

**CITY OF MARION, KANSAS**

**FINANCIAL STATEMENT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**



**LOYD GROUP, LLC**

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Certified Public Accountants

**CITY OF MARION, KANSAS  
CITY OF THE SECOND CLASS  
For the Year Ended December 31, 2021**

**CITY COUNCIL**

Chris Costello

David Mayfield  
Mayor

Ruth Herbel

Jerry Kline

Susan Gray

**CITY OFFICERS**

Rebecca Makovec  
Treasurer/Asst. Clerk

Roger Holter  
Administrator

Brian Bina  
Attorney

Clinton Jeffrey  
Police Chief

Tiffany Jeffrey  
Clerk

Randy Pankratz  
Municipal Judge

# CITY OF MARION, KANSAS

For the Year Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Marion, Kansas 66861

### ***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 Marion, Kansas (City), a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2021 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 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.

#### ***Other Matter***

The prior year's financial statement for the year ended December 31, 2020, was audited by another auditor, who expressed an unmodified opinion on regulatory basis of accounting, on March 31, 2021.

## ***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 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts, and expenditures-actual and budget (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 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In 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.

Another auditor previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Marion, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued their report thereon dated March 31, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and their 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/oar/municipalservices>. 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 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.

Loyd Group, LLC

Loyd Group, LLC  
Galva, KS  
July 28, 2022

## CITY OF MARION, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH****Regulatory Basis**

For the Year Ended December 31, 2021

	<b>Beginning Unencumbered Cash Balance</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Ending Unencumbered Cash Balance</b>	<b>Add Encumbrances and Accounts Payable</b>	<b>Ending Cash Balance</b>
GENERAL FUND:						
General Fund	\$ 66,250	\$ 1,600,395	\$ 1,566,581	\$ 100,064	\$ 655	\$ 100,719
SPECIAL PURPOSE FUNDS:						
Library Fund	3,223	95,769	95,769	3,223	3,342	6,565
Special City Highway Fund	27,193	51,358	50,000	28,551	-	28,551
Special Park and Recreation Fund	4,897	2,387	-	7,284	-	7,284
Equipment Reserve Fund	45,063	100,500	97,412	48,151	-	48,151
Land Bank Fund	5,685	-	2,105	3,580	-	3,580
Total Special Purpose Funds	86,061	250,014	245,286	90,789	3,342	94,131
BOND AND INTEREST FUND:						
Bond and Interest Fund	9,946	323,032	321,325	11,653	-	11,653
CAPITAL PROJECTS FUND:						
Capital Improvement Fund	88,629	3,725,191	3,497,030	316,790	-	316,790
BUSINESS FUND:						
Utilities Fund	1,128,398	3,469,290	3,434,203	1,163,485	148,470	1,311,955
TRUST FUND:						
Special Law Enforcement Trust Fund	11,856	20,173	12,391	19,638	-	19,638
Total Reporting Entity	\$ 1,391,140	\$ 9,388,095	\$ 9,076,816	\$ 1,702,419	\$ 152,467	\$ 1,854,886
COMPOSITION OF CASH:						
Petty Cash						\$ 200
Checking Accounts						1,854,686
Total Reporting Entity						\$ 1,854,886

**CITY OF MARION, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) *Municipal Financial Reporting Entity***

The City of Marion is a municipal corporation governed by an elected mayor and elected four-member Council. The regulatory financial statement presents the City of Marion (the municipality) and does not include any related municipal entities.

**(b) *Regulatory Basis Fund Types***

**General Fund** – the chief operating 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.

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

**Business 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.).

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

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

**(c) *Basis of Accounting***

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

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



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

### **(d) 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.

Senate Bill 13 repealed the tax lid law and introduced the use of a revenue neutral rate with an additional budget hearing required if the proposed tax levy exceeds the revenue neutral rate. These policy changes apply to the 2022 budget cycle. Additional information can be found in the Memo to State of Kansas Taxing Subdivisions (2021) at <https://admin.ks.gov/offices/oar/municipal-services>.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did not hold a revenue neutral rate hearing for the year.

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 was no such budget amendments for the year 2021.

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

All legal annual operating budgets are prepared using the 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 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, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

Spending in funds which are not subject to the legal annual operating budget requirement are 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***

No statute violations were noted during 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.

### 3. DEPOSITS AND INVESTMENTS (CONT.)

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 \$1,854,686 and the bank balance was \$2,407,897. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$250,946 was covered by federal depository insurance, and the remaining \$2,156,951 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 or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

### 4. OTHER RELATIONSHIPS

#### ***USD No. 408 and City of Marion***

The City of Marion approved the proposal from Unified School District No. 408 for the City to utilize the school districts' indoor swimming pool facility for public and City recreation use, with the City agreeing to pay \$100,000 annually to the USD No. 408 for the life of the bonds (until 2024). The City is also paying \$36,000 towards net expenses each year equally with the school district, to be re-evaluated in three years.

### 5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Equipment Reserve	K.S.A. 12-1,117	\$ -
General	Special Park and Recreation	K.S.A. 12-6a,16	-
Special Park and Rec	General	K.S.A. 12-6a,16	-
Special City Highway	Bond and Interest	Debt service	-
Special Park and Rec	Capital Improvement	K.S.A. 12-1,118	-
Special City Highway	Bond and Interest	Debt service	\$ 50,000
Utilities	General	K.S.A. 12-825d	50,000
Utilities	Bond and Interest	K.S.A. 12-825d	208,750
Utilities	Capital Improvement	K.S.A. 12-825d	200,000
Utilities	Equipment Reserve	K.S.A. 12-825d	100,500
Total			<u>\$ 609,250</u>

### 6. OPERATING LEASE

On October 1, 2019, the City entered into a loan agreement for the operating lease of a 2019 Ford F550 Altec Bucket Truck for the amount of \$110,796. The loan is for a term of 60 months with annual payments totaling \$18,720. The loan is being paid from the Equipment Reserve Fund. The balance of the loan will be paid October 1, 2024.

## 7. 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
General Obligation Bonds:									
Series 2011	.05-2.2%	2011	\$ 840,000	2021	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ 2,200
Series 2012	2.0-4.0%	2012	2,230,000	2040	1,470,000	-	100,000	1,370,000	48,000
Series 2013	0.6-3.8%	2013	840,000	2028	485,000	-	55,000	430,000	16,125
Total General Obligation Bonds					2,055,000	-	255,000	1,800,000	66,325
Loans:									
KS Water Pollution Control Revolving	2.42%	2013	346,482	2033	239,679	-	15,895	223,784	5,705
KS Public Water Supply	2.43%	2013	108,451	2022	23,707	-	11,710	11,997	505
KDHE Waterline	1.31%	2021	2,930,903	2042	-	2,930,903	-	2,930,903	-
Total Loans					263,386	2,930,903	27,605	3,166,684	6,210
Capital Leases:									
828 N. Roosevelt	3.25%	2013	235,200	2033	168,640	-	9,519	159,121	9,152
KPP Voltage	4.00%	2021	2,880,000	2041	-	2,880,000	-	2,880,000	988
Total Capital Leases					168,640	2,880,000	9,519	3,039,121	10,140
Other Long-term Debt:									
USD 408 Pool Bond	0.00%	2021	548,609	2024	-	548,609	140,609	408,000	-
Total Contractual Indebtedness					\$ 2,487,026	\$ 6,359,512	\$ 432,733	\$ 8,413,805	\$ 82,675

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

	2022	2023	2024	2025	2026	2027 to 2031	2032 to 2036	2037 to 2042	Total
PRINCIPAL:									
General Obligation Bonds:									
Series 2012	\$ 105,000	\$ 105,000	\$ 110,000	\$ 110,000	\$ 120,000	\$ 310,000	\$ 270,000	\$ 240,000	\$ 1,370,000
Series 2013	55,000	55,000	60,000	60,000	65,000	135,000	-	-	430,000
Total General Obligation Bonds	160,000	160,000	170,000	170,000	185,000	445,000	270,000	240,000	1,800,000
Loans:									
KS Water Pollution Control Revolving	16,282	16,678	17,084	17,500	17,926	96,393	41,921	-	223,784
KS Public Water Supply	11,997	-	-	-	-	-	-	-	11,997
KDHE Waterline	62,077	125,714	127,810	129,940	132,106	694,306	754,134	904,816	2,930,903
Total Loans	90,356	142,392	144,894	147,440	150,032	790,699	796,055	904,816	3,166,684
Capital Lease:									
828 N. Roosevelt	10,063	10,638	11,225	11,888	12,567	74,447	28,293	-	159,121
KPP Voltage	50,000	95,000	100,000	105,000	110,000	650,000	800,000	970,000	2,880,000
Total Capital Lease	60,063	105,638	111,225	116,888	122,567	724,447	828,293	970,000	3,039,121
Other Long-term Debt:									
USD Pool Bond	136,000	136,000	136,000	-	-	-	-	-	408,000
TOTAL PRINCIPAL	446,419	544,030	562,119	434,328	457,599	1,960,146	1,894,348	2,114,816	8,413,805
INTEREST:									
General Obligation Bonds:									
Series 2012	46,000	43,375	40,225	36,925	33,625	126,688	62,613	23,800	413,251
Series 2013	14,750	13,155	11,560	9,580	7,600	7,790	-	-	64,435
Total General Obligation Bonds	60,750	56,530	51,785	46,505	41,225	134,478	62,613	23,800	477,686
Loans:									
KS Water Pollution Control Revolving	5,318	4,921	4,515	4,099	3,673	11,603	1,276	-	35,405
KS Public Water Supply	219	-	-	-	-	-	-	-	219
KDHE Waterline	24,333	47,103	45,007	42,877	40,711	169,781	109,953	45,681	525,446
Total Loans	29,870	52,024	49,522	46,976	44,384	181,384	111,229	45,681	561,070
Capital Lease:									
828 N. Roosevelt	8,608	8,033	7,447	6,784	6,104	18,910	1,338	-	57,224
KPP Voltage	171,899	122,038	117,288	112,288	107,038	446,542	298,746	126,448	1,502,287
Total Capital Lease	180,507	130,071	124,735	119,072	113,142	465,452	300,084	126,448	1,559,511
TOTAL INTEREST	271,127	238,625	226,042	212,553	198,751	781,314	473,926	195,929	2,598,267
TOTAL PRINCIPAL & INTEREST	\$ 717,546	\$ 782,655	\$ 788,161	\$ 646,881	\$ 656,350	\$ 2,741,460	\$ 2,368,274	\$ 2,310,745	\$ 11,012,072

## 8. PENSION COSTS AND EMPLOYEE BENEFITS

### ***Defined Benefit Pension Plan***

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of 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 and KP&F issue 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, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 7.15% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. 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 and KPERS 2 and KPERS 3 and KP&F 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 8.87% for KPERS and 22.80% for KP&F the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$70,733 for KPERS and \$49,541 for KP&F 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 \$538,168 and \$377,194 for KP&F. 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.

## 9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

### ***(a) Other Post Employment Benefits***

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, 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 this financial statement.

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.

### ***(b) Death and Disability Other Post Employment Benefits***

K.S.A. 74-4927, disabled members in 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, 2021.

## 9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

### *(c) Other Employee Benefits*

Vacation – Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter. If not taken, vacation leave shall accrue from year to year up to the maximum provided, based upon the employee's years of service. No vacation leave shall be taken until a new employee has completed one year of employment.

Each permanent full-time employee will accrue vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>	<u>Maximum Accumulation</u>
2 to 9 years	80 working hours	None
10 to 19 years	120 working hours	None
After 20 years	160 working hours	None

An employee shall be paid for all accumulated unused vacation leave upon termination.

## 10. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

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

## 11. CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
KDOT Streetscape Project	\$ 974,780	\$ 411,102
KDOT Aviation Grant - Runway Development	45,000	15,000
KDOT Aviation Grant - Land	136,000	-
USDA Steambank Stabilization Project	293,000	93,976
S. Hill Waterline Replacement	3,934,478	3,183,315
KDOT CCLIP Main Street Project	366,102	366,102
City Hall Roof Repair	36,300	36,300
Fiber Optic Project	160,000	168,438
KHRC Housing Grant	125,000	100,000
CDBG-CV 2020 Grant	169,500	177,096
KPP Solar Field	32,558	4,455
Total	<u>\$ 6,272,718</u>	<u>\$ 4,555,784</u>

## **12. COVID-19 NOTE**

On January 30, 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 is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses 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 for fiscal year 2021. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

As a result of COVID-19, the State of Kansas has received Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of \$135,441 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at <https://home.treasury.gov/>.

## **13. SUBSEQUENT EVENTS**

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

**CITY OF MARION, KANSAS**  
**REGULATORY – REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

## CITY OF MARION, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****(Budgeted Funds Only)****For the Year Ended December 31, 2021**

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
GENERAL FUND:					
General Fund	\$ 1,649,713	\$ -	\$ 1,649,713	\$ 1,566,581	\$ (83,132)
SPECIAL PURPOSE FUNDS:					
Library Fund	99,299	-	99,299	95,769	(3,530)
Special City Highway Fund	50,000	-	50,000	50,000	-
Special Park and Recreation Fund	1,200	-	1,200	-	(1,200)
Equipment Reserve Fund	100,500	-	100,500	97,412	(3,088)
Land Bank Fund	2,400	-	2,400	2,105	(295)
BOND AND INTEREST FUND:					
Bond and Interest Fund	321,325	-	321,325	321,325	-
CAPITAL PROJECT FUND:					
Capital Improvement Fund	4,289,974	-	4,289,974	3,497,030	(792,944)
BUSINESS FUND:					
Utilities Fund	3,712,740	-	3,712,740	3,434,203	(278,537)
TRUST FUND:					
Special Law Enforcement Trust Fund	14,600	-	14,600	12,391	(2,209)



CITY OF MARION, 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)

	2020 Actual	2021		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 566,930	\$ 585,662	\$ 598,838	\$ (13,176)
Back tax collections	13,707	24,163	-	24,163
Motor vehicle tax	93,971	97,568	88,354	9,214
Recreational vehicle tax	1,839	2,101	1,557	544
16/20M vehicle tax	605	491	778	(287)
Commercial vehicle tax	2,264	1,856	2,263	(407)
Watercraft tax	547	512	502	10
Neighborhood revitalization rebate	(4,782)	(7,988)	-	(7,988)
Alcoholic liquor fund	1,781	2,388	750	1,638
Local sales tax	137,474	168,217	130,000	38,217
Local sales tax- industrial revenue bonds	210,935	242,779	190,000	52,779
Excise tax	33	32	23	9
Other tax	-	2,889	-	2,889
Total Taxes	1,025,304	1,120,670	1,013,065	107,605
Intergovernmental Revenues -				
Highway connecting links	302	227	302	(75)
State connecting links	16,461	16,439	13,000	3,439
Total Intergovernmental Revenues	16,763	16,666	13,302	3,364
Licenses and Permits -				
Licenses and permits	6,763	7,574	8,000	(426)
Utility franchise fees	39,333	39,592	36,250	3,342
Dog tags, impounds, adoption fees	3,645	2,980	3,000	(20)
Total Licenses and Permits	49,741	50,146	47,250	2,896
Charges for Services -				
Cemetery fees	6,005	6,739	4,250	2,489
Rural fire contracts	17,919	18,933	18,750	183
Total Charges for Services	23,924	25,672	23,000	2,672
Use of Money and Property -				
Interest received	7,877	2,464	30,000	(27,536)
City building rent	600	4,016	500	3,516
Spec building rent	17,134	31,963	11,775	20,188
828 N. Roosevelt rent	11,319	1,200	-	1,200
Land and hanger rent	12,456	14,445	21,175	(6,730)
Ind-Business Park Lot Sales	-	500	-	500
Total Use of Money and Property	49,386	54,588	63,450	(8,862)
Court fines and bonds	6,501	21,273	15,000	6,273

CITY OF MARION, 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)

	<u>2021</u>			<u>Variance - Over (Under)</u>
	<u>2020 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts (cont.)				
Other Income -				
School lease	\$ -	\$ -	\$ 4,000	\$ (4,000)
Sales tax collected	57,162	61,545	68,000	(6,455)
Other reimbursements	15,059	11,792	19,495	(7,703)
Housing reimbursement	56,020	67,809	57,241	10,568
Library reimbursement	67,786	67,718	70,505	(2,787)
Insurance reimbursements	-	10,747	-	10,747
Recreation - baseball complex	611	611	950	(339)
Recreation	20,561	20,015	34,917	(14,902)
Miscellaneous	4,021	11,964	3,300	8,664
Grant	-	9,179	-	9,179
Total Other Income	<u>221,220</u>	<u>261,380</u>	<u>258,408</u>	<u>2,972</u>
Operating Transfers -				
Transfer from Utilities Fund	<u>200,000</u>	<u>50,000</u>	<u>200,000</u>	<u>(150,000)</u>
Total Receipts	<u>\$ 1,592,839</u>	<u>\$ 1,600,395</u>	<u>\$ 1,633,475</u>	<u>\$ (33,080)</u>
Expenditures				
General Administrative -				
Personal services	\$ 196,069	\$ 197,522	\$ 196,843	\$ 679
Contractual services	36,692	43,213	39,750	3,463
Commodities	45,036	52,954	45,820	7,134
Sales tax	<u>57,521</u>	<u>61,320</u>	<u>60,000</u>	<u>1,320</u>
Total General Administrative	<u>335,318</u>	<u>355,009</u>	<u>342,413</u>	<u>12,596</u>
Senior Citizens Housing Authority -				
Personal services	<u>60,369</u>	<u>67,896</u>	<u>57,241</u>	<u>10,655</u>
Cemetery -				
Personal services	22,619	27,827	40,689	(12,862)
Commodities	6,830	6,819	6,939	(120)
Capital outlay	<u>91</u>	<u>794</u>	<u>100</u>	<u>694</u>
Total Cemetery	<u>29,540</u>	<u>35,440</u>	<u>47,728</u>	<u>(12,288)</u>

CITY OF MARION, 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)

		<u>2021</u>		
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Expenditures (cont.)				
City Building -				
Commodities	\$ 11,906	\$ 19,432	\$ 27,240	\$ (7,808)
Flood Control Project -				
Commodities	1,429	3,636	9,638	(6,002)
Capital outlay	2,642	310	2,100	(1,790)
Total Flood Control Project	4,071	3,946	11,738	(7,792)
Fire -				
Personal services	14,641	12,293	12,580	(287)
Commodities	15,462	18,393	17,806	587
Capital outlay	3,852	1,917	2,250	(333)
Total Fire	33,955	32,603	32,636	(33)
Library Program -				
Personal services	64,550	64,542	70,490	(5,948)
Commodities	10,917	4,759	11,269	(6,510)
Total Library Program	75,467	69,301	81,759	(12,458)
Museum -				
Personal services	6,759	9,088	9,050	38
Commodities	3,881	4,226	3,550	676
Total Museum	10,640	13,314	12,600	714
Park -				
Personal services	27,814	41,975	44,170	(2,195)
Commodities	17,822	19,634	21,088	(1,454)
Capital outlay	239	177	200	(23)
Total Park	45,875	61,786	65,458	(3,672)
Municipal Court -				
Personal services	9,527	9,919	9,889	30
Contractual services	160	115	600	(485)
Commodities	1,820	1,719	1,860	(141)
Total Municipal Court	11,507	11,753	12,349	(596)

**CITY OF MARION, 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)**

		<b>2021</b>		
	<b>2020</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
Expenditures (cont.)				
Street and Alley -				
Personal services	\$ 126,157	\$ 99,545	\$ 117,463	\$ (17,918)
Commodities	68,016	70,216	75,175	(4,959)
Capital outlay	3,684	12,256	15,300	(3,044)
Total Street and Alley	197,857	182,017	207,938	(25,921)
Swimming Pool -				
Commodities	34,045	40,609	35,000	5,609
Industrial Development -				
Personal services	55,228	50,777	56,672	(5,895)
Contractual services	254	318	250	68
Commodities	16,549	12,154	7,780	4,374
828 Roosevelt building expense	-	-	-	-
Taxes	18,241	13,687	18,000	(4,313)
Total Industrial Development	90,272	76,936	82,702	(5,766)
Planning -				
Personal services	2,907	321	5,241	(4,920)
Commodities	592	1,209	759	450
Total Planning	3,499	1,530	6,000	(4,470)
Juvenile Intake				
Commodities	1,448	1,883	1,800	83
Police -				
Personal services	312,106	317,315	319,757	(2,442)
Contractual services	14,803	12,964	14,683	(1,719)
Commodities	6,823	5,902	6,395	(493)
Capital outlay	386	608	1,200	(592)
Car expense	9,975	10,412	11,500	(1,088)
Total Police	344,093	347,201	353,535	(6,334)
Airport -				
Contractual services	8,706	4,084	8,250	(4,166)
Commodities	12,817	15,957	6,250	9,707
Total Airport	21,523	20,041	14,500	5,541

**CITY OF MARION, 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)**

		<b>2021</b>		
	<b>2020</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
Expenditures				
Baseball Complex -				
Personal services	\$ 11,996	\$ 6,098	\$ 13,262	\$ (7,164)
Commodities	9,221	8,828	10,227	(1,399)
Total Baseball Complex	21,217	14,926	23,489	(8,563)
Recreation -				
Personal services	104,563	77,261	114,296	(37,035)
Contractual services	441	1,854	1,975	(121)
Commodities	21,181	11,874	17,316	(5,442)
Total Recreation	126,185	90,989	133,587	(42,598)
Other -				
828 N. Roosevelt lease	18,671	18,671	-	18,671
Swimming pool lease to USD	100,000	100,000	100,000	-
Miscellaneous	-	1,298	-	1,298
Total Other	118,671	119,969	100,000	19,969
Operating Transfer -				
Transfer to Equipment Reserve Fund	10,245	-	-	-
Total Expenditures	1,587,703	1,566,581	\$ 1,649,713	\$ (83,132)
Receipts Over (Under) Expenditures	5,136	33,814		
Unencumbered Cash, Beginning	61,114	66,250		
Unencumbered Cash, Ending	\$ 66,250	\$ 100,064		

## CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

		<u>2021</u>		
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 78,026	\$ 79,375	\$ 81,160	\$ (1,785)
Back tax collections	1,915	3,347	2,000	1,347
Motor vehicle tax	13,044	13,449	12,161	1,288
Recreational vehicle tax	255	289	214	75
16/20M vehicle tax	84	68	107	(39)
Commercial vehicle tax	314	255	312	(57)
Neighborhood revitalization rebate	(658)	(1,085)	-	(1,085)
Watercraft tax	77	71	69	2
Total Receipts	93,057	95,769	<u>\$ 96,023</u>	<u>\$ (254)</u>
Expenditures				
Appropriation to Library Board	<u>93,057</u>	<u>95,769</u>	<u>\$ 99,299</u>	<u>\$ (3,530)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>3,223</u>	<u>3,223</u>		
Unencumbered Cash, Ending	<u>\$ 3,223</u>	<u>\$ 3,223</u>		

## CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDSPECIAL CITY HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

	2020 Actual	2021		Variance - Over (Under)
		Actual	Budget	
Receipts				
Special assessments - streets	\$ 351	\$ 351	\$ 7,300	\$ (6,949)
State of Kansas gas tax	<u>46,342</u>	<u>51,007</u>	<u>40,710</u>	<u>10,297</u>
Total Receipts	46,693	51,358	<u>\$ 48,010</u>	<u>\$ 3,348</u>
Expenditures				
Transfer to Bond and Interest Fund	<u>50,000</u>	<u>50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(3,307)	1,358		
Unencumbered Cash, Beginning	<u>30,500</u>	<u>27,193</u>		
Unencumbered Cash, Ending	<u>\$ 27,193</u>	<u>\$ 28,551</u>		

## CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDSPECIAL PARK AND RECREATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

		<u>2021</u>		
	<u>2020</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
State of Kansas - liquor tax	\$ 1,781	\$ 2,387	\$ 1,400	\$ 987
Expenditures				
Commodities	-	-	\$ 1,200	\$ (1,200)
Transfer to Capital Improvement Fund	383	-	-	-
Total Expenditures	383	-	\$ 1,200	\$ (1,200)
Receipts Over (Under) Expenditures	1,398	2,387		
Unencumbered Cash, Beginning	3,499	4,897		
Unencumbered Cash, Ending	\$ 4,897	\$ 7,284		



## CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDEQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

	2020 Actual	2021		Variance - Over (Under)
		Actual	Budget	
Receipts				
Transfer from General Fund	\$ 10,245	\$ -	\$ -	\$ -
Transfer from Utilities Fund	95,500	100,500	100,500	-
Miscellaneous	-	-	10,000	(10,000)
Total Receipts	105,745	100,500	\$ 110,500	\$ (10,000)
Expenditures				
Capital outlay	66,686	97,412	\$ 100,500	\$ (3,088)
Receipts Over (Under) Expenditures	39,059	3,088		
Unencumbered Cash, Beginning	6,004	45,063		
Unencumbered Cash, Ending	\$ 45,063	\$ 48,151		

## CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDLAND BANK FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

	<u>2020 Actual</u>	<u>2021</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sale of land	\$ 1,000	\$ -	\$ 100	\$ (100)
Expenditures				
Contractual services	44	2,105	\$ 2,400	\$ (295)
Receipts Over (Under) Expenditures	956	(2,105)		
Unencumbered Cash, Beginning	4,729	5,685		
Unencumbered Cash, Ending	\$ 5,685	\$ 3,580		

## CITY OF MARION, KANSAS

BOND AND INTEREST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

		<u>2021</u>		
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 52,394	\$ 53,209	\$ 54,401	\$ (1,192)
Back tax collections	837	2,284	-	2,284
Motor vehicle tax	8,895	9,056	8,165	891
Recreational vehicle tax	174	195	144	51
16/20M vehicle tax	57	47	72	(25)
Commercial vehicle tax	214	172	209	(37)
Watercraft tax	52	46	46	-
Neighborhood revitalization rebate	(442)	(727)	-	(727)
Transfer from Special City Highway Fund	50,000	50,000	50,000	-
Transfer from Utilities Fund	263,500	208,750	208,750	-
Total Receipts	<u>375,681</u>	<u>323,032</u>	<u>\$ 321,787</u>	<u>\$ 1,245</u>
Expenditures				
Principal	310,000	255,000	\$ 255,000	\$ -
Interest	<u>73,560</u>	<u>66,325</u>	<u>66,325</u>	<u>-</u>
Total Expenditures	<u>383,560</u>	<u>321,325</u>	<u>\$ 321,325</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(7,879)	1,707		
Unencumbered Cash, Beginning	<u>17,825</u>	<u>9,946</u>		
Unencumbered Cash, Ending	<u>\$ 9,946</u>	<u>\$ 11,653</u>		

## CITY OF MARION, KANSAS

CAPITAL PROJECT FUNDCAPITAL IMPROVEMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

		<b>2021</b>		<b>Variance -</b>
	<b>2020</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
Receipts				
Elm Street grant proceeds	\$ 81,424	\$ -	\$ -	\$ -
KDOT Transportation grant	315,452	-	42,750	(42,750)
CDBG Water grant	-	525,000	-	525,000
ARPA grant	-	135,441	-	135,441
KDHE Loan proceeds	-	2,664,046	3,934,500	(1,270,454)
CDBG-CV grant	134,500	42,500	-	42,500
SPARK grant	11,143	-	-	-
CERG fiber optic grant	96,000	66,540	-	66,540
KHRC housing grant	25,000	75,000	-	75,000
Transfer from Special Park and Recreation Fund	383	-	-	-
Transfer from Utilities Fund	140,000	200,000	298,500	(98,500)
Donations/Memorials	7,434	16,664	12,000	4,664
Total Receipts	811,336	3,725,191	\$ 4,287,750	\$ (562,559)
Expenditures				
Capital outlay	3,057	15,705	\$ 110,474	\$ (94,769)
KDOT CCLIP project	330,711	-	-	-
Electric 12.5 line upgrade	-	-	100,000	(100,000)
KPP solar field	-	3,726	-	3,726
Street projects	3,394	117,467	100,000	17,467
S. Hill water replacement project	125,727	2,943,679	3,934,500	(990,821)
KDOT aviation grant project	15,000	-	45,000	(45,000)
Elm Street project	93,976	-	-	-
Fiber optic project	5,897	162,544	-	162,544
CDBG-CV grant expense	134,500	42,596	-	42,596
ARPA grant expense	-	136,313	-	136,313
SPARK grant expense	7,797	-	-	-
Water plant dredging	40,000	-	-	-
KHRC housing grant expense	25,000	75,000	-	75,000
Elm Street curbing	9,799	-	-	-
Total Expenditures	794,858	3,497,030	\$ 4,289,974	\$ (792,944)
Receipts Over (Under) Expenditures	16,478	228,161		
Unencumbered Cash, Beginning	72,151	88,629		
Unencumbered Cash, Ending	\$ 88,629	\$ 316,790		

**CITY OF MARION, KANSAS**

**BUSINESS FUND**

**UTILITIES 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)**

		<b>2021</b>		
	<b>2020 Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance - Over (Under)</b>
Receipts				
Electric revenue	\$ 2,155,135	\$ 2,415,470	\$ 2,283,691	\$ 131,779
Refuse revenue	166,166	166,994	172,500	(5,506)
Sewer revenue	310,684	309,768	320,000	(10,232)
Water revenue	578,657	577,058	760,620	(183,562)
Total Receipts	3,210,642	3,469,290	\$ 3,536,811	\$ (67,521)
Expenditures				
Electric -				
Production Expense -				
Contractual services	61,420	10,807	\$ 16,545	\$ (5,738)
Commodities	106,295	65,950	92,125	(26,175)
Purchased power	1,213,520	1,602,056	1,366,454	235,602
Water and utilities	9,067	7,516	7,250	266
Transmission and Distribution Expense -				
Personal services	259,385	223,121	260,578	(37,457)
Commodities and insurance	47,441	42,524	74,750	(32,226)
Capital outlay	61,698	112,705	63,000	49,705
Equipment expense/gasoline	19,293	17,262	14,405	2,857
Total Electric	1,778,119	2,081,941	1,895,107	186,834
Water -				
Plant Expense -				
Personal services	103,793	103,557	102,170	1,387
Contractual services	37,527	52,216	39,000	13,216
Commodities	37,233	19,373	20,425	(1,052)
Capital outlay	4,510	77,974	151,200	(73,226)
Insurance	16,501	16,314	17,326	(1,012)
Utilities	14,886	16,804	25,000	(8,196)
Equipment	993	63,202	1,000	62,202
Purchased water-state	11,875	11,875	12,000	(125)
Chemicals	34,142	53,666	40,100	13,566
Distribution Expense -				
Personal services	47,666	60,970	64,995	(4,025)
Contractual services	1,040	1,233	525	708
Commodities	27,791	26,348	38,425	(12,077)
Capital outlay	531	369	1,300	(931)
Insurance	8,976	9,216	9,423	(207)
Utilities	2,854	2,796	4,000	(1,204)
Equipment	313	8,487	9,500	(1,013)
KDHE waterline loan	-	-	116,000	(116,000)
Total Water	350,631	524,400	652,389	(127,989)

## CITY OF MARION, KANSAS

### BUSINESS FUND

### UTILITIES 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)

		<u>2021</u>		
	<u>2020 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Expenditures (cont.)				
Sewer -				
Personal services	\$ 127,003	\$ 52,574	\$ 127,453	\$ (74,879)
Contractual services	12,472	23,136	19,700	3,436
Commodities	18,462	16,048	19,125	(3,077)
Capital outlay	73,917	-	5,000	(5,000)
Insurance	5,788	5,391	6,076	(685)
Utilities	20,835	20,762	26,000	(5,238)
Equipment	3,741	12,452	17,500	(5,048)
Revolving loan payment	21,599	21,599	22,500	(901)
Total Sewer	<u>283,817</u>	<u>151,962</u>	<u>243,354</u>	<u>(91,392)</u>
Refuse -				
Personal services	69,550	74,427	72,508	1,919
Contractual services	2,295	5,320	-	5,320
Commodities	24,072	18,604	19,475	(871)
Insurance	8,721	8,472	9,157	(685)
Trash bags	6,912	6,912	9,000	(2,088)
Equipment	2,906	2,915	4,000	(1,085)
Total Refuse	<u>114,456</u>	<u>116,650</u>	<u>114,140</u>	<u>2,510</u>
Operating Transfers -				
Transfer to General Fund	200,000	50,000	200,000	(150,000)
Transfer to Bond and Interest Fund	263,500	208,750	208,750	-
Transfer to Capital Improvement Fund	140,000	200,000	298,500	(98,500)
Transfer to Equipment Reserve Fund	95,500	100,500	100,500	-
Total Operating Transfers	<u>699,000</u>	<u>559,250</u>	<u>807,750</u>	<u>(248,500)</u>
Total Expenditures	<u>3,226,023</u>	<u>3,434,203</u>	<u>\$ 3,712,740</u>	<u>\$ (278,537)</u>
Receipts Over (Under) Expenditures	(15,381)	35,087		
Unencumbered Cash, Beginning	<u>1,143,779</u>	<u>1,128,398</u>		
Unencumbered Cash, Ending	<u>\$ 1,128,398</u>	<u>\$ 1,163,485</u>		

## CITY OF MARION, KANSAS

TRUST FUNDSPECIAL LAW ENFORCEMENT TRUST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2021

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

		<u>2021</u>		
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Forfeited property	\$ -	\$ 350	\$ -	\$ 350
VIN inspection fees	13,090	15,460	10,000	5,460
SPV permits	2,790	3,297	1,000	2,297
Technology fees	300	1,066	150	916
Total Receipts	<u>16,180</u>	<u>20,173</u>	<u>\$ 11,150</u>	<u>\$ 9,023</u>
Expenditures				
Commodities	2,801	4,937	\$ 2,600	\$ 2,337
Equipment	3,844	7,454	12,000	(4,546)
Radio lease	6,716	-	-	-
Total Expenditures	<u>13,361</u>	<u>12,391</u>	<u>\$ 14,600</u>	<u>\$ (2,209)</u>
Receipts Over (Under) Expenditures	2,819	7,782		
Unencumbered Cash, Beginning	<u>9,037</u>	<u>11,856</u>		
Unencumbered Cash, Ending	<u>\$ 11,856</u>	<u>\$ 19,638</u>		