CITY OF OSAWATOMIE, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2021

CITY OF OSAWATOMIE, KANSAS

TABLE OF CONTENTS

	PAGE NUMBER
Independent Auditors' Report	1-3
Statement 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash- Regulatory Basis	4-5
Notes to the Financial Statement	6-19
SUPPLEMENTARY INFORMATION	
Schedule 1	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) Regulatory Basis	20
Schedule 2	
Schedule of Receipts and Expenditures – Actual and Budget –Regulatory Basis (with Comparative Actual Amounts for the Prior Year)	
General Fund	21-23
Industrial Fund	24
Library Fund	25
Employee Benefits Fund	26
Special Parks and Recreation Fund	27
Tourism Fund	28
911 Fund	29
Street Improvement Fund	30
Golf Course Fund	31
Capital Improvements General Fund	32
Capital Improvements Water Fund	33
Capital Improvements Sewer Fund	34
Capital Improvements Street Fund	35
Capital Improvements Grant Fund	36
Capital Improvements Special Projects Fund	37
Capital Improvements Technology Fund	38
Public Safety Equipment Fund	39
American Rescue Plan Act Fund	40
Electric Generation Bond Account Fund	41
General Obligation Bond and Interest Fund	42
Electric Utility Fund	43-44
Electric Utility Debt Service Fund	45
Water Utility Fund	46-47
Refuse Utility Fund	48
Sewer Utility Fund	49
Schedule 3	
Schedule of Receipts and Disbursements – Agency Funds - Regulatory Basis	50

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Osawatomie, Kansas

Adverse and Unmodified Opinion
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Osawatomie, Kansas, as of and for the year ended December 31, 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 Opinion" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Osawatomie, Kansas as of December 31, 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 of Osawatomie, Kansas 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 Opinion
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 opinion.

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

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

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

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

Auditors' 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 opinion. 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, schedules of receipts and expenditures – actual and budget – regulatory basis for each individual fund, and schedule of receipts and disbursements – agency funds, regulatory basis (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Osawatomie, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated July 30, 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/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.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA

Certified Public Accountants

July 18, 2022
Chanute, Kansas

CITY OF OSAWATOMIE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2021
General Fund	$ 391,085.82	$ 3,340,415.99	$ 3,312,616.88	$ 418,884.93	$ 62,328.62	$ 481,213.55
Special Purpose Funds:						
Industrial	35,048.86	43,273.46	67,208.90	11,113.42	1,435.00	12,548.42
Library	116,057.43	13,532.28	16,257.27	113,332.44	0.12	113,332.56
Employee Benefits	284,560.07	714,753.07	915,519.43	83,793.71	1,642.47	85,436.18
Special Parks and Recreation	43,572.96	4,964.39	48,377.36	159.99	-	159.99
Tourism	75,621.66	68,467.82	99,202.17	44,887.31	3,703.92	48,591.23
911	9,897.41	-	9,897.41	-	-	-
Street Improvement	113,179.95	128,575.12	137,291.88	104,463.19	1,452.25	105,915.44
Golf Course	93,029.51	439,300.00	392,550.88	139,778.63	5,059.39	144,838.02
Capital Improvements General	243,193.19	75,000.00	162,980.38	155,212.81	-	155,212.81
Capital Improvements Water	108,257.19	-	57,021.99	51,235.20	-	51,235.20
Capital Improvements Sewer	170,979.92	240,760.00	254,611.06	157,128.86	-	157,128.86
Capital Improvements Street	167,451.06	100,000.00	43,654.30	223,796.76	-	223,796.76
Capital Improvements Grant	3,556.79	-	-	3,556.79	-	3,556.79
Capital Improvements Special Projects	85,656.92	26,812.00	112,468.92	-	-	-
Capital Improvements Technology	30,812.78	66,200.46	68,163.37	28,849.87	-	28,849.87
Public Safety Equipment	33,085.84	73,954.24	105,569.10	1,470.98	-	1,470.98
American Rescue Plan Act	-	326,888.80	-	326,888.80	-	326,888.80
Capital Project Funds:						
Electric Generation Bond Account	78,912.69	2.17	45,620.00	33,294.86	-	33,294.86
Bond and Interest Fund:						
General Obligation Bond and Interest	171,563.65	918,476.05	780,135.00	309,904.70	-	309,904.70
Business Funds:						
Electric Utility	358,791.24	4,980,860.42	4,861,038.49	478,613.17	166,205.58	644,818.75
Electric Utility Debt Service	149,987.22	450,000.01	435,352.50	164,634.73	-	164,634.73
Water Utility	142,935.83	1,037,356.14	1,124,343.91	55,948.06	4,045.20	59,993.26
Refuse Utility	1,764.06	375,262.66	375,804.76	1,221.96	30,680.68	31,902.64
Sewer Utility	194,766.35	968,006.17	1,072,434.73	90,337.79	20,507.30	110,845.09
Total Reporting Entity (Excluding Agency Funds)	$ 3,103,768.40	$ 14,392,861.25	$ 14,498,120.69	$ 2,998,508.96	$ 297,060.53	$ 3,295,569.49

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

CITY OF OSAWATOMIE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Total Cash to be accounted for:	$	3,295,569.49
Composition of Cash:		
Cash on Hand	$	800.00
Checking Accounts:		
Operating Account		447,681.02
Cash Flow Account		1,206,521.42
ADSAP		7,401.00
Municipal Court		21,890.08
Police Forfeitures		26,466.76
Cafeteria 125 Checking		88,906.32
Street & Sewer Project		198,836.53
Grant Account		7,306.79
PayPal Donations Account		3,530.01
USDA Loan Checking		52,097.73
Fire Department PR Checking		433.07
Petty Cash		2,000.00
Investments:		
Kansas Municipal Investment Pool		954,632.32
Certificates of Deposit		452,865.93
Total Reporting Entity		3,471,368.98
Agency Funds Per Schedule 3		(175,799.49)
Total Reporting Entity (Excluding Agency Funds)	$	3,295,569.49

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

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

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Osawatomie, Kansas, for the year of 2021:

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

Pension Plan

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursed Expenses

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

Special Assessments

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

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2021 the City amended the General Fund, Industrial Fund, Street Improvement Fund, Tourism Fund, Special Parks & Recreation Fund, Water Utility Fund, Electric Utility Fund, Sewer Utility Fund, 911 Fund and the Golf Course Fund.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

A legal operating budget is not required for capital project funds, and trust funds, and the following special purpose funds:

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

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in compliance with the cash basis and budget laws of Kansas. As shown in Schedule 1, the City was in apparent violation of K.S.A. 79-2935, as the City has obligated expenditures in excess of budget authority in the Employee Benefits Fund.

Compliance with Revenue Bond Covenants

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

RESERVE ACCOUNTS	REQUIRED AMOUNT	ACTUAL AMOUNT
Principal and Interest Account for Electric Revenue Bonds Series 2015 – requires transfers Monthly of 1/12 of next maturing interest and 1/12 of next maturing principal.	$ 145,416.67	$ 164,634.73

The City agrees to fix, establish, maintain and collect such rates, fees or charges for Electric Utility service which will be sufficient to enable the City to have, in each fiscal year, Net Revenues in an amount that will not be less than 125% of the Debt Service Requirements required to be paid by the City during that fiscal year on all System revenue bonds at the time outstanding. Net income is defined as gross income less operating expenses, but before any transfers, depreciation and capital expense. For the year ended December 31, 2021, the City had net revenues available for debt service of $1,718,088.81, which is 393.83%. The loan agreement defines net revenues available for debt service to be revenues, less ordinary and necessary expenses of operating the system, but not including charges for interest and principal paid on the loan, or charges for depreciation. Therefore, this amount consists of receipts over expenditures, less debt service expenditures and capital outlay. Capital outlay is not considered to be an ordinary expense.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2021, the City had the following investments and maturities.

Investment Type	Fair Value	Less than 1	1-2	Rating
Kansas Investment Pool	$ 954,632.32	$ 954,632.32	$ - -	S&P AAAf/S1+

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

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

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2021, is as follows:

Investments	Percentage of Investments
Kansas Investment Pool	100%

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

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits: At year-end, the City's carrying amount of deposits was $2,515,936.66 and the bank balance was $2,759,503.35. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,433.07 was covered by FDIC insurance and $2,259,070.28 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

At December 31, 2021, the City has invested $954,632.32 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may by invested in direct obligation that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Tax Levies:									
Series 2019 A Street Bonds	3.60%	5/23/2019	$ 1,135,000.00	9/1/2038	$ 1,105,000.00	$ -	$ (45,000.00)	$ 1,060,000.00	$ 39,780.00
Series 2019 Temporary	2.65%	12/31/2019	400,000.00	1/1/2021	410,369.31	-	(410,369.31)	-	10,629.44
Series 2020 Temporary	1.10%	12/29/2020	421,000.00	9/1/2022	-	421,000.00	-	421,000.00	3,113.06
Paid by Tax Levies and Utility Receipts:									
Series 2016A - Refunding	2.00-4.00%	5/19/2016	8,145,000.00	9/1/2045	6,945,000.00	-	(370,000.00)	6,575,000.00	218,080.00
Paid by Utility Receipts:									
Series 2012A - Refunding	2.00-4.70%	5/1/2012	2,810,000.00	9/1/2027	420,000.00	-	(95,000.00)	325,000.00	11,175.00
Revenue Bonds									
Paid by Utility Receipts:									
Series 2015 - Electric	3.50%	12/14/2015	6,095,000.00	9/1/2035	5,010,000.00	-	(260,000.00)	4,750,000.00	175,350.00
State Low Interest Loan	0.25%	3/17/2021	700,000.00	1/1/2031	-	700,000.00	(69,548.13)	630,451.87	1,336.89
State Revolving Loans									
KDHE No. 1961-01	2.83%	11/20/2013	1,266,256.72	3/1/2030	1,085,842.23	-	(101,134.63)	984,707.60	30,018.83
KDHE No. 3015-01	1.38%	5/10/2021	2,360,500.00	3/1/2043	-	165,760.00	-	165,760.00	-
No Fund Warrants	1.20%	3/3/2021	400,000.00	3/3/2022	-	400,000.00	(400,000.00)	-	210.41
GRDA Repayment	2.50%	12/31/2021	260,936.00	4/30/2026	-	260,936.00	(5,031.92)	255,904.08	268.08
Capital Leases									
Golf Course Irrigation	3.25%	11/26/2006	195,525.75	10/1/2021	16,748.31	-	(16,748.31)	-	557.93
Case Tractor & Bush Hog	2.50%	7/6/2015	76,261.00	7/6/2023	30,379.21	-	(9,877.47)	20,501.74	759.49
Fire truck	3.10%	4/5/2018	277,107.76	10/1/2026	217,282.30	-	(32,480.08)	184,802.22	7,484.99
Software	3.10%	4/5/2018	239,334.88	10/1/2022	125,184.23	-	(59,820.63)	65,363.60	5,217.74
Golf Course Equipment	5.00%	4/25/2019	108,650.00	5/1/2026	88,438.86	-	(14,335.70)	74,103.16	4,155.94
Backhoe	2.25%	10/14/2020	100,056.00	7/1/2025	100,056.00		(19,651.09)	80,404.91	1,613.40
John Deere Excavator	9.12%	8/9/2019	26,723.74	8/9/2023	15,969.16	-	(3,325.02)	12,644.14	2,997.05
Total Contractual Indebtedness					$ 15,570,269.61	$ 1,947,696.00	$ (1,912,322.29)	$ 15,605,643.32	$ 512,748.25

4. LONG-TERM DEBT (Continued)

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

Issue	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2046	Less Proceeds not Drawn Down	Total
Principal											
General Obligation Bonds											
Paid by Tax Levies:											
Series 2019 A Street Bonds	$ 45,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 55,000.00	$ 295,000.00	$ 355,000.00	$ 160,000.00	$ -	$ -	$ 1,060,000.00
Series 2020 Temporary	421,000.00	-	-	-	-	-	-	-	-	-	421,000.00
Paid by Tax Levies and Utility Receipts:											
Series 2016A	380,000.00	385,000.00	405,000.00	410,000.00	430,000.00	1,710,000.00	1,545,000.00	675,000.00	635,000.00	-	6,575,000.00
Paid by Utility Receipts:											
Series 2012A	95,000.00	65,000.00	40,000.00	40,000.00	40,000.00	45,000.00	-	-	-	-	325,000.00
Revenue Bonds											
Series 2015	270,000.00	280,000.00	285,000.00	300,000.00	310,000.00	1,710,000.00	1,595,000.00	-	-	-	4,750,000.00
State Low Interest Loan	34,654.45	69,438.90	69,612.60	69,786.75	69,961.32	316,997.85	-	-	-	-	630,451.87
State Revolving Loans											
KDHE No. 1961-01	104,016.99	106,981.49	110,030.48	113,166.38	116,391.64	434,120.62	-	-	-	-	984,707.60
KDHE No. 3015-01	-	51,444.98	103,957.34	105,396.90	106,856.39	556,891.66	596,532.52	638,995.12	200,425.09	(2,194,740.00)	165,760.00
GRDA Repayment	52,985.16	59,202.32	60,699.46	62,234.46	20,782.68	-	-	-	-	-	255,904.08
Capital Leases											
Case Tractor & Bush Hog	10,124.41	10,377.33	-	-	-	-	-	-	-	-	20,501.74
Fire Truck	34,532.99	35,611.81	36,724.32	37,871.61	40,061.49	-	-	-	-	-	184,802.22
Software	65,363.60	-	-	-	-	-	-	-	-	-	65,363.60
Golf Course Equipment	15,066.04	15,833.60	16,640.23	17,487.98	9,075.31	-	-	-	-	-	74,103.16
Backhoe	19,429.97	19,873.21	20,324.00	20,777.73	-	-	-	-	-	-	80,404.91
John Deere Excavator	5,309.57	7,334.57	-	-	-	-	-	-	-	-	12,644.14
Total Principal Payments	1,552,483.18	1,156,098.21	1,197,988.43	1,226,721.81	1,198,128.83	5,068,010.13	4,091,532.52	1,473,995.12	835,425.09	(2,194,740.00)	15,605,643.32
Interest											
General Obligation Bonds											
Paid by Tax Levies:											
Series 2019 A Street Bonds	38,160.00	36,540.00	34,740.00	32,940.00	31,140.00	125,460.00	68,040.00	8,640.00	-	-	375,660.00
Series 2020 Temporary	2,315.50	-	-	-	-	-	-	-	-	-	2,315.50
Paid by Tax Levies and Utility Receipts:											
Series 2016A	210,690.00	199,280.00	187,730.00	175,580.00	163,880.00	634,600.00	405,550.00	210,000.00	64,800.00	-	2,252,110.00
Paid by Utility Receipts:											
Series 2012A	9,037.50	6,900.00	4,950.00	3,750.00	2,550.00	1,350.00	-	-	-	-	28,537.50
Revenue Bonds											
Series 2015	166,250.00	156,800.00	147,000.00	137,025.00	126,525.00	462,700.00	141,925.00	-	-	-	1,338,225.00
State Low interest Loan	788.06	1,446.12	1,272.42	1,098.27	923.70	1,984.55	-	-	-	-	7,513.12
State Revolving Loans											
KDHE No. 1961-01	27,136.47	24,171.97	21,122.98	17,987.08	14,761.82	24,916.58	-	-	-	-	130,096.90
KDHE No. 3015-01	-	16,287.46	31,507.54	30,067.98	28,608.49	120,432.74	80,791.88	38,329.28	2,772.23	-	348,797.60
GRDA Repayment	5,314.84	4,397.68	2,900.54	1,365.54	106.74	-	-	-	-	-	14,085.34
Capital Leases											
Case Tractor & Bush Hog	512.55	259.44	-	-	-	-	-	-	-	-	771.99
Fire Truck	4,353.27	4,353.27	3,240.75	2,093.47	910.35	-	-	-	-	-	14,951.11
Software	1,481.48	-	-	-	-	-	-	-	-	-	1,481.48
Golf Course Equipment	3,425.60	2,658.04	1,851.39	1,003.66	170.51	-	-	-	-	-	9,109.20
Backhoe	1,834.52	1,391.28	940.49	474.25	-	-	-	-	-	-	4,640.54
John Deere Excavator	1,012.50	528.33	-	-	-	-	-	-	-	-	1,540.83
Total Interest Payments	472,312.29	455,013.59	437,256.11	403,385.25	369,576.61	1,371,443.87	696,306.88	256,969.28	67,572.23	-	4,529,836.11
Total Principal and Interest	$ 2,024,795.47	$ 1,611,111.80	$ 1,635,244.54	$ 1,630,107.06	$ 1,567,705.44	$ 6,439,454.00	$ 4,787,839.40	$ 1,730,964.40	$ 902,997.32	$ (2,194,740.00)	$ 20,135,479.43

5. CAPITAL LEASE OBLIGATIONS

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

Year Ended December 31	Totals
2022	$ 10,636.96
2023	10,636.77
	21,273.73
Less imputed interest	(771.99)
Net Present Value of Minimum Lease Payments	20,501.74
Less: Current Maturities	(10,124.41)
Long-Term Capital Lease Obligations	$ 10,377.33

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

Year Ended December 31	Totals
2022	$ 38,886.26
2023	39,965.08
2024	39,965.07
2025	39,965.08
2026	40,971.84
	199,753.33
Less imputed interest	(14,951.11)
Net Present Value of Minimum Lease Payments	184,802.22
Less: Current Maturities	(34,532.99)
Long-Term Capital Lease Obligations	$ 150,269.23

5. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of Software. Payments are made twice a year, including interest at approximately 3.10%. Final maturity of the lease is October 1, 2022. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2022	$ 66,845.08
	66,845.08
Less imputed interest	(1,481.48)
Net Present Value of Minimum Lease Payments	65,363.60
Less: Current Maturities	(65,363.60)
Long-Term Capital Lease Obligations	$ 0.00

The City has entered into a capital lease agreement in order to finance the acquisition of the golf course equipment. Payments are made quarterly, including interest at 5.00%. Final maturity of the lease is May 1, 2026. Future minimum lease payments are as follows:

Year Ended December 31	Totals
2022	$ 18,491.64
2023	18,491.64
2024	18,491.62
2025	18,491.64
2026	9,245.82
	83,212.36
Less imputed interest	(9,109.20)
Net Present Value of Minimum Lease Payments	74,103.16
Less: Current Maturities	(15,066.04)
Long-Term Capital Lease Obligations	$ 59,037.12

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

Year Ended December 31	Totals
2022	$ 21,264.49
2023	21,264.49
2024	21,264.49
2025	21,251.98
	85,045.45
Less imputed interest	(4,640.54)
Net Present Value of Minimum Lease Payments	80,404.91
Less: Current Maturities	(19,429.97)
Long-Term Capital Lease Obligations	$ 60,974.94

5. CAPITAL LEASE OBLIGATIONS (Continued)

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

Year Ended December 31	Totals
2022	$ 6,322.07
2023	7,862.90
	14,184.97
Less imputed interest	(1,540.83)
Net Present Value of Minimum Lease Payments	12,644.14
Less: Current Maturities	(5,309.57)
Long-Term Capital Lease Obligations	$ 7,334.57

6. OPERATING LEASES

As of December 31, 2021 the City has entered into a number of operating leases for equipment. Rent expense for the year ended December 31, 2021, was $23,000.83. Under the current lease agreements, the future minimum rental payments are as follows:

2022	$ 10,176.72
2023	9,278.55
2024	7,074.18
2025	4,093.38
2026	1,271.34

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically 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 or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2017. Effective January 1, 2017, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

7. DEFINED BENEFIT PENSION PLAN (Continued)

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were $250,941.96 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 $1,611,649.00. 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 or can be obtained as described above.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

Compensated Absences:

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

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

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

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

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

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

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

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

In accordance with the above criteria, the City has estimated a liability for vacation pay and compensatory time, which has been earned, but not taken by City employees. The liability for compensated absences was $152,991.52 and compensatory time was $8,169.88. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

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

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

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

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

10. CONCENTRATION OF RISK

The City provides water to two rural water districts. During 2021, sales to Miami County Rural Water District No. 1 accounted for 11.03% of the water sold and sales to Miami County Rural Water District No. 3 accounted for 34.19% of the water sold. Risk of accounting loss exists from the possibility that a customer would no longer purchase water from the City. Impact of potential risk cannot be determined.

11. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Electric Utility	General	K.S.A. 12-825d	$ 387,000.00
Electric Utility	Employee Benefits	K.S.A. 12-16,102	67,500.00
Electric Utility	Tourism	K.S.A. 12-825d	10,000.00
Electric Utility	Golf Course	K.S.A. 12-825d	80,000.00
Electric Utility	Capital Improvements General	K.S.A. 12-1,118	75,000.00
Electric Utility	Refuse Utility	K.S.A. 12-825d	25,000.00
Electric Utility	Electric Utility Debt Service	K.S.A. 13-1270	450,000.01
Water Utility	General	K.S.A. 12-825d	176,000.00
Water Utility	Employee Benefits	K.S.A. 12-16,102	54,945.00
Water Utility	General Obligation Bond and Interest	K.S.A. 13-1270	126,500.00
Sewer Utility	General	K.S.A. 12-825d	145,000.00
Sewer Utility	Employee Benefits	K.S.A. 12-16,102	35,000.00
Sewer Utility	Capital Improvements Sewer	K.S.A. 12-1,118	75,000.00
Sewer Utility	General Obligation Bond and Interest	K.S.A. 13-1270	325,000.00
Golf Course	Industrial Fund	K.S.A. 79-2934	15,302.00
Street Improvements	Capital Improvements Street	K.S.A. 12-1,118	100,000.00
Public Safety Equipment	Capital Improvements Technology	K.S.A. 12-1,118	29,000.00

12. COVID-19

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 risk 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 2022. Future potential impacts include a decline in sales tax collections and utility collections.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the City to assist with the risks and help offset incurred costs of the City. For the year ended December 31, 2021, the City received $326,888.80 as a result of the American Rescue Plan Act, of which none had been spent at year end.

13. SUBSEQUENT EVENTS

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

The City did accept a bid from Crossland for modifications to the wastewater treatment facility in the amount of $2,538,564.00, issued GO bonds in the amount of $6,175,000.00, and approved a street project bid from Killough Construction in the amount of $730,396.35.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF OSAWATOMIE, KANSAS
Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	$ 3,500,000.00	$ 21,168.63	$ 3,521,168.63	$ 3,312,616.88	$ (208,551.75)
Special Purpose Funds:					
Industrial	70,000.00	-	70,000.00	67,208.90	(2,791.10)
Library	103,858.00	-	103,858.00	16,257.27	(87,600.73)
Employee Benefits	880,509.00	10,774.03	891,283.03	915,519.43	24,236.40
Special Parks and Recreation	60,000.00	-	60,000.00	48,377.36	(11,622.64)
Tourism	100,000.00	-	100,000.00	99,202.17	(797.83)
911	10,000.00	-	10,000.00	9,897.41	(102.59)
Street Improvement	140,000.00	-	140,000.00	137,291.88	(2,708.12)
Golf Course	425,000.00	-	425,000.00	392,550.88	(32,449.12)
Public Safety Equipment	157,500.00	-	157,500.00	105,569.10	(51,930.90)
Bond and Interest Fund:					
General Obligation Bond and Interest	1,000,000.00	-	1,000,000.00	780,135.00	(219,865.00)
Business Funds:					
Electric Utility	4,900,000.00	45,410.51	4,945,410.51	4,861,038.49	(84,372.02)
Electric Utility Debt Service	465,000.00	-	465,000.00	435,352.50	(29,647.50)
Water Utility	1,400,000.00	-	1,400,000.00	1,124,343.91	(275,656.09)
Refuse Utility	441,600.00	-	441,600.00	375,804.76	(65,795.24)
Sewer Utility	1,100,000.00	-	1,100,000.00	1,072,434.73	(27,565.27)

CITY OF OSAWATOMIE, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 681,151.13	$ 703,745.07	$ 741,751.00	$ (38,005.93)
Delinquent Tax	48,836.12	28,964.72	25,000.00	3,964.72
Motor Vehicle Tax	69,754.63	77,783.01	72,866.00	4,917.01
Recreational Vehicle Tax	1,122.24	1,463.82	1,170.00	293.82
16/20M Vehicle Tax	251.49	173.78	207.00	(33.22)
Commercial Vehicle Tax	780.58	569.09	642.00	(72.91)
Special Assessments	1,525.88	13,193.86	2,500.00	10,693.86
Sales Tax	875,539.24	998,566.64	757,000.00	241,566.64
Franchise Taxes	99,514.86	108,115.83	107,500.00	615.83
Intergovernmental				
Local Alcoholic Liquor Tax	4,797.70	4,964.39	6,000.00	(1,035.61)
Grant Proceeds	95,526.43	34,778.28	439,000.00	(404,221.72)
CDBG-CV Grant Proceeds	62,100.00	104,900.00	-	104,900.00
SPARK Grant Proceeds	29,000.00	-	-	-
Licenses and Permits	23,761.44	33,981.50	25,000.00	8,981.50
Charges for Services				
Sale of Cemetery Lots	3,450.00	14,550.00	-	14,550.00
Cemetery Charges	22,550.00	33,680.00	35,500.00	(1,820.00)
Auditorium Rent	1,190.00	3,100.00	-	3,100.00
Memorial Hall Rent	2,185.00	4,360.00	-	4,360.00
Animal Control	5,936.00	6,881.00	-	6,881.00
Drug Screening	113.00	-	-	-
Probation	300.00	-	-	-
Student Resource Officer	32,658.56	30,445.52	-	30,445.52
Assigned Counsel	5,305.78	5,760.00	-	5,760.00
Fines, Forfeitures and Penalties				
Fines	97,389.25	96,002.43	120,000.00	(23,997.57)
Use of Money and Property				
Interest Income	13,723.10	6,546.50	12,000.00	(5,453.50)
Sales of Equipment and Property	3,963.40	259.20	-	259.20
Sale of Asset	-	292,183.48	-	292,183.48
Other Receipts				
Miscellaneous	6,626.10	6,279.24	175,000.00	(168,720.76)
Reimbursed Expense	94,679.80	21,168.63	3,000.00	18,168.63
Operating Transfers from:				
Electric Utility Fund	374,024.00	387,000.00	612,000.00	(225,000.00)
Water Utility Fund	174,021.00	176,000.00	50,000.00	126,000.00
Sewer Utility Fund	146,143.00	145,000.00	45,000.00	100,000.00
Total Receipts	2,977,919.73	3,340,415.99	$ 3,231,136.00	$ 109,279.99

CITY OF OSAWATOMIE, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
General Administration				
Personal Services	$ 436,442.73	$ 476,235.00	$ 450,000.00	$ 26,235.00
Contractual Services	240,216.65	313,561.51	225,000.00	88,561.51
Commodities	37,325.58	31,760.71	30,000.00	1,760.71
Capital Outlay	41,857.61	94,590.70	90,000.00	4,590.70
Other Expenses	-	-	248,968.00	(248,968.00)
Code Enforcement				
Personal Services	137,291.46	180,128.65	160,000.00	20,128.65
Contractual Services	43,716.76	39,873.68	45,000.00	(5,126.32)
Commodities	10,186.34	17,389.02	16,450.00	939.02
Capital Outlay	4,038.58	-	-	-
Police and Fire				
Personal Services	911,240.26	786,640.85	775,000.00	11,640.85
Contractual Services	104,526.25	166,991.79	164,800.00	2,191.79
Commodities	56,235.15	81,153.94	90,700.00	(9,546.06)
Capital Outlay	24,133.72	41,667.72	45,000.00	(3,332.28)
John Brown Cabin				
Personal Services	29,869.12	34,023.08	37,058.00	(3,034.92)
Contractual Services	6,753.61	5,893.05	7,500.00	(1,606.95)
Commodities	28.75	72.24	500.00	(427.76)
Capital Outlay	-	-	2,000.00	(2,000.00)
Streets and Alleys				
Personal Services	126,922.57	163,746.52	160,000.00	3,746.52
Contractual Services	21,180.39	16,348.38	20,000.00	(3,651.62)
Commodities	35,663.86	56,660.65	55,000.00	1,660.65
Capital Outlay	1,772.97	1,615.00	2,500.00	(885.00)
City Clerk				
Capital Outlay	162.49	-	-	-
Property & Maintenance				
Personal Services	191,672.46	113,293.85	116,740.00	(3,446.15)
Contractual Services	38,017.96	49,484.65	50,000.00	(515.35)
Commodities	30,473.15	47,136.45	50,000.00	(2,863.55)
Capital Outlay	12,947.97	26,384.60	30,000.00	(3,615.40)

CITY OF OSAWATOMIE, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Municipal Court Services				
Personal Services	$ 39,119.04	$ 42,972.72	$ 46,223.00	$ (3,250.28)
Contractual Services	99,981.99	96,632.64	98,400.00	(1,767.36)
Commodities	932.47	1,043.69	850.00	193.69
Capital Outlay	-	-	1,000.00	(1,000.00)
Other Expenses	12,736.00	14,591.00	18,000.00	(3,409.00)
Levees and Stormwater				
Contractual Services	659.19	13,883.30	14,000.00	(116.70)
Commodities	1,543.24	6,077.02	8,050.00	(1,972.98)
Capital Outlay	-	-	15,000.00	(15,000.00)
Lease Purchase - Tractor and Bush Hog	10,636.96	10,636.96	-	10,636.96
Library				
Personal Services	99,579.40	119,351.07	120,000.00	(648.93)
Contractual Services	18,835.31	23,960.61	27,870.00	(3,909.39)
Commodities	18,273.27	19,095.46	23,050.00	(3,954.54)
Capital Outlay	1,895.18	-	1,000.00	(1,000.00)
Information Technology				
Personal Services	-	35.82	54,341.00	(54,305.18)
Contractual Services	-	166,841.71	170,000.00	(3,158.29)
Commodities	-	15,724.61	20,000.00	(4,275.39)
Capital Outlay	-	37,118.23	10,000.00	27,118.23
Total Certified Budget			3,500,000.00	(187,383.12)
Adjustments for Qualifying Budget Credits			21,168.63	(21,168.63)
Total Expenditures	2,846,868.44	3,312,616.88	$ 3,521,168.63	$ (208,551.75)
Receipts Over(Under) Expenditures	131,051.29	27,799.11		
Unencumbered Cash, Beginning	260,034.53	391,085.82		
Unencumbered Cash, Ending	$ 391,085.82	$ 418,884.93		

CITY OF OSAWATOMIE, KANSAS
INDUSTRIAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Tax	$ 4,477.16	$ 4,693.00	$ 4,945.00	$ (252.00)
Delinquent Tax	276.69	173.44	-	173.44
Motor Vehicle Tax	417.18	514.96	205.00	309.96
Recreational Vehicle Tax	7.00	9.66	3.00	6.66
16/20M Vehicle Tax	5.89	1.18	1.00	0.18
Commercial Vehicle Tax	5.26	3.75	2.00	1.75
Use of Money and Property				
Rental Income	-	(3,300.00)	12,162.00	(15,462.00)
Sale of Assets	6,000.00	22,501.00	-	22,501.00
Other Receipts				
Reimbursed Expense	29,393.65	294.00	-	294.00
Miscellaneous	17,893.60	3,080.47	-	3,080.47
Operating Transfer from				
General Fund	-	-	17,633.00	(17,633.00)
Golf Course Fund	-	15,302.00		15,302.00
Total Receipts	58,476.43	43,273.46	$ 34,951.00	$ 8,322.46
Expenditures				
General Government				
Contractual Services	18,187.62	50,446.90	$ 15,000.00	$ 35,446.90
Commodities	937.38	-	-	-
Capital Outlay	-	16,762.00	47,500.00	(30,738.00)
Lease Purchase - Grocery Store Equipment	-	-	7,500.00	(7,500.00)
Total Expenditures	19,125.00	67,208.90	$ 70,000.00	$ (2,791.10)
Receipts Over(Under) Expenditures	39,351.43	(23,935.44)		
Unencumbered Cash, Beginning	(4,302.57)	35,048.86		
Unencumbered Cash, Ending	$ 35,048.86	$ 11,113.42		

CITY OF OSAWATOMIE, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Intergovernmental				
Grant Proceeds	$ 17,705.00	$ 11,426.00	$ 10,000.00	$ 1,426.00
Use of Money and Property				
Interest Income	602.55	121.14	134.00	(12.86)
Other Receipts				
Donations	5,422.38	1,985.14	53,000.00	(51,014.86)
Total Receipts	23,729.93	13,532.28	$ 63,134.00	$ (49,601.72)
Expenditures				
Culture and Recreation				
Contractual Services	2,068.86	776.68	$ 2,500.00	$ (1,723.32)
Commodities	9,028.19	15,480.59	10,000.00	5,480.59
Capital Outlay	-	-	91,358.00	(91,358.00)
Total Expenditures	11,097.05	16,257.27	$ 103,858.00	$ (87,600.73)
Receipts Over(Under) Expenditures	12,632.88	(2,724.99)		
Unencumbered Cash, Beginning	103,424.55	116,057.43		
Unencumbered Cash, Ending	$ 116,057.43	$ 113,332.44		

CITY OF OSAWATOMIE, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 447,720.83	$ 471,780.17	$ 497,268.00	$ (25,487.83)
Delinquent Tax	36,953.06	20,908.94	-	20,908.94
Motor Vehicle Tax	51,793.97	47,853.00	20,465.00	27,388.00
Recreational Vehicle Tax	830.21	5,489.40	338.00	5,151.40
16/20M Vehicle Tax	198.02	127.56	60.00	67.56
Commercial Vehicle Tax	573.44	374.97	185.00	189.97
Watercraft Tax	-	-	46.00	(46.00)
Other Receipts				
Reimbursed Expense	454.37	10,774.03	-	10,774.03
Operating Transfers from:				
Electric Utility Fund	97,085.00	67,500.00	67,450.00	50.00
Sewer Utility Fund	44,134.00	35,000.00	35,000.00	-
Water Utility Fund	67,741.00	54,945.00	54,945.00	-
Total Receipts	747,483.90	714,753.07	$ 675,757.00	$ 38,996.07
Expenditures				
General Government				
Personal Services	708,873.46	912,199.41	$ 860,555.00	$ 51,644.41
Contractual Services	5,621.44	3,320.02	-	3,320.02
Other				
Cash Basis Reserve	-	-	19,954.00	(19,954.00)
Total Certified Budget			880,509.00	35,010.43
Adjustments for Qualifying Budget Credits			10,774.03	(10,774.03)
Total Expenditures	714,494.90	915,519.43	$ 891,283.03	$ 24,236.40
Receipts Over(Under) Expenditures	32,989.00	(200,766.36)		
Unencumbered Cash, Beginning	251,571.07	284,560.07		
Unencumbered Cash, Ending	$ 284,560.07	$ 83,793.71		

CITY OF OSAWATOMIE, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	$ 4,797.72	$ 4,964.39	$ 6,000.00	$ (1,035.61)
Other Receipts				
Donations	-	-	2,500.00	(2,500.00)
Operating Transfers from:				
Electric Utility Fund	20,000.00	-	7,927.00	(7,927.00)
Total Receipts	24,797.72	4,964.39	$ 16,427.00	$ (11,462.61)
Expenditures				
Culture and Recreation				
Facilities				
Contractual Services	821.88	3,501.62	$ -	$ 3,501.62
Commodities	-	3,300.24	-	3,300.24
Capital Outlay	4,614.75	41,575.50	22,000.00	19,575.50
Debt Retirement				
Principal	16,204.48	-	35,000.00	(35,000.00)
Interest	1,085.84	-	3,000.00	(3,000.00)
Total Expenditures	22,726.95	48,377.36	$ 60,000.00	$ (11,622.64)
Receipts Over(Under) Expenditures	2,070.77	(43,412.97)		
Unencumbered Cash, Beginning	41,502.19	43,572.96		
Unencumbered Cash, Ending	$ 43,572.96	$ 159.99		

CITY OF OSAWATOMIE, KANSAS
TOURISM FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Transient Guest Tax	$ 11,908.53	$ 15,664.71	$ 12,500.00	$ 3,164.71
Charges for Services				
Rental Income	100.00	150.00	-	150.00
Sponsorship Income	10,285.00	17,409.85	16,250.00	1,159.85
Entry Fees	-	1,300.00	-	1,300.00
Other Receipts				
Donations	1,137.00	2,658.00	5,000.00	(2,342.00)
Reimbursed Expense	-	6,765.10	-	6,765.10
Miscellaneous	36.61	14,520.16	5,000.00	9,520.16
Operating Transfers from				
Electric Utility Fund	10,000.00	10,000.00	-	10,000.00
Total Receipts	33,467.14	68,467.82	$ 38,750.00	$ 29,717.82
Expenditures				
General Government				
Contractual Services	10,962.28	42,789.34	$ 65,000.00	$ (22,210.66)
Commodities	3,407.27	46,284.37	17,500.00	28,784.37
Capital Outlay	-	10,128.46	-	10,128.46
Other				
Cash Basis Reserve	-	-	17,500.00	(17,500.00)
Total Expenditures	14,369.55	99,202.17	$ 100,000.00	$ (797.83)
Receipts Over(Under) Expenditures	19,097.59	(30,734.35)		
Unencumbered Cash, Beginning	56,524.07	75,621.66		
Unencumbered Cash, Ending	$ 75,621.66	$ 44,887.31		

CITY OF OSAWATOMIE, KANSAS
911 FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from:				
General Fund	$ -	$ -	$ 103.00	$ (103.00)
Total Receipts	-	-	$ 103.00	$ (103.00)
Expenditures				
General Government				
Capital Outlay	-	9,897.41	$ -	$ 9,897.41
Operating Transfer to:				
Public Safety Equipment Fund	-	-	10,000.00	(10,000.00)
Total Expenditures	-	9,897.41	$ 10,000.00	$ (102.59)
Receipts Over(Under) Expenditures	-	(9,897.41)		
Unencumbered Cash, Beginning	9,897.41	9,897.41		
Unencumbered Cash, Ending	$ 9,897.41	$ -		

CITY OF OSAWATOMIE, KANSAS
STREET IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	$ 111,207.21	$ 123,475.12	$ 97,150.00	$ 26,325.12
Intergovernmental				
County Connecting Links	5,100.00	5,100.00	5,100.00	-
Total Receipts	116,307.21	128,575.12	$ 102,250.00	$ 26,325.12
Expenditures				
Street Improvements				
Contractual Services	3,620.02	895.85	$ -	$ 895.85
Commodities	-	32,771.01	25,000.00	7,771.01
Capital Outlay	45,647.95	-	-	-
Debt Service				
Capital Lease - Const. Equip.	-	3,625.02	-	3,625.02
Operating Transfer to				
Capital Improvements				
Street Fund	155,000.00	100,000.00	115,000.00	(15,000.00)
Total Expenditures	204,267.97	137,291.88	$ 140,000.00	$ (2,708.12)
Receipts Over(Under) Expenditures	(87,960.76)	(8,716.76)		
Unencumbered Cash, Beginning	201,140.71	113,179.95		
Unencumbered Cash, Ending	$ 113,179.95	$ 104,463.19		

CITY OF OSAWATOMIE, KANSAS
GOLF COURSE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Golf Course Sheds	$ 2,352.00	$ 2,593.50	$ -	$ 2,593.50
Membership Fees	29,041.10	41,893.09	-	41,893.09
Green Fees	96,664.61	108,940.50	250,000.00	(141,059.50)
Golf Cart Fees	62,596.11	75,774.16	-	75,774.16
Sales Tax	11,953.57	14,986.72	8,100.00	6,886.72
Driving Range	5,832.25	9,707.13	-	9,707.13
Concessions	15,343.79	54,928.02	-	54,928.02
Tournaments	17,597.03	29,710.41	-	29,710.41
Pro Shop	36,585.51	10,347.99	-	10,347.99
Other Fees	4,198.68	4,569.37	-	4,569.37
Use of Money and Property				
Sales of Equipment and Property	-	655.00	-	655.00
Other Receipts				
Reimbursed Expense	-	3,819.00	-	3,819.00
Miscellaneous	346.29	1,375.11	-	1,375.11
Operating Transfers from				
Electric Utility Fund	77,500.00	80,000.00	77,500.00	2,500.00
Total Receipts	360,010.94	439,300.00	$ 335,600.00	$ 103,700.00
Expenditures				
Culture and Recreation				
Personal Services	111,811.06	125,534.14	$ 170,000.00	$ (44,465.86)
Contractual Services	67,068.29	105,929.99	65,000.00	40,929.99
Commodities	71,439.13	98,486.87	75,000.00	23,486.87
Capital Outlay	-	11,500.00	115,000.00	(103,500.00)
Debt Service				
Principal	13,640.77	31,084.01	-	31,084.01
Interest	4,850.87	4,713.87	-	4,713.87
Operating Transfer to:				
Industrial Fund	-	15,302.00	-	15,302.00
Total Expenditures	268,810.12	392,550.88	$ 425,000.00	$ (32,449.12)
Receipts Over(Under) Expenditures	91,200.82	46,749.12		
Unencumbered Cash, Beginning	1,828.69	93,029.51		
Unencumbered Cash, Ending	$ 93,029.51	$ 139,778.63		

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS GENERAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Capital Lease Proceeds	$ 100,056.00	$ -
Other Receipts		
Donations	11,000.00	-
Operating Transfers from		
Electric Utility Fund	137,000.00	75,000.00
Total Receipts	248,056.00	75,000.00
Expenditures		
Capital Projects		
Capital Outlay	155,967.20	162,980.38
Total Expenditures	155,967.20	162,980.38
Receipts Over(Under) Expenditures	92,088.80	(87,980.38)
Unencumbered Cash, Beginning	151,104.39	243,193.19
Unencumbered Cash, Ending	$ 243,193.19	$ 155,212.81

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS WATER FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers From		
Water Utility Fund	$ 80,000.00	$ -
Total Receipts	80,000.00	-
Expenditures		
Capital Projects		
Capital Outlay	46,742.81	57,021.99
Total Expenditures	46,742.81	57,021.99
Receipts Over(Under) Expenditures	33,257.19	(57,021.99)
Unencumbered Cash, Beginning	75,000.00	108,257.19
Unencumbered Cash, Ending	$ 108,257.19	$ 51,235.20

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS SEWER FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Temporary Notes Proceeds	$ 10,369.31	$ 165,760.00
Operating Transfers From		
Sewer Utility Fund	75,000.00	75,000.00
Total Receipts	85,369.31	240,760.00
Expenditures		
Capital Projects		
Capital Outlay	55,684.00	251,498.00
Debt Service		
Interest	-	3,113.06
Total Expenditures	55,684.00	254,611.06
Receipts Over(Under) Expenditures	29,685.31	(13,851.06)
Unencumbered Cash, Beginning	141,294.61	170,979.92
Unencumbered Cash, Ending	$ 170,979.92	$ 157,128.86

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS STREET FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from		
Street Improvement Fund	$ 155,000.00	$ 100,000.00
Total Receipts	155,000.00	100,000.00
Expenditures		
Capital Projects		
Capital Outlay	69,949.44	22,389.81
Debt Services		
Capital Lease - Principal	-	19,651.09
Capital Lease - Interest	-	1,613.40
Total Expenditures	69,949.44	43,654.30
Receipts Over(Under) Expenditures	85,050.56	56,345.70
Unencumbered Cash, Beginning	82,400.50	167,451.06
Unencumbered Cash, Ending	$ 167,451.06	$ 223,796.76

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

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

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS SPECIAL PROJECTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Grant Proceeds	$ 178,338.00	$ 26,812.00
Total Receipts	178,338.00	26,812.00
Expenditures		
Capital Projects		
Contractual Services	-	8,784.98
Capital Outlay	107,114.35	103,683.94
Total Expenditures	107,114.35	112,468.92
Receipts Over(Under) Expenditures	71,223.65	(85,656.92)
Unencumbered Cash, Beginning	14,433.27	85,656.92
Unencumbered Cash, Ending	$ 85,656.92	$ -

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS TECHNOLOGY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Technology Fees	$ 36,941.27	$ 37,200.46
Operating Transfer from		
Public Safety Equipment	29,000.00	29,000.00
Total Receipts	65,941.27	66,200.46
Expenditures		
Capital Projects		
Capital Outlay	5,714.22	3,125.00
Debt Service		
Principal	59,768.59	59,820.63
Interest	5,269.78	5,217.74
Total Expenditures	70,752.59	68,163.37
Receipts Over(Under) Expenditures	(4,811.32)	(1,962.91)
Unencumbered Cash, Beginning	35,624.10	30,812.78
Unencumbered Cash, Ending	$ 30,812.78	$ 28,849.87

CITY OF OSAWATOMIE, KANSAS
PUBLIC SAFETY EQUIPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Tax	$ 22,385.55	$ 23,464.57	$ 24,725.00	$ (1,260.43)
Delinquent Tax	1,554.43	942.21	-	942.21
Motor Vehicle Tax	2,307.12	2,574.50	1,023.00	1,551.50
Recreational Vehicle Tax	37.47	48.35	17.00	31.35
16/20M Vehicle Tax	6.92	5.90	3.00	2.90
Commercial Vehicle Tax	26.48	18.71	9.00	9.71
Watercraft Tax	-	-	2.00	(2.00)
Sales Tax	20,501.38	-	69,382.00	(69,382.00)
Intergovernmental				
State Grant Proceeds	7,581.54	46,500.00	-	46,500.00
Other Receipts				
Reimbursed Expense	-	400.00	-	400.00
Miscellaneous	4,680.00	-	-	-
Total Receipts	59,080.89	73,954.24	$ 95,161.00	$ (21,206.76)
Expenditures				
General Government				
Contractual	927.29	-	$ -	$ -
Commodities	-	111.11	-	111.11
Capital Outlay	12,584.16	36,492.92	78,500.00	(42,007.08)
Debt Services				
Principal	32,472.40	32,480.08	-	32,480.08
Interest	7,492.68	7,484.99	-	7,484.99
Operating Transfer to				
Capital Improvements Technology	29,000.00	29,000.00	29,000.00	-
Other				
Cash Basis Reserve	-	-	50,000.00	(50,000.00)
Total Expenditures	82,476.53	105,569.10	$ 157,500.00	$ (51,930.90)
Receipts Over(Under) Expenditures	(23,395.64)	(31,614.86)		
Unencumbered Cash, Beginning	56,481.48	33,085.84		
Unencumbered Cash, Ending	$ 33,085.84	$ 1,470.98		

CITY OF OSAWATOMIE, KANSAS
AMERICAN RESCUE PLAN ACT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
ARPA Grant Proceeds	$ -	$ 326,888.80
Total Receipts	-	326,888.80
Expenditures		
Capital Projects		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	326,888.80
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 326,888.80

CITY OF OSAWATOMIE, KANSAS
ELECTRIC GENERATION BOND ACCOUNT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest	$ 19.13	$ 2.17
Operating Transfer from		
Electric Utility Fund	100,000.00	-
Total Receipts	100,019.13	2.17
Expenditures		
Capital Projects		
Capital Outlay	45,570.00	45,620.00
Total Expenditures	45,570.00	45,620.00
Receipts Over(Under) Expenditures	54,449.13	(45,617.83)
Unencumbered Cash, Beginning	24,463.56	78,912.69
Unencumbered Cash, Ending	$ 78,912.69	$ 33,294.86

CITY OF OSAWATOMIE, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	$ 394,662.07	$ 404,642.60	$ 426,507.00	$ (21,864.40)
Delinquent Tax	26,846.69	16,210.60	-	16,210.60
Motor Vehicle Tax	39,013.57	44,849.84	18,039.00	26,810.84
Recreational Vehicle Tax	630.05	845.10	298.00	547.10
16/20M Vehicle Tax	128.80	98.34	53.00	45.34
Commercial Vehicle Tax	441.40	329.57	164.00	165.57
Watercraft Tax	-	-	41.00	(41.00)
Bond Proceeds	-	-	100,603.00	(100,603.00)
Operating Transfers from:				
Sewer Utility Fund	175,000.00	325,000.00	175,000.00	150,000.00
Water Utility Fund	126,000.00	126,500.00	126,500.00	-
Total Receipts	762,722.58	918,476.05	$ 847,205.00	$ 71,271.05
Expenditures				
Debt Service				
Bond Principal	480,000.00	510,000.00	$ 600,000.00	$ (90,000.00)
Bond Interest	290,463.00	269,035.00	279,664.00	(10,629.00)
Commissions and Postage	1,101.25	1,100.00	500.00	600.00
Other				
Cash Basis Reserve	-	-	119,836.00	(119,836.00)
Total Expenditures	771,564.25	780,135.00	$ 1,000,000.00	$ (219,865.00)
Receipts Over(Under) Expenditures	(8,841.67)	138,341.05		
Unencumbered Cash, Beginning	180,405.32	171,563.65		
Unencumbered Cash, Ending	$ 171,563.65	$ 309,904.70		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Electric Charges	$ 3,379,240.15	$ 3,557,428.82	$ 3,800,000.00	$ (242,571.18)
Sales Tax	119,409.46	126,866.85	130,000.00	(3,133.15)
Utility Deposits	7,178.83	(100.00)	55,000.00	(55,100.00)
Late Fees	62,535.10	60,035.07	-	60,035.07
Other Charges	72,943.85	67,960.20	18,000.00	49,960.20
Use of Money and Property				
Interest Income	1,648.81	1,229.10	2,500.00	(1,270.90)
Sale of Assets	3,014.35	21,500.00	-	21,500.00
Loan Proceeds	-	700,000.00	1,000,000.00	(300,000.00)
No Fund Warrants	-	400,000.00	-	400,000.00
Other Receipts				
Miscellaneous	998.74	529.87	2,000.00	(1,470.13)
Reimbursed Expense	6,872.16	45,410.51	-	45,410.51
Total Receipts	3,653,841.45	4,980,860.42	$ 5,007,500.00	$ (26,639.58)
Expenditures				
Administration				
Personal Services	-	-	$ 450,000.00	$ (450,000.00)
Contractual Services	255,926.78	307,068.83	403,430.00	(96,361.17)
Commodities	997.86	138.06	125,800.00	(125,661.94)
Capital Outlay	217.41	-	120,177.00	(120,177.00)
Electric Production				
Personal Services	83,700.78	66,948.73	-	66,948.73
Contractual Services	1,519,471.14	2,363,168.88	2,714,643.00	(351,474.12)
Commodities	11,449.24	45,977.19	-	45,977.19
Capital Outlay	-	724.11	-	724.11
Electric Distribution				
Personal Services	285,016.73	307,719.41	-	307,719.41
Contractual Services	27,151.29	77,681.37	-	77,681.37
Commodities	140,268.88	94,069.14	26,500.00	67,569.14
Capital Outlay	3,124.27	20,325.26	-	20,325.26
Debt Service				
Principal	-	474,580.05	-	474,580.05
Interest	-	1,815.38	-	1,815.38
Capital Lease - Utility Equip	6,322.07	6,322.07	-	6,322.07

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfers to:				
General Fund	$ 374,024.00	$ 387,000.00	$ 387,000.00	$ -
Electric Utility Debt Service Fund	434,100.00	450,000.01	450,000.00	0.01
Electric Generation Bond Account Fund	100,000.00	-		-
Golf Course Fund	77,500.00	80,000.00	80,000.00	-
Special Parks and Recreation Fund	20,000.00	-	-	-
Employee Benefits Fund	97,085.00	67,500.00	67,450.00	50.00
Capital Improvements General Fund	137,000.00	75,000.00	75,000.00	-
Capital Improvements Special Projects	-	-	-	-
Tourism Fund	10,000.00	10,000.00	-	10,000.00
Refuse Utility Fund	-	25,000.00	-	25,000.00
Total Certified Budget			4,900,000.00	(38,961.51)
Adjustments for Qualifying Budget Credits			45,410.51	(45,410.51)
Total Expenditures	3,583,355.45	4,861,038.49	$ 4,945,410.51	$ (84,372.02)
Receipts Over(Under) Expenditures	70,486.00	119,821.93		
Unencumbered Cash, Beginning	288,305.24	358,791.24		
Unencumbered Cash, Ending	$ 358,791.24	$ 478,613.17		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY DEBT SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfers From				
Electric Utility Fund	$ 434,100.00	$ 450,000.01	$ 434,100.00	$ 15,900.01
Total Receipts	434,100.00	450,000.01	$ 434,100.00	$ 15,900.01
Expenditures				
Debt Service				
Bond Principal	250,000.00	260,000.00	$ 260,000.00	$ -
Bond Interest	184,100.00	175,350.00	175,350.00	-
Commissions and Postage	1.25	2.50	-	2.50
Other				
Cash Basis Reserve	-	-	29,650.00	(29,650.00)
Total Expenditures	434,101.25	435,352.50	$ 465,000.00	$ (29,647.50)
Receipts Over(Under) Expenditures	(1.25)	14,647.51		
Unencumbered Cash, Beginning	149,988.47	149,987.22		
Unencumbered Cash, Ending	$ 149,987.22	$ 164,634.73		

CITY OF OSAWATOMIE, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Water Sales	$ 956,425.41	$ 974,685.37	$ 995,000.00	$ (20,314.63)
Sales Tax	137.46	123.82	-	123.82
Late Fees	12,287.80	11,947.24	3,000.00	8,947.24
Other Charges	11,023.03	10,700.09	3,500.00	7,200.09
Use of Money and Property				
Rental Income	25,780.44	24,790.44	160,000.00	(135,209.56)
Sale of Assets	1,050.00	7,130.00	-	7,130.00
Other Receipts				
Reimbursed Expense	1,049.75	7,979.18	-	7,979.18
Operating Transfer from:				
Capital Improvements - Water Fund	-	-	95,564.00	(95,564.00)
Total Receipts	1,007,753.89	1,037,356.14	$ 1,257,064.00	$ (219,707.86)
Expenditures				
Administration				
Personal Services	1,407.59	-	$ 325,000.00	$ (325,000.00)
Contractual Services	33,881.18	25,919.15	211,000.00	(185,080.85)
Commodities	1,102.16	-	175,000.00	(175,000.00)
Capital Outlay	-	-	257,555.00	(257,555.00)
Water Treatment				
Personal Services	108,786.47	181,255.33	-	181,255.33
Contractual Services	168,930.32	187,996.20	-	187,996.20
Commodities	107,059.26	144,049.70	-	144,049.70
Capital Outlay	-	3,637.89	-	3,637.89
Water Distribution				
Personal Services	135,085.22	127,648.94	-	127,648.94
Contractual Services	26,607.87	21,321.59	-	21,321.59
Commodities	62,519.75	69,830.09	-	69,830.09
Capital Outlay	3,137.95	1,615.00		1,615.00
Lease Purchase	-	3,625.02	-	3,625.02

CITY OF OSAWATOMIE, KANSAS
WATER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfers to:				
General Fund	$ 174,021.00	$ 176,000.00	$ 175,000.00	$ 1,000.00
General Obligation Bond and Interest Fund	126,000.00	126,500.00	126,500.00	-
Capital Improvements Water Fund	80,000.00	-	75,000.00	(75,000.00)
Employee Benefits Fund	67,741.00	54,945.00	54,945.00	-
Total Expenditures	1,096,279.77	1,124,343.91	$ 1,400,000.00	$ (275,656.09)
Receipts Over(Under) Expenditures	(88,525.88)	(86,987.77)		
Unencumbered Cash, Beginning	231,461.71	142,935.83		
Unencumbered Cash, Ending	$ 142,935.83	$ 55,948.06		

CITY OF OSAWATOMIE, KANSAS
REFUSE UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipt				
Special Assessments	$ -	$ 347,419.02	$ -	$ 347,419.02
Charges for Services				
Refuse Fees	460.18	653.64	441,600.00	(440,946.36)
Other Receipts				
Miscellaneous	708.58	2,190.00	-	2,190.00
Operating Transfer from:				
Electric Utility Fund	-	25,000.00	-	25,000.00
Total Receipts	1,168.76	375,262.66	$ 441,600.00	$ (66,337.34)
Expenditures				
Collections				
Contractual Services	405.00	375,804.76	$ 441,600.00	$ (65,795.24)
Total Expenditures	405.00	375,804.76	$ 441,600.00	$ (65,795.24)
Receipts Over(Under) Expenditures	763.76	(542.10)		
Unencumbered Cash, Beginning	1,000.30	1,764.06		
Unencumbered Cash, Ending	$ 1,764.06	$ 1,221.96		

CITY OF OSAWATOMIE, KANSAS
SEWER UTILITY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Charges for Services				
Sewer Charges	$ 914,318.04	$ 951,583.30	$ 975,000.00	$ (23,416.70)
Late Fees	14,184.08	14,071.75	-	14,071.75
Other Receipts				
Reimbursed Expense	1,550.00	2,351.12	-	2,351.12
Total Receipts	930,052.12	968,006.17	$ 975,000.00	$ (6,993.83)
Expenditures				
Collections				
Personal Services	147,388.37	18,873.90	$ 150,000.00	$ (131,126.10)
Contractual Services	167,263.76	42,259.07	134,563.00	(92,303.93)
Commodities	19,048.01	12,210.57	10,000.00	2,210.57
Capital Outlay	1,907.94	63,628.00	135,437.00	(71,809.00)
Capital Lease	-	3,625.02	-	3,625.02
Administration				
Personal Services	-	38,661.07	-	38,661.07
Contractual Services	-	32,652.78	-	32,652.78
Capital Outlay	-	1,615.00	-	1,615.00
Operations				
Personal Services	-	48,743.27	-	48,743.27
Contractual Services	-	79,417.78	-	79,417.78
Commodities	-	19,594.81	-	19,594.81
Debt Service				
Principal Payments	58,035.96	101,134.63	90,000.00	11,134.63
Interest Payments	29,140.36	27,366.99	-	27,366.99
Service Fee	2,823.68	2,651.84	-	2,651.84
Operating Transfers to:				
General Fund	146,143.00	145,000.00	145,000.00	-
Capital Improvements Sewer Fund	75,000.00	75,000.00	75,000.00	-
Employee Benefits Fund	44,134.00	35,000.00	35,000.00	-
General Obligation Bond and Interest Fund	175,000.00	325,000.00	325,000.00	-
Total Expenditures	865,885.08	1,072,434.73	$ 1,100,000.00	$ (27,565.27)
Receipts Over(Under) Expenditures	64,167.04	(104,428.56)		
Unencumbered Cash, Beginning	130,599.31	194,766.35		
Unencumbered Cash, Ending	$ 194,766.35	$ 90,337.79		

CITY OF OSAWATOMIE, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Cafeteria 125	$ 91,470.13	$ 16,050.66	$ 18,614.47	$ 88,906.32
Court ADSAP	7,661.00	-	260.00	7,401.00
Court Bonds	15,028.54	32,941.54	26,080.00	21,890.08
Evidence Liability	12,899.79	-	-	12,899.79
Fire Insurance Proceeds	-	18,000.00	18,000.00	-
Fire Department Account	-	433.07	-	433.07
Forfeiture	20,610.54	11,856.22	6,000.00	26,466.76
Mayor's Christmas Tree Fund	1,230.01	2,300.00	750.00	2,780.01
PayPal Donations	-	13,637.46	-	13,637.46
Rural Fire	-	1,435.00	50.00	1,385.00
	$ 148,900.01	$ 96,653.95	$ 69,754.47	$ 175,799.49

Jarred
Gilmore
Phillips

The Honorable Mayor and City Council
City of Osawatomie, Kansas
Osawatomie, Kansas

In planning and performing our audit of the financial statement of the City of Osawatomie, Kansas as of and for the year ended December 31, 2021 in accordance with auditing standards generally accepted in the United States of America, we considered the City of Osawatomie, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Osawatomie, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Osawatomie, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

Fire Department Account

During our audit, it was discovered that the Fire department operated a bank account that was not recorded on the City's financial statement that contained the collection of fire report fees that should be recorded in the general fund. It was also noted that each check contained only one signature. It is best practice for all checking accounts held by the City and its departments to require at least two signers for all checks.

This communication is intended solely for the information and use of management, the Mayor, City Council, and others within the City of Osawatomie, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
July 18, 2022