

**CITY OF BLUE RAPIDS
BLUE RAPIDS, KANSAS**

**FINANCIAL STATEMENT
DECEMBER 31, 2020**

CITY OF BLUE RAPIDS, KANSAS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of the
City of Blue Rapids, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Blue Rapids, Kansas (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statement.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2020, 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.

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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for 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 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.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
February 10, 2021



CITY OF BLUE RAPIDS, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
General Funds:						
General Fund	\$ 288,161	\$ 918,749	\$ 845,099	\$ 361,811	\$ 83,002	\$ 444,813
Special Purpose Funds:						
Library	779	25,727	25,727	779	-	779
Special Highway	-	25,029	25,029	-	-	-
Capital Improvements	1,273	2,808	55	4,026	-	4,026
Municipal Court	-	23,034	880	22,154	-	22,154
Swimming Pool Grant	-	226,671	70,849	155,822	-	155,822
Bond and Interest Fund	32,265	31,931	40,894	23,302	-	23,302
Capital Project Funds:						
Pool Improvement	57,902	1,086,115	906,039	237,978	-	237,978
Library Improvement	1,887	5,823	-	7,710	-	7,710
Trust Funds:						
Special Law Enforcement Trust	-	-	-	-	-	-
Johnston Restricted	46,940	245	-	47,185	-	47,185
Business Funds:						
Water/Sewer/Refuse Utility	67,089	363,038	337,262	92,865	8,478	101,343
Utility System Reserve	27,903	911	-	28,814	-	28,814
Total	<u>\$ 524,199</u>	<u>\$ 2,710,081</u>	<u>\$ 2,251,834</u>	<u>\$ 982,446</u>	<u>\$ 91,480</u>	<u>\$ 1,073,926</u>

Composition of Cash and Investments:

Checking Accounts	\$ 755,842
Certificates of Deposit	317,084
U.S. Treasury Bonds - Series H	1,000
Total Cash and Investments	<u>\$ 1,073,926</u>

CITY OF BLUE RAPIDS, KANSAS

NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Blue Rapids, Kansas (the City), is a municipal corporation governed by an elected five-member council plus a mayor. This regulatory financial statement presents the City. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statement referred to above does not include the component units of the City.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds. 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 out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the City for the year 2020:

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

Special Purpose funds – Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources that are intended for specified purposes.

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

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

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

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

CITY OF BLUE RAPIDS, KANSAS

NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

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

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

Reimbursed Expenses

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

Note 2 – 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 budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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.

CITY OF BLUE RAPIDS, KANSAS

NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

Note 2 – Budgetary Information (continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such amendments to the 2020 budget.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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, trust funds and the following special purpose funds: capital improvements, municipal court, and swimming pool grant.

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.

The Pool Improvement Fund exceeded its budget by \$855,864. A statutory budget is not required for this fund.

Note 3 – Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 (d) (1) 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.

CITY OF BLUE RAPIDS, KANSAS

NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

Note 3 – Deposits and Investments (continued)

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the Government'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, except during designated "peak periods" when required coverage is 50%. The City did not have a peak period pledge agreement during 2020, and therefore the City did not designate peak periods. All deposits were legally secured at December 31, 2020.

At December 31, 2020, the carrying amount of the City's deposits including certificates of deposit was \$1,072,926 and the bank balance was \$1,084,704. The bank balance was held at one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The third-party bank, UMB National Bank of America, holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the City, the pledging bank, and the independent third-party bank holding the pledged securities.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

As of December 31, 2020, the City held Series HH United States Savings Bonds as investments totaling \$1,000 with issue dates ranging from April 1994 to September 1998.

CITY OF BLUE RAPIDS, KANSAS

NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

Note 4 – Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied 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 of the full amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 5 – Long-Term Debt

The City has a loan agreement with the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund. The agreement enabled the City to borrow \$211,585. The loan is being repaid over twenty years.

The City has issued Series 2011 General Obligation Storm Sewer Bonds in the amount of \$196,000. Principal and interest on the bonds are payable from ad valorem taxes.

The City has issued Series 2015-A General Obligation Bonds in the amount of \$40,000. Principal and interest on the bonds are payable from ad valorem taxes.

The City has issued Series 2015-B General Obligation Bonds in the amount of \$65,850. Principal and interest on the bonds are payable from ad valorem taxes.

The City has issued Series 2017 General Obligation Bonds in the amount of \$185,000. Principal and interest on the bonds are payable from ad valorem taxes.

The City has a lease purchase of a 2017 Dodge Ram police truck in the amount of \$59,501. The lease is for six annual payments starting in December 2017 with an interest rate of 1.20%.

The City has a lease purchase of a commercial building in the amount of \$60,000. The lease is for monthly payments starting in January 2020 with a final payment due October 15, 2035 with an interest rate of 4.5%.

The City has issued Series 2020 General Obligation Bonds in the amount of \$1,030,000. Principal and interest on the bonds are payable from ad valorem taxes.

CITY OF BLUE RAPIDS, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020**

Note 5 – Long-Term Debt (continued)

Changes in long-term liabilities for the City for the year ended December 31, 2020 were as follows:

	Amount of Issue	Interest Rates	Date of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Interest
General Obligation Bonds									
Series 2011	\$ 196,000	4.25%	1/25/2011	9/1/2031	\$ 140,000	\$ -	\$ 9,000	\$ 131,000	\$ 5,950
Series 2015-A	40,000	3.50%	7/28/2015	7/28/2045	36,734	-	889	35,845	1,286
Series 2015-B	65,850	3.63%	7/28/2015	7/28/2045	60,573	-	1,441	59,132	2,196
Series 2017	185,000	1.50%	6/8/2017	6/1/2027	151,000	-	18,000	133,000	2,130
Series 2020	1,000,030	4.50%	11/7/2019	10/15/2035	-	1,030,000	-	1,030,000	-
Total General Obligation Bonds Payable					<u>388,307</u>	<u>1,030,000</u>	<u>29,330</u>	<u>1,388,977</u>	<u>11,562</u>
Other Loans									
KDHE Loan	211,585	3.79%	1/31/2011	8/1/2031	<u>145,335</u>	<u>-</u>	<u>9,769</u>	<u>135,566</u>	<u>5,417</u>
Capital Leases									
2017 Dodge Ram	59,051	1.20%	6/2/2017	12/1/2022	27,221	-	10,747	16,474	327
2019 Dodge Durango	29,601	4.25%	10/24/2019	1/29/2024	29,601	-	29,601	-	938
Grocery Store	60,000	4.50%	11/7/2019	10/15/2035	60,000	-	468	59,532	2,707
Total Capital Leases					<u>116,822</u>	<u>-</u>	<u>40,816</u>	<u>76,006</u>	<u>3,972</u>
Total Long Term Debt					<u>\$ 650,464</u>	<u>\$ 1,030,000</u>	<u>\$ 79,915</u>	<u>\$ 1,600,549</u>	<u>\$ 20,951</u>

CITY OF BLUE RAPIDS, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020**

Note 5 – Long-Term Debt (continued)

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

	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2040	2041-2045	Total
Principal:										
2011 GO Bonds	\$ 10,000	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 64,000	\$ 15,000	\$ -	\$ -	\$ 131,000
2015-A GO Bonds	920	952	986	1,020	1,056	5,861	6,962	8,268	9,820	35,845
2015-B GO Bonds	1,493	1,547	1,603	1,661	1,722	9,591	11,460	13,692	16,363	59,132
2017 GO Bonds	18,000	18,000	19,000	19,000	19,000	40,000	-	-	-	133,000
2020 GO Bonds	-	25,000	40,000	45,000	45,000	230,000	265,000	310,000	70,000	1,030,000
KDHE Loan	10,143	10,531	10,934	11,352	11,787	66,053	14,766	-	-	135,566
2017 Dodge Lease	10,876	5,598	-	-	-	-	-	-	-	16,474
Grocery Store	2,890	3,022	3,161	3,300	3,458	19,819	23,882	-	-	59,532
Total Principal	54,322	74,650	85,684	92,333	93,023	435,324	337,070	331,960	96,183	1,600,549
Interest:										
2011 GO Bonds	5,568	5,143	4,718	4,293	3,825	11,560	638	-	-	35,745
2015-A GO Bonds	1,255	1,222	1,189	1,155	1,119	5,013	3,913	2,606	1,055	18,527
2015-B GO Bonds	2,144	2,089	2,033	1,975	1,915	8,592	6,723	4,490	1,822	31,783
2017 GO Bonds	1,860	1,590	1,312	1,027	743	600	-	-	-	7,132
2020 GO Bonds	22,971	23,170	22,815	22,293	21,685	97,690	72,300	34,050	1,050	318,024
KDHE Loan	5,043	4,655	4,252	3,833	3,085	8,964	382	-	-	30,214
2017 Dodge Lease	198	67	-	-	-	-	-	-	-	265
Grocery Store	2,620	2,487	2,348	2,209	2,051	7,727	2,736	-	-	22,178
Total Interest	41,659	40,423	38,667	36,785	34,423	140,146	86,692	41,146	3,927	463,868
Total Principal and Interest	\$ 95,981	\$ 115,073	\$ 124,351	\$ 129,118	\$ 127,446	\$ 575,470	\$ 423,762	\$ 373,106	\$ 100,110	\$ 2,064,417

CITY OF BLUE RAPIDS, KANSAS

NOTES TO THE FINANCIAL STATEMENT DECEMBER 31, 2020

Note 6 – Interfund Transactions

The following operating transfers have been authorized for the year 2020:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Authority</u>
Water/Sewer/Refuse Utility Fund	General Fund	\$ 190,000	K.S.A. 12-825d
Special Highway Fund	General Fund	25,029	
Swimming Pool Grant Fund	Pool Improvement Fund	70,849	
Capital Improvement Fund	General Fund	176,446	K.S.A. 12-1118d
General Fund	Utility System Reserve Fund	43	K.S.A. 12-1118d
General Fund	Water/Sewer/Refuse Utility Fund	304	K.S.A. 12-1118d
General Fund	Municipal Court Fund	495	

Note 7 – Other Long-Term Obligations from Operations

Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employees. Only full-time employees, defined as employees who work at least 40 hours per week, shall be entitled to benefits of leave accumulation, holidays, insurance programs and other similar benefits. No benefits are available or can be accrued by a part-time or seasonal employee. Full-time employees are entitled to 5 days paid vacation leave after one year, based on an eight-hour workday. Employees earn 10 vacation days per year after they have been employed two years; 15 days after 10 years; 20 days after 20 years; and 25 paid vacation days per year after 25 years or more. It is the policy of the City Council that an employee use their accumulated annual leave during each calendar year. However, an employee that voluntarily terminates employment with a minimum of a two-week notice, shall be paid for accrued vacation time. Full-time employees earn 1 day of sick leave for each full month of service. Sick leave may be accumulated to 480 hours or 60 days. An employee shall not be paid for any sick leave upon termination of his/her employment with the City.

Note 8 – 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; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF BLUE RAPIDS, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020**

Note 8 – Risk Management (continued)

There have been no decreases in insurance coverage from the prior year. The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9 – Defined Contribution Pension Plan

Substantially all employees of the City are enrolled in a Section 457 retirement plan with a qualified retirement company. The City's employee personnel policy is to fund all pension costs accrued at 6% of the employees' gross wages. The employees' contribution percentage is voluntarily selected by the employee. During the year, the City changed plans and now all employees are fully vested upon entering the plan.

The retirement company and the City Council are responsible for the administration of the retirement plan. For the year ending December 31, 2020, the City contribution totaled \$14,225 and the employee contributions totaled \$3,938 for a total plan contribution of \$18,163.

Note 10 – Self-Insurance Plans

The City maintains a health risk management plan to partially self-insure the health insurance for employees. Under the City's health insurance plan, the City will pay the \$750 deductible for employees as well as the twenty percent co-pay of the next \$1,000 of medical expenses. The cost of the plan to the City was \$141,781 for the year ending December 31, 2020.

Note 11 – Capital Projects

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

	Project Authorization	Expenditures to Date
Pool Project	\$ 2,073,900	\$ 906,038

CITY OF BLUE RAPIDS, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2020**

Note 12 – Evaluation of Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report which is the date the financial statement was available for issue.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include disruptions or restrictions on the City's ability to operate under its current mission and operating model.

Regulatory-Required Supplementary Information

SCHEDULE 1

**CITY OF BLUE RAPIDS, KANSAS
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Funds:					
General Fund	\$ 1,153,768	\$ -	\$ 1,153,768	\$ 845,099	\$ (308,669)
Special Purpose Funds:					
Library	26,468	-	26,468	25,727	(741)
Special Highway	26,350	-	26,350	25,029	(1,321)
Capital Improvements *	1,441	-	1,441	55	(1,386)
Bond and Interest Fund	65,836	-	65,836	40,894	(24,942)
Capital Project Funds:					
Pool Improvement *	50,175	-	50,175	906,039	855,864
Library Improvement *	13,567	-	13,567	-	(13,567)
Trust Funds:					
Special Law Enforcement Trust *	1,200	-	1,200	-	(1,200)
Johnston Restricted *	47,048	-	47,048	-	(47,048)
Business Funds:					
Water/Sewer/Refuse Utility	471,631	-	471,631	337,262	(134,369)
Utility System Reserve	39,398	-	39,398	-	(39,398)

* Statutory Budget not required.

CITY OF BLUE RAPIDS, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Receipts:			
Ad valorem tax	\$ 377,712	\$ 393,680	\$ (15,968)
Delinquent tax	7,061	-	7,061
Motor vehicle tax	50,767	49,898	869
Recreational vehicle tax	1,713	1,681	32
CMV tax	850	1,152	(302)
16/20M trucks tax	290	327	(37)
Intangible tax	4,687	4,687	-
Franchise tax	32,096	38,000	(5,904)
Local alcoholic liquor tax	-	195	(195)
Local sales tax	187,288	168,000	19,288
Zoning permit fees	375	750	(375)
Cereal malt beverage license	430	525	(95)
Business license/permits	180	535	(355)
Dog/cat licenses	2,390	1,950	440
Interest on idle funds	3,673	2,100	1,573
Municipal court fines	8,042	16,500	(8,458)
Cemetery open/close	2,875	1,500	1,375
Community center rentals	1,494	2,500	(1,006)
Dump fees	18	400	(382)
Special purpose vehicle registration	1,580	1,250	330
Grocery store payments	7,553	-	7,553
Miscellaneous income	14,601	6,250	8,351
Neighborhood revitalization rebate	(1,955)	(1,919)	(36)
Transfer from Johnston Restricted Fund	-	235	(235)
Transfer from Library Improvement Fund	-	5,815	(5,815)
Transfer from Special Highway Fund	25,029	-	25,029
Transfer from Water/Sewer/Refuse Utility Fund	190,000	185,000	5,000
Total Receipts	<u>918,749</u>	<u>\$ 881,011</u>	<u>\$ 37,738</u>

See independent auditor's report on regulatory-required supplementary information.

**CITY OF BLUE RAPIDS, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Actual	Budget	Variance Over (Under)
Expenditures:			
General Administration:			
Personal services	\$ 47,938	\$ 51,100	\$ (3,162)
Contractual services	24,568	77,000	(52,432)
Commodities	59,423	36,000	23,423
Lease payments	4,647	-	4,647
Total General Administration	<u>136,576</u>	<u>164,100</u>	<u>(27,524)</u>
Street Department:			
Personal services	121,609	109,000	12,609
Commodities	81,908	90,000	(8,092)
Total Street Department	<u>203,517</u>	<u>199,000</u>	<u>4,517</u>
Parks Department:			
Personal services	21,838	37,400	(15,562)
Contractual services	-	1,080	(1,080)
Commodities	13,837	12,900	937
Total Parks Department	<u>35,675</u>	<u>51,380</u>	<u>(15,705)</u>
Police Department:			
Personal services	115,305	107,200	8,105
Contractual services	1,383	15,100	(13,717)
Commodities	35,533	34,500	1,033
Capital outlay	41,612	11,074	30,538
Total Police Department	<u>193,833</u>	<u>167,874</u>	<u>25,959</u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Expenditures (continued):			
Employee Benefits:			
Workers compensation	\$ 7,113	\$ 8,000	\$ (887)
Health insurance-City share	141,781	143,300	(1,519)
Unemployment insurance-City share	-	375	(375)
Retirement-City share	14,263	13,900	363
Life insurance	(1,172)	630	(1,802)
Payroll taxes	25,811	22,400	3,411
Total Employee Benefits	<u>187,796</u>	<u>188,605</u>	<u>(809)</u>
Cemetery Department:			
Contractual services	473	-	473
Commodities	-	150	(150)
Total Cemetery Department	<u>473</u>	<u>150</u>	<u>323</u>
Other Expenditures:			
Utilities - contractual services	30,290	46,600	(16,310)
USD 498 sales tax appropriation	56,097	62,667	(6,570)
Transfer to Municipal Court fund	495	-	495
Transfer to Utility System Reserve fund	43	-	43
Transfer to Water/Sewer/Refuse Utility fund	304	-	304
Transfer to Pool Improvement fund	-	3,000	(3,000)
Transfer to Bond and Interest fund	-	5,815	(5,815)
Cash forward	-	264,577	(264,577)
Total Other Expenditures	<u>87,229</u>	<u>382,659</u>	<u>(295,430)</u>
Total Expenditures	<u>845,099</u>	<u>\$ 1,153,768</u>	<u>\$ (308,669)</u>
Receipts Over (Under) Expenditures	73,650		
Unencumbered Cash, Beginning	<u>288,161</u>		
Unencumbered Cash, Ending	<u>\$ 361,811</u>		

See independent auditor's report on regulatory-required supplementary information.

**CITY OF BLUE RAPIDS, KANSAS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Actual	Budget	Variance Over (Under)
Receipts:			
Ad Valorem tax	\$ 22,041	\$ 23,014	\$ (973)
Delinquent tax	420	-	420
Motor vehicle tax	3,192	2,931	261
Recreational vehicle tax	109	99	10
CMV tax	55	68	(13)
16/20M vehicle tax	17	19	(2)
Neighborhood revitalization rebate	(107)	(112)	5
Total Receipts	<u>25,727</u>	<u>\$ 26,019</u>	<u>\$ (292)</u>
Expenditures:			
Annual Library appropriation	<u>25,727</u>	<u>\$ 26,468</u>	<u>\$ (741)</u>
Total Expenditures	<u>25,727</u>	<u>\$ 26,468</u>	<u>\$ (741)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>779</u>		
Unencumbered Cash, Ending	<u>\$ 779</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
State of Kansas gas tax	\$ 25,029	\$ 26,350	\$ (1,321)
Total Receipts	<u>25,029</u>	<u>\$ 26,350</u>	<u>\$ (1,321)</u>
Expenditures:			
Road materials	-	\$ 26,350	\$ (26,350)
Transfer to General fund	<u>25,029</u>	<u>-</u>	<u>25,029</u>
Total Expenditures	<u>25,029</u>	<u>\$ 26,350</u>	<u>\$ (1,321)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Receipts:			
Interest income	\$ 2,808	\$ 30	\$ 2,778
Total Receipts	<u>2,808</u>	<u>\$ 30</u>	<u>\$ 2,778</u>
Expenditures:			
Capital outlay	-	\$ 1,441	\$ (1,441)
Commodities	<u>55</u>	<u>-</u>	<u>55</u>
Total Expenditures	<u>55</u>	<u>\$ 1,441</u>	<u>\$ (1,386)</u>
Receipts Over (Under) Expenditures	2,753		
Unencumbered Cash, Beginning	<u>1,273</u>		
Unencumbered Cash, Ending	<u>\$ 4,026</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
MUNICIPAL COURT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Receipts:	
Fines	\$ 22,539
Transfer from General fund	<u>495</u>
Total Receipts	<u>23,034</u>
Expenditure:	
Commodities	<u>880</u>
Total Expenditures	<u>880</u>
Receipts Over (Under) Expenditures	22,154
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 22,154</u></u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
SWIMMING POOL GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

Receipts:	
State fund proceeds	<u>\$ 226,671</u>
Total Receipts	<u>226,671</u>
Expenditure:	
Transfer to Pool Improvement fund	<u>70,849</u>
Total Expenditures	<u>70,849</u>
Receipts Over (Under) Expenditures	155,822
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 155,822</u></u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Receipts:			
Ad Valorem tax	\$ 25,033	\$ 26,138	\$ (1,105)
Delinquent tax	516	-	516
Motor vehicle tax	6,130	3,312	2,818
Recreational vehicle tax	229	112	117
CMV tax	123	77	46
16/20M Trucks tax	20	22	(2)
Neighborhood revitalization rebate	(120)	(127)	7
Transfer from General fund	-	5,815	(5,815)
	<u>31,931</u>	<u>35,349</u>	<u>(3,418)</u>
Total Receipts	<u>\$ 31,931</u>	<u>\$ 35,349</u>	<u>\$ (3,418)</u>
Expenditures:			
Principal payment	29,332	\$ 29,330	\$ 2
Interest payment	11,562	11,562	-
Fees and miscellaneous	-	8	(8)
Cash basis reserve	-	24,936	(24,936)
	<u>40,894</u>	<u>\$ 65,836</u>	<u>\$ (24,942)</u>
Total Expenditures	<u>40,894</u>	<u>\$ 65,836</u>	<u>\$ (24,942)</u>
Receipts Over (Under) Expenditures	(8,963)		
Unencumbered Cash, Beginning	<u>32,265</u>		
Unencumbered Cash, Ending	<u>\$ 23,302</u>		

See independent auditor's report on regulatory-required supplementary information.

**CITY OF BLUE RAPIDS, KANSAS
POOL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Actual	Budget	Variance Over (Under)
Receipts:			
Pool receipts	\$ -	\$ 3,000	\$ (3,000)
Donations	48,643	-	48,643
Bond proceeds, net of bond issuance costs	966,575	-	966,575
Interest on idle funds	48	85	(37)
Transfer from Swimming Pool Grant fund	70,849	-	70,849
Total Receipts	<u>1,086,115</u>	<u>\$ 3,085</u>	<u>\$ 1,083,030</u>
Expenditures:			
Capital outlay	<u>906,039</u>	<u>\$ 50,175</u>	<u>\$ 855,864</u>
Total Expenditures	<u>906,039</u>	<u>\$ 50,175</u>	<u>\$ 855,864</u>
Receipts Over (Under) Expenditures	180,076		
Unencumbered Cash, Beginning	<u>57,902</u>		
Unencumbered Cash, Ending	<u>\$ 237,978</u>		

See independent auditor's report on regulatory-required supplementary information.

**CITY OF BLUE RAPIDS, KANSAS
LIBRARY IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Private donations	\$ 5,810	\$ 5,815	\$ (5)
Interest on idle funds	13	45	(32)
	<u>5,823</u>	<u>\$ 5,860</u>	<u>\$ (37)</u>
Total Receipts			
Expenditures:			
Transfer to General fund	-	\$ 5,815	\$ (5,815)
Cash forward	-	7,752	(7,752)
	<u>-</u>	<u>\$ 13,567</u>	<u>\$ (13,567)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	5,823		
Unencumbered Cash, Beginning	<u>1,887</u>		
Unencumbered Cash, Ending	<u>\$ 7,710</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
SPECIAL LAW ENFORCEMENT TRUST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Seizure money	\$ -	\$ 1,200	\$ (1,200)
Total Receipts	<u>-</u>	<u>\$ 1,200</u>	<u>\$ (1,200)</u>
Expenditures:			
Commodities	<u>-</u>	<u>\$ 1,200</u>	<u>\$ (1,200)</u>
Total Expenditures	<u>-</u>	<u>\$ 1,200</u>	<u>\$ (1,200)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
JOHNSTON RESTRICTED FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Receipts:			
Interest on idle funds	\$ 245	\$ 580	\$ (335)
Total Receipts	<u>245</u>	<u>\$ 580</u>	<u>\$ (335)</u>
Expenditures:			
Transfer to General fund	-	\$ 580	\$ (580)
Cash forward	<u>-</u>	<u>46,468</u>	<u>(46,468)</u>
Total Expenditures	<u>-</u>	<u>\$ 47,048</u>	<u>\$ (47,048)</u>
Receipts Over (Under) Expenditures	245		
Unencumbered Cash, Beginning	<u>46,940</u>		
Unencumbered Cash, Ending	<u>\$ 47,185</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
WATER/SEWER/REFUSE UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Receipts:			
Delayed payment charges	\$ 7,515	\$ 8,850	\$ (1,335)
Water receipts	181,167	190,450	(9,283)
Sewer receipts	83,235	85,860	(2,625)
Refuse receipts	89,727	91,060	(1,333)
Connect fees	1,000	2,800	(1,800)
Interest on idle funds	-	405	(405)
Miscellaneous income	90	-	90
Transfer from General fund	304	-	304
	<u>363,038</u>	<u>\$ 379,425</u>	<u>\$ (16,387)</u>
Total Receipts			
Expenditures:			
Commodities	25,883	\$ 48,000	\$ (22,117)
Contractual services	4,612	12,100	(7,488)
Utilities	21,035	21,000	35
Fees deposited into Utility System Reserve	1,720	5,700	(3,980)
Refuse contractual services	78,826	85,200	(6,374)
Cash forward	-	94,445	(94,445)
KDHE loan payments	15,186	15,186	-
Transfer to Utility System Reserve fund	-	5,000	(5,000)
Transfer to General fund	190,000	185,000	5,000
	<u>337,262</u>	<u>\$ 471,631</u>	<u>\$ (134,369)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	25,776		
Unencumbered Cash, Beginning	<u>67,089</u>		
Unencumbered Cash, Ending	<u>\$ 92,865</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF BLUE RAPIDS, KANSAS
UTILITY SYSTEM RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Actual	Budget	Variance Over (Under)
Receipts:			
Utility reserve receipts	\$ 861	\$ 5,700	\$ (4,839)
Interest on idle funds	7	40	(33)
Transfer from General fund	43	5,000	(4,957)
Total Receipts	<u>911</u>	<u>\$ 10,740</u>	<u>\$ (9,829)</u>
Expenditure:			
Capital outlay	<u>-</u>	<u>\$ 39,398</u>	<u>\$ (39,398)</u>
Total Expenditures	<u>-</u>	<u>\$ 39,398</u>	<u>\$ (39,398)</u>
Receipts Over (Under) Expenditures	911		
Unencumbered Cash, Beginning	<u>27,903</u>		
Unencumbered Cash, Ending	<u>\$ 28,814</u>		

See independent auditor's report on regulatory-required supplementary information.