

CITY OF POTWIN, KANSAS

Financial Statement

For the Year Ended December 31, 2021

City of Potwin, Kansas  
For the Year Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

City Council  
City of Potwin  
Potwin, 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 Potwin, Kansas (City), as of and for the year ended December 31, 2021, and the related disclosures 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 as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

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

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### *Basis for Adverse and Unmodified Opinions*

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

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2021 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2021 basic financial statement, but are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 information has been 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 accompanying supplementary information is fairly stated in all material respects in relation to the 2021 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 the City as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated July 20, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 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 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the 2021 basic financial statement. Such 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 1.

*Knudsen, Monroe & Company, LLC*

Certified Public Accountants  
Newton, Kansas  
October 10, 2022

## City of Potwin, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
Regulatory Basis

For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Fund</b>	\$ 39,185	272,012	271,172	40,025	3,774	43,799
<b>Special Purpose Funds</b>						
Employee Benefits	262	34,072	33,228	1,106	208	1,314
Library	-	7,659	7,659	-	1,102	1,102
Special Fire Equipment	1,062	7,153	559	7,656	-	7,656
Consolidated Streets	15,322	54,056	62,000	7,378	-	7,378
Municipal Equipment	35,096	-	4,440	30,656	-	30,656
<b>Bond and Interest Fund</b>	4,625	642	5,267	-	-	-
<b>Business Funds</b>						
Waterworks						
Operating	11,315	189,087	191,995	8,407	-	8,407
Operation and Maintenance	384	-	-	384	-	384
O & M (Whitewater)	5,270	5,000	5,883	4,387	-	4,387
Refuse	10,261	34,095	31,471	12,885	-	12,885
Sewer						
Operating	18,657	49,217	39,483	28,391	-	28,391
Reserve	374	-	-	374	-	374
Replacement Reserve	4,754	672	-	5,426	-	5,426
<b>Trust Fund</b>						
Community House Gift	1,799	-	-	1,799	-	1,799
<b>Total Reporting Entity</b>	<u>\$ 148,366</u>	<u>653,665</u>	<u>653,157</u>	<u>148,874</u>	<u>5,084</u>	<u>153,958</u>
<b>Composition of Cash</b>						
Emprise Bank						
Checking						\$ 35,348
Money Market						32,663
Savings						872
Certificates of Deposit						85,075
<b>Total Reporting Entity</b>						<u>\$ 153,958</u>

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

City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

The City of Potwin is a municipal corporation governed by an elected five-member council. This regulatory financial statement presents the City of Potwin (City).

The following entities are related municipal entities of the City that have not been presented in this financial statement. The governing bodies of these related municipal entities are appointed by the City.

Potwin Public Library – The Potwin Public Library board operates the City’s public library. The City levies taxes and makes appropriations to the library to assist in funding capital and operating expenses. Unaudited financial statements can be obtained by contacting the Library.

Potwin Volunteer Fire Department – The Volunteer Fire Department raises funds to buy equipment and other items for the fire department.

Regulatory Basis Fund Types

General Fund – used to account for all resources except those required to be accounted for in another fund.

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

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

Business Fund – used to account for fees charged to users of the goods or services (i.e. water fund, sewer fund, etc.).

Trust Fund – used to report assets held in trust for the benefit of the City (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the City, scholarship funds, etc.)

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

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

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

City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Fund, 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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Business Reserve Funds, Trust Funds, and certain Special Purpose Funds.

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

Reimbursements

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



City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

K.S.A. 12-1608 requires third class cities to publish an annual treasurer's report showing, by fund, beginning and ending balances, receipts, and expenditures, along with obligations/liability information. The City failed to publish the annual treasurer's report for the year ended December 31, 2021.

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was \$153,958 and the bank balance was \$156,327. The bank balance was held by one bank resulting in a concentration of credit risk. At December 31, 2021, all bank deposits were covered by federal depository insurance.

City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Consolidated Streets	K.S.A. 12-1,119	\$ 25,000
Bond Interest	General	K.S.A. 10-117a	5,267
Waterworks Operating	Waterworks O & M (Whitewater)	K.S.A. 12-825d	5,000
Refuse	Consolidated Streets	K.S.A. 12-1,119	4,348
Sewer Operating	Consolidated Streets	K.S.A. 12-1,119	10,000
Sewer Operating	Sewer Replacement Reserve	K.S.A. 12-631o	672

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions /Payments	Balance End of Year	Interest Paid
<b>KDHE Loans</b>									
Public Water Supply	3.77%	10/12/2004	\$ 145,000	8/1/2025	\$ 46,940	-	8,700	38,240	1,688
Water Pollution Control	2.79%	2/25/2004	200,000	9/1/2024	46,714	-	8,832	37,882	1,242
Total KDHE Loans					93,654	-	17,532	76,122	2,930
<b>Firefighters Relief Association Loan</b>									
Firefighters Equipment	1.00%	6/10/2020	23,000	6/10/1930	23,000	-	2,198	20,802	230
<b>Total contractual indebtedness</b>					<b>\$ 116,654</b>	<b>-</b>	<b>19,730</b>	<b>96,924</b>	<b>3,160</b>

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

	Year ending December 31						
	2022	2023	2024	2025	2026	2027-2030	Total
<b>Principal</b>							
KDHE Loans	\$ 18,111	18,711	19,330	19,970	-	-	76,122
Firefighters Relief Association Loan	2,220	2,243	2,265	2,288	2,310	9,476	20,802
Total principal	20,331	20,954	21,595	22,258	2,310	9,476	96,924
<b>Interest</b>							
KDHE Loans	2,352	1,752	1,133	493	-	-	5,730
Firefighters Relief Association Loan	208	186	163	141	118	238	1,054
Total interest	2,560	1,938	1,296	634	118	238	6,784
<b>Total principal and interest</b>	<b>\$ 22,891</b>	<b>22,892</b>	<b>22,891</b>	<b>22,892</b>	<b>2,428</b>	<b>9,714</b>	<b>103,708</b>

City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

6. DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in 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 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of an 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 with a 0% moratorium for the period July 1, 2021 through June 30, 2022 for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$10,720 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$65,194. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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.

City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. Each retiree pays the full amount of their applicable premium. The City does not currently have any retirees that participate.

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.

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 the annual benefit payments. The employer contribution rate is set at 1% through June 30, 2021, with a 0% moratorium for the period July 1, 2021 through June 30, 2022.

Compensated Absences

Full-time employees earn one week of paid vacation upon completion of one year of employment, two weeks annually for two through nine years, and three weeks annually upon completion of ten or more years of employment. Vacation time must be used during the year and may not be accumulated or carried forward to subsequent years.

Full-time employees earn ten days of paid sick leave per year, cumulative to thirty days at full pay and thirty days at half pay. Unused sick leave is not paid to employees upon termination of employment. Unused sick leave has not been recorded in the accompanying financial statement.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There has been no significant reduction in insurance coverage from 2020 to 2021 and there were no settlements that exceeded insurance coverage in any of the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

City of Potwin, Kansas  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

9. CORONAVIRUS PANDEMIC

In January 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management continues to monitor the global and local situation on its financial condition, liquidity, operations, suppliers, and workforce. Given the evolution of the COVID-19 outbreak and the global response to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity on future years.

As a result of COVID-19, numerous Federal and State grants have been made available to the City to assist with the risks and help offset costs incurred by the City.

10. MANAGEMENT'S DATE OF REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through October 10, 2022, which is the date the financial statement was available to be issued.

CITY OF POTWIN

REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2021

City of Potwin, Kansas  
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>General Fund</b>	\$ 251,000	33,345	284,345	271,172	(13,173)
<b>Special Purpose Funds</b>					
Employee Benefits	35,500	-	35,500	33,228	(2,272)
Library	8,100	-	8,100	7,659	(441)
Special Fire Equipment	9,500	-	9,500	559	(8,941)
Consolidated Streets	62,000	-	62,000	62,000	-
<b>Bond and Interest Fund</b>	12,500	-	12,500	5,267	(7,233)
<b>Business Funds</b>					
Waterworks Operating	238,000	-	238,000	191,995	(46,005)
Refuse	47,000	-	47,000	31,471	(15,529)
Sewer Operating	69,500	-	69,500	39,483	(30,017)

## City of Potwin, Kansas

**General Fund**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
RECEIPTS				
Ad valorem property tax	\$ 83,631	91,603	102,694	(11,091)
Delinquent tax	4,049	12,087	5,000	7,087
Vehicle tax	20,351	18,973	18,079	894
Sales tax	27,563	25,850	19,000	6,850
Franchise tax	22,926	23,866	25,000	(1,134)
Community house rent	370	810	2,000	(1,190)
Fire contracts	49,746	50,297	45,000	5,297
Fines, fees, permits and other	1,864	1,532	3,000	(1,468)
ARPA grant	-	33,345	-	33,345
Interest on investments	191	140	300	(160)
Transfer from bond and interest	-	5,267	-	5,267
Reimbursements and refunds	8,103	7,667	6,000	1,667
Miscellaneous	969	575	2,000	(1,425)
	219,763	272,012	228,073	43,939
EXPENDITURES, page 14	217,867	271,172		
Receipts over (under) expenditures	1,896	840		
UNENCUMBERED CASH, beginning	37,289	39,185		
UNENCUMBERED CASH, ending	\$ 39,185	40,025		



## City of Potwin, Kansas

**General Fund****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over Under
EXPENDITURES				
General				
Personal services	\$ 69,526	79,985	72,000	7,985
Contractual services	38,985	40,820	50,000	(9,180)
Utilities	2,773	2,950	-	2,950
Commodities and other	8,145	11,574	15,000	(3,426)
Capital outlay	-	30,790	10,000	20,790
Fire				
Contractual services and other	16,022	17,637	23,500	(5,863)
Capital outlay	4,929	-	3,500	(3,500)
Parks				
Personal services	-	-	12,000	(12,000)
Commodities and other	1,138	2,105	5,000	(2,895)
Court	45	-	1,000	(1,000)
Street lights	8,989	8,870	10,000	(1,130)
Community House	7,160	15,624	-	15,624
Scout House	285	285	-	285
Library	-	1,091	-	1,091
Police protection	21,905	24,086	24,000	86
Audit	17,090	9,050	-	9,050
Other	875	1,305	-	1,305
Transfers to				
Consolidated Streets	20,000	25,000	20,000	5,000
Municipal Equipment	-	-	5,000	(5,000)
	\$ 217,867	271,172	251,000	20,172
Adjustment for Qualifying Budget Credits	-	-	33,345	(33,345)
Total expenditures	\$ 217,867	271,172	284,345	(13,173)

## City of Potwin, Kansas

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
<b>EMPLOYEE BENEFITS</b>				
RECEIPTS				
Ad valorem property tax	\$ 25,036	24,701	27,690	(2,989)
Delinquent tax	1,294	3,714	250	3,464
Vehicle tax	5,720	5,657	5,411	246
	<u>32,050</u>	<u>34,072</u>	<u>33,351</u>	<u>721</u>
EXPENDITURES				
FICA and Medicare	6,596	2,855	-	2,855
KPERS	9,884	11,339	13,500	(2,161)
Health insurance	18,192	19,034	22,000	(2,966)
	<u>34,672</u>	<u>33,228</u>	<u>35,500</u>	<u>(2,272)</u>
Receipts over (under) expenditures	(2,622)	844		
UNENCUMBERED CASH, beginning	<u>2,884</u>	<u>262</u>		
UNENCUMBERED CASH, ending	<u>\$ 262</u>	<u>1,106</u>		
<b>LIBRARY</b>				
RECEIPTS				
Ad valorem property tax	\$ 4,921	5,747	6,444	(697)
Delinquent tax	293	792	800	(8)
Vehicle tax	1,249	1,120	1,063	57
Reimbursements	8,602	-	-	-
	<u>15,065</u>	<u>7,659</u>	<u>8,307</u>	<u>(648)</u>
EXPENDITURES				
Salaries and benefits	8,602	-	-	-
Utilities and other	2,823	2,984	3,000	(16)
Appropriations to Library Board	3,640	4,675	5,100	(425)
	<u>15,065</u>	<u>7,659</u>	<u>8,100</u>	<u>(441)</u>
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>		
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>		

## City of Potwin, Kansas

**Special Purpose Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>SPECIAL FIRE EQUIPMENT</b>				
RECEIPTS				
Ad valorem property tax	\$ 4,406	5,413	6,070	(657)
Delinquent tax	284	741	250	491
Vehicle tax	1,059	999	945	54
	<u>5,749</u>	<u>7,153</u>	<u>7,265</u>	<u>(112)</u>
EXPENDITURES				
Commodities and other	1,999	559	500	59
Capital outlay	6,439	-	9,000	(9,000)
	<u>8,438</u>	<u>559</u>	<u>9,500</u>	<u>(8,941)</u>
Receipts over (under) expenditures	(2,689)	6,594		
UNENCUMBERED CASH, beginning	<u>3,751</u>	<u>1,062</u>		
UNENCUMBERED CASH, ending	\$ 1,062	7,656		

## City of Potwin, Kansas

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over
				(Under)
<b>CONSOLIDATED STREETS</b>				
<b>RECEIPTS</b>				
State payments	\$ 11,355	12,698	11,700	998
County payments	1,746	2,010	1,750	260
Miscellaneous	6,035	-	635	(635)
Transfers from				
General	20,000	25,000	20,000	5,000
Waterworks Operating	10,000	-	15,000	(15,000)
Refuse	4,354	4,348	5,000	(652)
Sewer Operating	-	10,000	-	10,000
	<u>53,490</u>	<u>54,056</u>	<u>54,085</u>	<u>(29)</u>
<b>EXPENDITURES</b>				
Contractual services	51,246	62,000	60,000	2,000
Commodities and other	837	-	2,000	(2,000)
	<u>52,083</u>	<u>62,000</u>	<u>62,000</u>	<u>-</u>
Receipts over (under) expenditures	1,407	(7,944)		
UNENCUMBERED CASH, beginning	<u>13,915</u>	<u>15,322</u>		
UNENCUMBERED CASH, ending	\$ 15,322	7,378		

## City of Potwin, Kansas

**Special Purpose Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
<b>MUNICIPAL EQUIPMENT</b>		
RECEIPTS		
Other	\$ 23,000	-
EXPENDITURES		
Capital outlay	<u>7,000</u>	<u>4,440</u>
Receipts over (under) expenditures	16,000	(4,440)
UNENCUMBERED CASH, beginning	<u>19,096</u>	<u>35,096</u>
UNENCUMBERED CASH, ending	<u>\$ 35,096</u>	<u>30,656</u>

## City of Potwin, Kansas

**Bond and Interest Fund**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
RECEIPTS				
Delinquent tax	\$ 599	642	-	642
Vehicle tax	3	-	-	-
Special assessments	2,090	-	10,000	(10,000)
	<u>2,692</u>	<u>642</u>	<u>10,000</u>	<u>(9,358)</u>
EXPENDITURES				
Principal	9,000	-	10,000	(10,000)
Interest	495	-	2,500	(2,500)
Transfer to general	-	5,267	-	5,267
	<u>9,495</u>	<u>5,267</u>	<u>12,500</u>	<u>(7,233)</u>
Receipts over (under) expenditures	(6,803)	(4,625)		
UNENCUMBERED CASH, beginning	<u>11,428</u>	<u>4,625</u>		
UNENCUMBERED CASH, ending	<u>\$ 4,625</u>	<u>-</u>		

## City of Potwin, Kansas

**Business Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over
				(Under)
WATERWORKS OPERATING				
RECEIPTS				
Water sales - residents	\$ 100,278	101,308	125,000	(23,692)
Water sales - Whitewater	54,385	67,382	75,000	(7,618)
Penalties and taxes	3,767	3,976	5,000	(1,024)
Connect fees	900	1,170	10,000	(8,830)
City of Whitewater fee	16,374	15,251	20,000	(4,749)
	<u>175,704</u>	<u>189,087</u>	<u>235,000</u>	<u>(45,913)</u>
EXPENDITURES				
Personal services	41,096	45,967	45,000	967
Utilities	5,459	5,973	-	5,973
Contractual services	10,722	6,880	15,000	(8,120)
Commodities and other	7,192	6,652	15,000	(8,348)
Miscellaneous	1,848	1,910	-	1,910
Capital outlay	-	-	30,112	(30,112)
Purchase of water	83,728	109,225	97,500	11,725
KDHE revolving loan	10,389	10,388	10,388	-
Transfers to				
Consolidated Streets	10,000	-	15,000	(15,000)
Municipal Equipment	-	-	5,000	(5,000)
Waterworks O & M (Whitewater)	5,000	5,000	5,000	-
	<u>175,434</u>	<u>191,995</u>	<u>238,000</u>	<u>(46,005)</u>
Receipts over (under) expenditures	270	(2,908)		
UNENCUMBERED CASH, beginning	<u>11,045</u>	<u>11,315</u>		
UNENCUMBERED CASH, ending	\$ 11,315	8,407		

## City of Potwin, Kansas

**Business Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
<b>WATERWORKS OPERATION AND MAINTENANCE</b>		
RECEIPTS	\$ -	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>384</u>	<u>384</u>
UNENCUMBERED CASH, ending	<u>\$ 384</u>	<u>384</u>
 <b>WATERWORKS O &amp; M (Whitewater)</b>		
RECEIPTS		
Transfer from Water Operating	\$ 5,000	5,000
EXPENDITURES		
Maintenance	<u>1,675</u>	<u>5,883</u>
Receipts over (under) expenditures	3,325	(883)
UNENCUMBERED CASH, beginning	<u>1,945</u>	<u>5,270</u>
UNENCUMBERED CASH, ending	<u>\$ 5,270</u>	<u>4,387</u>



## City of Potwin, Kansas

**Business Funds**

**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
<b>REFUSE</b>				
<b>RECEIPTS</b>				
Refuse fees	\$ 30,645	32,484	45,000	(12,516)
Other	1,687	1,611	-	1,611
	<u>32,332</u>	<u>34,095</u>	<u>45,000</u>	<u>(10,905)</u>
<b>EXPENDITURES</b>				
Personal services and other	-	55	-	55
Contractual services	24,935	26,353	39,000	(12,647)
Commodities and other	378	715	3,000	(2,285)
Transfer to Consolidated Streets	4,354	4,348	5,000	(652)
	<u>29,667</u>	<u>31,471</u>	<u>47,000</u>	<u>(15,529)</u>
Receipts over (under) expenditures	2,665	2,624		
UNENCUMBERED CASH, beginning	7,596	10,261		
UNENCUMBERED CASH, ending	<u>\$ 10,261</u>	<u>12,885</u>		
 <b>SEWER OPERATING</b>				
<b>RECEIPTS</b>				
Sewer fees	\$ 47,311	49,179	70,000	(20,821)
Other	247	38	-	38
	<u>47,558</u>	<u>49,217</u>	<u>70,000</u>	<u>(20,783)</u>
<b>EXPENDITURES</b>				
Personal services	8,955	10,315	20,000	(9,685)
Utilities	1,990	2,251	-	2,251
Contractual services	7,462	5,332	18,000	(12,668)
Commodities and other	2,322	839	5,000	(4,161)
Capital outlay	-	-	15,754	(15,754)
KDHE loan	10,075	10,074	10,074	-
Transfers to				
Consolidated Streets	-	10,000	-	10,000
Sewer Replacement Reserve	672	672	672	-
	<u>31,476</u>	<u>39,483</u>	<u>69,500</u>	<u>(30,017)</u>
Receipts over (under) expenditures	16,082	9,734		
UNENCUMBERED CASH, beginning	2,575	18,657		
UNENCUMBERED CASH, ending	<u>\$ 18,657</u>	<u>28,391</u>		

## City of Potwin, Kansas

**Business Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

## Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
<b>SEWER RESERVE</b>		
RECEIPTS	\$ -	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>374</u>	<u>374</u>
UNENCUMBERED CASH, ending	<u>\$ 374</u>	<u>374</u>
 <b>SEWER REPLACEMENT RESERVE</b>		
RECEIPTS		
Transfer from Sewer Operating	\$ 672	672
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	672	672
UNENCUMBERED CASH, beginning	<u>4,082</u>	<u>4,754</u>
UNENCUMBERED CASH, ending	<u>\$ 4,754</u>	<u>5,426</u>

## City of Potwin, Kansas

**Trust Fund**

## SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

## Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>
<b>COMMUNITY HOUSE GIFT</b>		
RECEIPTS	\$ -	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>1,799</u>	<u>1,799</u>
UNENCUMBERED CASH, ending	<u><u>\$ 1,799</u></u>	<u><u>1,799</u></u>