within the State with regard to such dispute.

The Issuer’s acceptance of the Successful Bidder’s proposal for the purchase of the Notes in accordance with this Notice of Note Sale shall constitute a note purchase agreement between the Issuer and the Successful Bidder for purposes of the laws of the State and a contract between the Issuer and the Successful Bidder for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) and Rule G-32 of the Municipal Securities Rulemaking Board (“Rule G-32”). The method of acceptance shall be determined solely by the Governing Body.

**Ratings.** The outstanding general obligation bonds of the Issuer are rated “A+” by S&P Global Ratings, a division of S&P Global Inc. and “A3” (underlying) by Moody’s Investors Services. [The Issuer has **not** applied for a rating on the Notes herein offered for sale.]

**Optional Bond Insurance.** The Issuer has **not** applied for any policy of municipal bond insurance with respect to the Notes, and will not pay the premium in connection with any policy of municipal bond insurance desired by the Successful Bidder. In the event a bidder desires to purchase and pay all costs associated with the issuance of a policy of municipal bond insurance in connection with the Notes, such indication and the name of the desired insurer must be set forth on the bidder’s Official Bid Form, and shall specify all terms and conditions to which the Issuer will be required to agree in connection with the issuance of such insurance policy. The Issuer specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest net interest cost to the Issuer.

**CUSIP Numbers.** CUSIP identification numbers will be assigned and printed on the Notes, but neither the failure to print such number on any Note nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes in accordance with

the terms of this Notice. The Municipal Advisor will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. All expenses in relation to the assignment and printing of CUSIP numbers on the Notes will be paid by the Issuer.

**Delivery and Payment.** The Issuer will pay for printing the Notes and will deliver the Notes properly prepared, executed and registered without cost on or about **JULY 12, 2023** (the “Closing Date”), at DTC for the account of the Successful Bidder. The Successful Bidder will be furnished with a certified transcript of the proceedings evidencing the authorization and issuance of the Notes and the usual closing documents, including a certificate that there is no litigation pending or threatened at the time of delivery of the Notes affecting their validity and a certificate regarding the completeness and accuracy of the Official Statement. Payment for the Notes shall be made in federal reserve funds, immediately available for use by the Issuer. The Issuer will deliver one Note of each maturity registered in the nominee name of DTC.

### **Establishment of Issue Price.**

(a) In order to provide the Issuer with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively the “Code”), the Successful Bidder will be required to assist the Issuer in establishing the “issue price” of the Notes and complete, execute and deliver to the Issuer prior to the Closing Date, a written certification in a form acceptable to the Successful Bidder, the Issuer and Bond Counsel (the “Issue Price Certificate”) containing the following for each maturity of the Notes: (1) the interest rate; (2) the reasonably expected initial offering price to the “public” (as said term is used in Treasury Regulation Section 1.148-1(f) (the “Regulation”)) or the sale price; and (3) pricing wires or equivalent communications supporting such offering or sale price. However, such Issue Price Certificate may indicate that the Successful Bidder has purchased the Notes for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Notes for sale to the public. Any action to be taken or documentation to be received by the Issuer pursuant hereto may be taken or received by the Municipal Advisor or Bond Counsel on behalf of the Issuer.

(b) The Issuer intends that the sale of the Notes pursuant to this Notice shall constitute a “competitive sale” as defined in the Regulation. In support thereof: (1) the Issuer shall cause this Notice to be disseminated to potential bidders in a manner reasonably designed to reach potential bidders; (2) all bidders shall have an equal opportunity to submit a bid; (3) the Issuer reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Notes; and (4) the Issuer anticipates awarding the sale of the Notes to the bidder that provides a bid with the lowest TIC in accordance with the section hereof entitled “Basis of Award.”

(c) Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Notes as specified therein. The Successful Bidder shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its bid, the Successful Bidder confirms that it shall require any agreement among underwriters, a selling group agreement or other agreement to which it is a party relating to the initial sale of the Notes, to include provisions requiring compliance with provisions of the Code and the Regulation regarding the initial sale of the Notes.

(d) If all of the requirements of a “competitive sale” are not satisfied, the Issuer shall advise the Successful Bidder of such fact at the time of award of the sale of the Notes to the Successful Bidder and the following provisions shall apply to the Notes. ***In such event, any bid submitted will not be subject to cancellation or withdrawal.*** Within twenty-four (24) hours of the notice of award of the sale of the Notes, the Successful Bidder shall advise the Issuer if a “substantial amount” (as defined in the Regulation (10%)) of any maturity of the Notes has been sold to the public and the price at which such substantial amount was sold. The Issuer will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-

maturity basis. The Issuer will **not** require the Successful Bidder to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Successful Bidder may elect such option. If the Successful Bidder exercises such option, the Issuer will apply the initial offering price to the public provided in the bid as the issue price for such maturities. If the Successful Bidder does not exercise that option, it shall thereafter promptly provide the Issuer the prices at which a substantial amount of such maturities are sold to the public. ***Any change in the issue price of any of the Notes after the Submittal Hour will not affect the purchase price for the Notes submitted in the bid of the Successful Bidder.***

(e) This agreement by the Successful Bidder to provide such information will continue to apply after the Closing Time if: (a) the Issuer requests the information in connection with an audit or inquiry by the Internal Revenue Service (the “IRS”) or the Securities and Exchange Commission (the “SEC”) or (b) the information is required to be retained by the Issuer pursuant to future regulation or similar guidance from the IRS, the SEC or other federal or state regulatory authority.

**Preliminary Official Statement and Official Statement.** The Issuer has prepared a Preliminary Official Statement dated relating to the Notes, “deemed final” by the Issuer except for the omission of certain information as provided in the Rule, copies of which may be obtained from the Municipal Advisor. Upon the sale of the Notes, the Issuer will adopt the final Official Statement and will furnish the Successful Bidder, without cost, within seven business days of the acceptance of the Successful Bidder's proposal, with a sufficient number of copies thereof, which may be in electronic format, in order for the Successful Bidder to comply with the requirements of the Rule and Rule G-32. Additional copies may be ordered by the Successful Bidder at its expense.

**Continuing Disclosure.** In the Note Resolution, the Issuer has covenanted to annually provide certain financial information and operating data and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. This covenant is for the benefit of and is enforceable by any Registered Owner of the Notes. For further information, reference is made to the caption “CONTINUING DISCLOSURE” in the Preliminary Official Statement.

**Assessed Valuation and Indebtedness.** The total assessed valuation of the taxable tangible property within the Issuer for the year 2022 is as follows:

Equalized Assessed Valuation of	
Taxable Tangible Property .....	\$[_____]
Tangible Valuation of Motor Vehicles.....	[_____]
Equalized Assessed Tangible Valuation	
for Computation of Bonded Debt Limitations .....	\$[_____]

The total general obligation indebtedness of the Issuer as of the Dated Date, including the Notes being sold, is \$20,741,000.

**Legal Opinion.** The Notes will be sold subject to the approving legal opinion of GILMORE & BELL, P.C., WICHITA, KANSAS, Bond Counsel to the Issuer, which opinion will be furnished and paid for by the Issuer, will be printed on the Notes, if the Notes are printed, and will be delivered to the Successful Bidder when the Notes are delivered. Said opinion will also include the opinion of Bond Counsel relating to the interest on the Notes being excludable from gross income for federal income tax purposes and exempt from income taxation by the State of Kansas. Reference is made to the Preliminary Official Statement for further discussion of federal and Kansas income tax matters relating to the interest on the Notes.



**Electronic Transactions.** The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means or transmissions. All bid documents, closing documents, certificates, ordinances, resolutions and related instruments may be executed by electronic means or transmissions. Copies, telecopies, electronic files and other reproductions of original executed documents (or documents executed by electronic means or transmissions) shall be deemed to be authentic and valid counterparts of such documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Additional Information.** Additional information regarding the Notes may be obtained from the City or Municipal Advisor at the addresses set forth below:

**DATED: May 25, 2023.**

**CITY OF OSAWATOMIE, KANSAS**  
By: Tammy Seamands, Clerk

<b>Issuer</b>	<b>Municipal Advisor</b>
City of Osawatomie, Kansas	Ehlers Municipal Advisors
439 Main Street	3060 Centre Point Drive
Osawatomie, Kansas 66064	Roseville, Minnesota 55113
Attn: Tammy Seamands, Clerk	Attn: Bruce Kimmel
Phone No. (913) 755-2146	Phone No. (651) 697-8572
Email: <a href="mailto:tseamands@osawatomie.org">tseamands@osawatomie.org</a>	Email: <a href="mailto:bkimmel@ehlers-inc.com">bkimmel@ehlers-inc.com</a>



## CITY OF OSAWATOMIE

### DEPUTY CITY MANAGER'S REPORT ON OPERATIONS

May 25, 2023

#### **Water Treatment Plant Status:**

What we were told previously by KDHE regarding the Finding of No Significant Impact (FONSI) was not entirely accurate. In order to publish the FONSI, the Preliminary Engineering Report has to be approved first and that approval was just received on May 11. Now the FONSI can be published and the 30-day comment period will begin. We are still working towards securing the letter of conditions from USDA as well. These are the last couple of pieces that need to be in place in order to move forward with the financing.

#### **Wastewater Treatment Plant Status:**

We have two issues that the contractor needs to resolve before we will be ready to issue a certificate of substantial completion. First, the UV system was installed in accordance with the manufacturer's layout and not the engineer's layout which is what is written into the contract. That work is pending. Secondly, we are not going to accept the ferric chloride tank has a leak near the valve. This tank is insulated and heat traced (which is not necessary for our climate) so it is difficult to determine if the tank itself needs to be replaced. We want the tank replaced and that is what we are pushing the manufacturer to do. If you're curious, ferric chloride is used to remove impurities in the water and can also help in reducing odors. The contractor has provided us with a schedule and according to that schedule, we are looking at a

Our next issue will be to finish solving the inflow and infiltration (I&I) issue. BG Consultants issued an RFP for CCVT companies to bid to in order to identify sewer lines in the city that have not been part of the previous sewer main rehabilitation phases 1, 2 or 3. Unfortunately, we only received one bid, but they are the most reputable firm that provides this kind of service. Their price was \$110,250. This covers approximately 60,000 LF (<11 miles) of sewer mains. Once the Sewer Rate study is complete, we will be in a better position to make a recommendation as to what the best path forward is to address the balance of the collections system.

#### **Evergy Solar Array Development:**

At this point, the only remaining item to address is the land lease with Evergy. We have been working with Evergy to plan a groundbreaking ceremony which will be October 12. Additionally, we have set up monthly check in meetings with Evergy for the engineering and construction process. Construction is set to begin late this year/early next year with energization occurring in 2024 as well.

### **Levee Certification / Flood Insurance Rate Map Revisions – Status Update:**

The flood hazard determination notice was published in the Federal Register on April 3. Pending FEMA approval, the local notices will be published in the Miami County Republic on May 31 and June 7, which starts the 90-day appeal period.

Anyone who would like to view the current flood insurance rate maps can view them here:

<https://gis2.kda.ks.gov/gis/osawatomie/>

August 8, 2022	Kickoff Meeting
September 8, 2022	Provide Review Comments to Certification Data
November 29, 2022	Distribute Preliminary Flood Insurance Rate Maps (FIRMs)
January/February 2023	Community Coordination & Outreach (CCO) meetings
February 2023	End CCO Meetings
Spring 2023	Appeals Period (90 days from date of last publication)
Winter 2023	Letter of Final Determination
Summer 2024	Final FIRMs established and effective

### **2023 Street Improvements:**

As you probably saw, with the rain last week, we had a mess on Main St. Terrace. We have lost somewhere around four days or so due to weather. The excessively wet soil conditions are such that we needed to bring in a geotechnical engineer to make an assessment. That cost was approximately \$1,500. Unfortunately, the solution is not that cheap. In order to stabilize the base, geogrid needs to be laid down first, followed by AB3 in accordance with the design. Seventeen rolls of geogrid at approximately \$1,800/roll amounts to approximately \$30,000. We will have labor on top of that. We are going to have a fairly sizeable decrease in the cost of Walnut so these two will offset one another somewhat, but it will not be dollar for dollar.

Stormwater design on 6<sup>th</sup> Street continues as well, and as you are aware, we have held our second of four meetings earlier this evening on the project. The next meeting is scheduled for June 22<sup>nd</sup>. A fourth meeting will be held at the public library on a date that does not coincide with a council meeting. That meeting will be held at the Osawatomie Public Library and be from 6 to 7 pm.

So, in 2024, the only street that will get reconstructed will be 6<sup>th</sup> Street and we will need to design the streets around Osawatomie Middle School. The temporary note issue on May 11<sup>th</sup>'s council agenda will cover the local match portion of the construction of 6<sup>th</sup> street (\$2.0M) and hopefully leave us with about \$500,000 to complete design on the streets from Resolutions 1067 and 1104.

### **Extension of Electric Service to the Osawatomie State Hospital:**

City service to the Osawatomie State Hospital was completed at 11:30 a.m. on May 9, 2023.



May 25, 2023

## Assistant City Manager Project Updates

### **Kansas Government Journal Community Profile:**

Osawatomie was selected to be the community profile in the May 2023 edition of the Kansas Government Journal. This honor comes with a multipage article as well as a visit from the Journal's comm/media team for video interviews, photos, and other footage from around the community. I'll be assisting them with those items over the next couple of weeks.

### **Planning Sustainable Places:**

We received the official notice to proceed from MARC on Tuesday, May 23<sup>rd</sup> and are looking forward to coordinating the kickoff meeting with our consultant team for sometime next week. Those of you involved with the OzCOMP advisory board will be getting an email soon with more details! We have been stuck waiting for MARC to finalize the grant contract on their side of the operation for over a month now, so we're really excited to see movement on this project again. Engagement activities for the community will be scheduled throughout the summer and will focus on the proposed Community Hub space downtown and the active transportation networks that intersect our community. Final recommendations from these planning exercises will shape the permanent development of the transitional plaza downtown.

### **Main Street Plaza:**

While the community engages with the PSP opportunity, we are still working to develop temporary amenities inside the currently under-construction lots in the downtown. A casual preference survey has been created for the space, and linked signage will be displayed on the lot during this weekend's festivities so visiting alumni will have the opportunity to provide feedback and stay "in tune" with this hometown project. The survey is also included in the weekly newsletter and on the website under the development tab. The temporary amenities and "blank slate" construction work being performed will set the stage for the future permanent developments following the community's PSP planning exercises. Many thanks to Michele and her team for all the work they've done to get the Plaza space cleaned up and ready for progress. They've done an incredible amount of work in a very short order, and in between all their other priority projects.

### **John Brown National Park Journey:**

Unfortunately, we did not make the submission cut for FY 2024 Congressionally Directed Spending applications as our goal didn't quite fit the categories for the upcoming year. However, we are hopeful for admission into the FY25 round of submissions and are going to keep pushing forward with our outreach and network expansion. We've got everyone's attention – we're not slowing down anytime soon!

### **Stan Herd Earthwork Portrait:**

The earthwork changes shape and color every day the team's in town, and I'm really looking forward to seeing it develop over the next couple of weeks. Stan and his team are moving between several projects this summer, including work in Nashville and Brazil. Closer to home,

*(continued)*

Stan is developing a portrait of Senator Bob Dole for the Dole Institute in Lawrence, which has attracted quite a lot of media attention regionally. We've planned our own media events for June:

- June 15<sup>th</sup>, 5:00pm - Casual Reception with Stan Herd and HerdWorks
- June 17<sup>th</sup>, 12:00pm - Official Portrait Unveiling with Stan Herd and Officials

Official invitations to both events are currently being distributed to our local and state elected representatives, project partners, and a number of media contacts. More information will be available soon for these events as we confirm guests, etc.

**Osawatomie Public Library:**

Ahead of Summer Reading, we've partnered with a local contractor to remove and dispose of all the carpet in the basement and prepare the floor for future finishing. If you'd like to help the Library staff move books and other materials in preparation for this work, please contact Morgan - she'd certainly be grateful for any helping hands! We're also looking for donations of clean, gently used area rugs of any size to help create some temporary comfort and sound dampening until the floor is refinished later this summer.

**Arts Commission:**

Two murals have been completed using the funding the City received in 2022 from the Hawkins Foundation (6<sup>th</sup> Street and 8<sup>th</sup> Street levees). A third mural will be developed soon in the transitional plaza downtown. Those applications are due this week, and the Commission meets on the first Tuesday of June to review applicants and select finalist(s) before embarking on the design phase. Depending on artist timeline, paint could hit the wall as early as mid-July. This mural will be larger in scale than the levee murals, and the Commission is planning for it to have interactive elements to really engage the public in the space.