CITY OF BELOIT, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2021

CITY OF BELOIT, KANSAS

December 31, 2021

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JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Beloit, 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 Beloit, 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 Beloit 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 Beloit 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), the Kansas Municipal Audit and Accounting Guide, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit 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 Beloit 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.

Emphsis of Matter
As discussed in Note 15 of the financial statement, the December 31, 2020 finanical statement has been restate to correct a misstatement. Our opinion is not modified with respect to this matter.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2022 on our consideration of the City of Beloit's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Beloit's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Beloit's internal control over financial reporting and compliance.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

May 6, 2022
Chanute, Kansas

CITY OF BELOIT, 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	Ending Cash Balance December 31, 2021
General	$ 262,937.20	$ 2,698,687.92	$ 2,638,618.63	$ 323,006.49	$ 80,264.33	$ 403,270.82
Special Purpose Funds:						
Economic Development	22,525.78	98,326.88	102,560.58	18,292.08	329.71	18,621.79
Employee Benefits	82,300.38	1,654,874.51	1,507,815.83	229,359.06	3,663.70	233,022.76
Equipment Reserve	77,844.25	212,820.58	86,896.50	203,768.33	2,962.50	206,730.83
Library	15,565.92	216,797.91	231,893.75	470.08	-	470.08
Special Highway	63,995.30	112,912.17	82,922.45	93,985.02	98.50	94,083.52
Special Parks and Recreation	75,384.75	27,452.54	64,902.77	37,934.52	-	37,934.52
Special Law Enforcement Forfeiture	5,172.00	4.71	3,000.00	2,176.71	-	2,176.71
Fire Equipment	11,746.90	47,878.25	44,056.11	15,569.04	-	15,569.04
Police Capital Improvement	9,784.25	2,759.00	-	12,543.25	-	12,543.25
Fire Capital Improvement	38,898.99	475.00	350.00	39,023.99	-	39,023.99
Electric Equipment Replacement	2,326,109.89	221,185.46	799,817.19	1,747,478.16	781,500.00	2,528,978.16
Water Equipment Replacement	240,402.28	428,758.04	509,141.11	160,019.21	-	160,019.21
Waste-water Equipment Replacement	501,455.40	34,680.00	-	536,135.40	-	536,135.40
Capital Improvement	299,583.19	1,478,959.16	1,254,913.19	523,629.16	50,719.98	574,349.14
Capital Projects Fund:						
Capital Projects	115,720.04	595,139.33	314,747.52	396,111.85	-	396,111.85
Business Funds:						
Electric	818,461.66	5,210,218.29	5,770,620.44	258,059.51	266,904.40	524,963.91
Water	121,137.80	1,684,743.09	1,587,990.44	217,890.45	49,275.26	267,165.71
Waste-Water	56,894.94	901,506.13	889,887.56	68,513.51	20,409.32	88,922.83
Refuse	62,417.81	239,006.97	274,145.50	27,279.28	17,972.96	45,252.24
Trust Funds:						
Cemetery Endowment	56,633.06	7,345.50	-	63,978.56	-	63,978.56
Total Reporting Entity (Excluding Agency Funds)	$ 5,264,971.79	$ 15,874,531.44	$ 16,164,279.57	$ 4,975,223.66	$ 1,274,100.66	$ 6,249,324.32

Composition of Cash:	
Cash on Hand	$ 300.00
Checking Accounts	
Checking and Savings Accounts	6,264,802.74
Certificate of Deposit	53,468.36
Total Primary Government	6,318,571.10
Agency Funds Per Schedule 3	(69,246.78)
Total Reporting Entity	$ 6,249,324.32

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

CITY OF BELOIT, KANSAS

Notes to Financial Statement
For the Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Beloit, 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 Beloit, Kansas, is a second class City governed by a Mayor-Council form of government. The Council consists of five elected officials and one elected mayor. The City has adopted the City-Manager plan of government and employs a manager for the administration of the City's business. This financial statement presents the City of Beloit.

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:

Beloit Public Library. The City of Beloit, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separate internal financial statements are available from the Library.

The Housing Authority – The Housing Authority of the City of Beloit, Kansas operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. Separate audited financial statements are prepared and are available at the Housing Authority of the City of Beloit, Kansas.

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 Beloit, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, 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©, 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 1 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 the 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 1 of the ensuing year. Consequently, for the 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 revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. 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.

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 timetable in the adoption of the legal annual operating budget:

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

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. The City did not have any such amendments for the year ended December 31, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of the 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)
A legal operating budget is not required for capital projects funds, trust funds, permanent funds, and the following special purpose funds:

- Equipment Reserve Fund
- Special Law Enforcement Forfeiture Fund
- Police Capital Improvement Fund
- Fire Capital Improvement Fund
- Electric Equipment Replacement Fund
- Water Equipment Replacement Fund
- Waste-Water Equipment Replacement Fund
- Capital Improvement Fund
- Capital Projects Fund
- Cemetery Endowment Fund

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes
Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent compliance with Kansas basis laws. As shown in Schedule 1, the City was in compliance with the budget laws of Kansas.

Management was not aware of any other statutory violations.

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 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.

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.

3. DEPOSITS AND INVESTMENTS (Continued)

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

At year-end, the City's carrying amount of deposits was $6,318,271.04 and the bank balance was $6,529,943.06 The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $553,468.36 was covered by FDIC insurance, $136,172.07 was collateralized with securities held by the pledging financial institution's agents in the City's name, and the remaining $5,780,306.64 was secured by a letter of credit from the Federal Home Loan Bank of Topeka.

4. OPERATING LEASES

The City has entered into an various operating leases for office space and equipment. Rent expense for the year ended December 31, 2021, was $4,300.00. Under the current lease agreement, there are no future minimum rental payments.

5. CAPITAL LEASES

The City has entered into a capital lease agreement dated April 25, 2018, to finance the purchase of a street sweeper at a cost of $220,000.00. The City agreed to make an annual payment of $48,656.59, including interest at a rate of 3.40%.

December 31,	Total
2022	$ 48,656.59
2023	48,656.59
Total Net Minimum Lease Payments	97,313.18
Less: Imputed Interest	(4,810.21)
Net Present Value	92,502.97
Less: Current Maturities	(45,467.81)
Long-Term Capital Lease Obligations	$ 47,035.16

The City has entered into a capital lease agreement dated November 16, 2016, to finance the purchase of a fire truck at a cost of $316,732.00. The City agreed to make an annual payment of $44,056.11, including interest at a rate of 2.95%.

December 31,	Total
2022	$ 44,056.11
2023	44,056.11
Total Net Minimum Lease Payments	88,112.22
Less: Imputed Interest	(3,751.07)
Net Present Value	84,361.15
Less: Current Maturities	(41,567.46)
Long-Term Capital Lease Obligations	$ 42,793.69

The City has entered into a capital lease agreement dated February 2, 2021, to finance the purchase of the fairgrounds land at a cost of $250,000.00. The City agreed to make an annual payment of $50,000.00, plus interest at a rate of 2.00%.

December 31,	Total
2022	$ 53,000.00
2023	52,000.00
2024	51,000.00
Total Net Minimum Lease Payments	156,000.00
Less: Imputed Interest	(6,000.00)
Net Present Value	150,000.00
Less: Current Maturities	(50,000.00)
Long-Term Capital Lease Obligations	$ 100,000.00

6. LONG-TERM DEBT

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

Issue	Interest Issue	Date of of Issue	Amount Maturity	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Revolving Loans:									
To be paid with Utility Receipts:									
Kansas Public Water Supply -2760	2.43%	October 16, 2013	$ 515,000.00	February 1, 2023	$ 84,850.14	$ -	$ 33,326.52	$ 51,523.62	$ 1,860.62
Kansas Public Water Supply -2986	1.62%	October 16, 2013	11,404,000.00	February 1, 2023	-	383,312.00	-	383,312.00	-
General Obligations Bonds									
To be paid with Sales Tax Proceeds									
Series 2016B - Street Projects	2.03%	June 25, 2016	2,870,000.00	September 1, 2031	2,045,000.00	-	220,000.00	1,825,000.00	44,950.00
To be paid with Utility Receipts:									
Series 2016 - Cooling Towers	2.18%	June 1, 2016	3,310,000.00	December 1, 2030	2,325,000.00	-	200,000.00	2,125,000.00	75,000.00
Revenue Bonds									
To be paid with Sales Tax Proceeds									
Series 2014-Refunding Pool	3.79%	July 30, 2014	4,630,000.00	October 1, 2037	3,735,000.00	-	165,000.00	3,570,000.00	137,650.00
Capital Leases:									
Street Sweeper	3.40%	April 25, 2018	220,000.00	April 25, 2023	136,455.63	-	43,952.66	92,502.97	4,703.93
Altec Truck GSB	2.79%	January 1, 2017	305,651.00	December 1, 2021	63,939.18	-	63,939.18	-	988.14
Fire Truck Lease	2.95%	November 16, 2016	316,732.00	November 17, 2023	124,737.50	-	40,376.35	84,361.15	3,679.76
Fair Ground Land Purchase	2.00%	February 4, 2021	250,000.00	June 1, 2024	-	250,000.00	100,000.00	150,000.00	4,000.00
Total Contractual Indebtedness					$ 8,514,982.45	$ 633,312.00	$ 866,594.71	$ 8,281,699.74	$ 272,832.45

6. 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	Total
Principal									
Revolving Loan									
Kansas Public Water Supply -2760	$ 34,141.27	$ 17,382.35	$ -	$ -	$ -	$ -	$ -	$ -	$ 51,523.62
Kansas Public Water Supply -2986	-	383,312.00	-	-	-	-	-	-	383,312.00
General Obligations Bonds									
Series 2016B - Street Projects	220,000.00	230,000.00	235,000.00	235,000.00	245,000.00	660,000.00	-	-	1,825,000.00
Series 2016A - Cooling Towers	210,000.00	215,000.00	220,000.00	230,000.00	235,000.00	1,015,000.00	-	-	2,125,000.00
Revenue Bonds									
Series 2014-Refunding Pool	170,000.00	175,000.00	180,000.00	190,000.00	195,000.00	1,070,000.00	1,300,000.00	290,000.00	3,570,000.00
Capital Leases:									
Street Sweeper	45,467.81	47,035.16	-	-	-	-	-	-	92,502.97
Fire Truck Lease	41,567.46	42,793.69	-	-	-	-	-	-	84,361.15
Fair Ground Land Purchase	50,000.00	50,000.00	50,000.00	-	-	-	-	-	150,000.00
Total Principal Payments	517,035.27	529,828.85	450,000.00	420,000.00	430,000.00	2,085,000.00	1,300,000.00	290,000.00	8,281,699.74
Interest									
Revolving Loan									
Kansas Public Water Supply -2760	$ 1,045.87	$ 211.22	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,257.09
Kansas Public Water Supply -2986	-	71,415.11	-	-	-	-	-	-	71,415.11
General Obligations Bonds									
Series 2016B - Street Projects	40,550.00	36,150.00	31,550.00	26,850.00	22,150.00	56,600.00	-	-	213,850.00
Series 2016A - Cooling Towers	69,000.00	62,700.00	56,250.00	49,650.00	42,750.00	96,000.00	-	-	376,350.00
Revenue Bonds									
Series 2014-Refunding Pool	132,700.00	127,600.00	122,350.00	116,950.00	111,012.50	450,837.52	222,912.50	11,962.50	1,296,325.02
Capital Leases:									
Street Sweeper	3,188.78	1,621.43	-	-	-	-	-	-	4,810.21
Fire Truck Lease	2,488.65	1,262.42	-	-	-	-	-	-	3,751.07
Fair Ground Land Purchase	3,000.00	2,000.00	1,000.00	-	-	-	-	-	6,000.00
Total Interest Payments	250,927.43	231,333.85	211,150.00	193,450.00	175,912.50	603,437.52	222,912.50	11,962.50	1,973,758.50
Total Principal and Interest	$ 767,962.70	$ 761,162.70	$ 661,150.00	$ 613,450.00	$ 605,912.50	$ 2,688,437.52	$ 1,522,912.50	$ 301,962.50	$ 10,255,458.24

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of 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 $279,013.45 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the (non-school municipality)'s proportionate share of the collective net pension liability reported by KPERS was $1,801,782.00. 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 (non-school municipality)'s proportion of the net pension liability was based on the ratio of the (non-school municipality)'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.

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

Compensated Absences
The City's compensated absence policy permits employees to accrue sick leave up to a maximum total accumulation of 480 hours. Any sick leave accumulated over 480 hours will be converted to vacation days at a ratio of 24 hours sick time to 8 hours vacation time. Each employee shall accrue vacation time is granted on the employee's date of hire for the following schedule:

Years of Employment	Hours Earned Per Pay Period
0 – 5	80
6	88
7	96
8	104
9	112
10	120
11	128
12	136
13	144
14	152
15	160

An employee may accrue up to a maximum of 1.5 times their current vacation accrual. Vacation time earned in excess of said maximum limit shall be used or forfeited. Vacation leave shall be reimbursed upon termination of employment for all accrued hours of earned vacation.

Accrued sick leave shall be reimbursed upon termination of employment after ten years of service at the rate of 50%. Sick leave is earned at the rate of 8 hours for each month of service for full time employees.

Other Employee Benefits. If requested by an employee and approved by the City Administrator, the employee may be given compensatory time off in lieu of cash payments for overtime worked. Any compensatory time off shall be at the rate of one and one-half times the hours of overtime worked. Upon separation, an employee shall be compensated for all accumulated compensatory time. In case of death, compensation shall be paid to the surviving spouse or the employee's estate.

The City accrues a liability for compensated absences which meet the following criteria:

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 and, is material.

In accordance with the above criteria, the City has estimated a liability for annual leave which has been earned, but not taken, by City employees. The estimated liability for accrued annual leave at December 31, 2021, was $173,218.44. and has not estimated a liability for sick pay which has been earned, but not taken by City employees, in as much as the amount cannot be reasonably estimated.

Other Post Employment Benefit Obligations:
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 the City under this program.

10. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees who qualify under the plan and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

11. 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 $276,604.09 as a result of the American Rescue Plan Act, of which $12,097.50 has been spent at year end.

12. CONTINGENT LIABILITIES

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

13. 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.

14. INTERFUND TRANSFERS

Operating and residual transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Electric	General	K.S.A. 12-825d	$ 372,215.23
Water	General	K.S.A. 12-825d	58,722.73
Waste-Water	General	K.S.A. 12-825d	19,943.89
Refuse	General	K.S.A. 12-825d	55,729.00
General	Economic Development	K.S.A. 19-4102	17,499.96
Electric	Economic Development	K.S.A. 18-825d	17,499.96
Water	Economic Development	K.S.A. 18-825d	17,499.96
Electric	Employee Benefits	K.S.A. 12-16,102	500,000.04
Water	Employee Benefits	K.S.A. 12-16,102	225,000.00
Waste-Water	Employee Benefits	K.S.A. 12-16,102	225,000.00
Economic Development	Employee Benefits	K.S.A. 12-16,102	24,234.96
General	Equipment Reserve	K.S.A. 12-1,117	203,499.96
Electric	Electric Equipment Replacement	K.S.A. 12-1,117	201,354.96
Water	Water Equipment Replacement	K.S.A. 12-1,117	45,446.04
Waste-Water	Waste-Water Equipment Replacement	K.S.A. 12-1,117	34,680.00

15. PRIOR PERIOD ADJUSTMENTS

During the year end reconciliation process, it was discovered some changes listed below needed to correct beginning unencumbered cash balances.

Unencumbered Cash, As Reported	$ 5,353,928.57
Less: 2020 Accrued Payroll	(81,739.92)
Less: Utility Security Deposits Held	(64,149.92)
Add: Cash on Hand	300.00
Cemetery Endowment Fund Reclassification from Agency to Trust Fund	56,633.06
Unencumbered Cash, as Restated	$ 5,264,971.79

The net effect on the prior year Summary Statement of Receipts and Expenditures would have increased expenses by $15,995.47 for accrued payroll change from 2019 to 2020, a decrease in cash receipts by $11,844.78 for the change in utility deposits from 2019 to 2020, and an increase in cash receipts for the Cemetery Endowment Fund being a Trust Fund instead of an Agency Fund.

16. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF BELOIT, 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	$ 2,835,202.00	$ 17,356.14	$ 2,852,558.14	$ 2,638,618.63	$ (213,939.51)
Special Purpose Funds:					
Economic Development	110,835.00	-	110,835.00	102,560.58	(8,274.42)
Employee Benefits	1,717,268.00	-	1,717,268.00	1,507,815.83	(209,452.17)
Library	232,100.00	-	232,100.00	231,893.75	(206.25)
Special Highway	97,652.00	-	97,652.00	82,922.45	(14,729.55)
Special Parks and Recreation	75,697.00	-	75,697.00	64,902.77	(10,794.23)
Fire Equipment	60,000.00	-	60,000.00	44,056.11	(15,943.89)
Business Funds:					
Electric	6,452,268.00	-	6,452,268.00	5,770,620.44	(681,647.56)
Water	1,607,141.00	-	1,607,141.00	1,587,990.44	(19,150.56)
Waste-Water	986,582.00	-	986,582.00	889,887.56	(96,694.44)
Refuse	274,929.00	-	274,929.00	274,145.50	(783.50)

CITY OF BELOIT, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Ad Valorem Property Tax	$ 924,945.85	$ 941,659.00	$ (16,713.15)
Neighborhood Revitalization	(54,651.77)	(51,592.00)	(3,059.77)
Delinquent Tax	21,969.27	12,200.00	9,769.27
Motor Vehicle Tax	163,983.89	151,643.00	12,340.89
Recreational Vehicle Tax	2,924.28	2,027.00	897.28
16 & 20M Truck Tax	3,949.34	3,954.00	(4.66)
Commercial Vehicle Tax	18,674.18	12,625.00	6,049.18
Watercraft Tax	1,221.02	1,220.00	1.02
Intangible Tax	38,487.73	22,219.00	16,268.73
Local Sales Tax	559,652.62	470,000.00	89,652.62
Franchise Fees	154,438.15	157,000.00	(2,561.85)
Intergovernmental			
Local Alcoholic Liquor Tax	9,986.06	11,256.00	(1,269.94)
Highway Connecting Links	35,245.70	25,500.00	9,745.70
Federal Grants - FAA	42,330.00	-	42,330.00
Licenses and Permits			
Building Permits	6,535.49	5,500.00	1,035.49
Licenses	1,875.00	1,125.00	750.00
Pet Licenses	65.00	-	65.00
Professional Licenses	1,490.00	1,500.00	(10.00)
Charges for Services			
Cemetery Services	14,785.00	15,000.00	(215.00)
Swimming Pool Receipts	50,996.87	63,000.00	(12,003.13)
Swimming Pool Concessions	15,848.41	15,000.00	848.41
Special Fire Protection Services	10,630.13	10,000.00	630.13
Recreation Program Fees	9,175.00	8,800.00	375.00
Refuse Billing Fee	-	25,000.00	(25,000.00)
Fines, Forfeitures and Penalties			
Fines and Forfeitures	84,411.76	85,000.00	(588.24)
Use of Money and Property			
Interest Income	9,780.85	60,000.00	(50,219.15)
Rental	38,107.29	35,000.00	3,107.29
Sale of Cemetery Lots	5,850.00	2,500.00	3,350.00
Donations	1,863.81	1,200.00	663.81
Other Receipts			
Reimbursed Expense	17,356.14	16,801.00	555.14
Miscellaneous	150.00	-	150.00

CITY OF BELOIT, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts (Continued)			
Operating Transfer from:			
Electric Fund	$ 372,215.23	$ 425,000.00	$ (52,784.77)
Water Fund	58,722.73	46,000.00	12,722.73
Waste-Water Fund	19,943.89	21,500.00	(1,556.11)
Refuse Fund	55,729.00	30,229.00	25,500.00
Total Receipts	2,698,687.92	$ 2,627,866.00	$ 70,821.92
Expenditures			
Administration			
Personal Services	245,086.05	$ 299,650.00	$ (54,563.95)
Contractual Services	144,281.87	160,486.00	(16,204.13)
Commodities	51,915.92	46,850.00	5,065.92
Capital Outlay	-	10,061.00	(10,061.00)
Expenditures			
Municipal Court			
Personal Services	112,648.28	114,300.00	(1,651.72)
Contractual Services	13,656.84	24,650.00	(10,993.16)
Commodities	3,099.61	4,000.00	(900.39)
Capital Outlay	-	-	-
Police			
Personal Services	412,453.45	417,000.00	(4,546.55)
Contractual Services	76,917.14	113,310.00	(36,392.86)
Commodities	47,764.48	59,875.00	(12,110.52)
Capital Outlay	70,556.67	53,000.00	17,556.67
Fire			
Personal Services	18,878.93	23,200.00	(4,321.07)
Contractual Services	13,753.35	14,574.00	(820.65)
Commodities	7,912.19	8,700.00	(787.81)
Capital Outlay	4,323.50	3,750.00	573.50
Transportation			
Personal Services	409,486.66	407,160.00	2,326.66
Contractual Services	42,357.75	35,200.00	7,157.75
Commodities	42,588.64	44,072.00	(1,483.36)
Capital Outlay	5,557.60	24,900.00	(19,342.40)
Recreation			
Personal Services	71,963.38	70,000.00	1,963.38
Contractual Services	5,096.20	3,000.00	2,096.20
Commodities	8,708.97	8,575.00	133.97
Capital Outlay	-	2,425.00	(2,425.00)

CITY OF BELOIT, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Expenditures			
Grounds			
Personal Services	$ 161,969.13	$ 194,500.00	$ (32,530.87)
Contractual Services	21,653.99	25,151.00	(3,497.01)
Commodities	73,171.14	85,550.00	(12,378.86)
Capital Outlay	43,684.73	31,150.00	12,534.73
North Campus			
Contractual Services	5,638.12	6,000.00	(361.88)
Commodities	19,063.84	45,500.00	(26,436.16)
Capital Outlay	60,000.00	2,500.00	57,500.00
Cemetery			
Personal Services	60,315.50	55,500.00	4,815.50
Contractual Services	5,032.56	5,211.00	(178.44)
Commodities	8,521.57	12,300.00	(3,778.43)
Capital Outlay	3,208.59	3,500.00	(291.41)
Swimming Pool			
Personal Services	59,880.97	80,000.00	(20,119.03)
Contractual Services	16,056.74	26,183.00	(10,126.26)
Commodities	30,454.09	36,700.00	(6,245.91)
Capital Outlay	347.96	1,750.00	(1,402.04)
Airport			
Contractual Services	35,045.99	36,369.00	(1,323.01)
Commodities	4,566.31	7,600.00	(3,033.69)
Capital Outlay	-	10,000.00	(10,000.00)
Operating Transfer to:			
Economic Development Fund	17,499.96	17,500.00	(0.04)
Equipment Reserve Fund	203,499.96	203,500.00	(0.04)
Total Certified Budget		2,835,202.00	(196,583.37)
Adjustments for Qualifying Budget Credits		17,356.14	(17,356.14)
Total Expenditures	2,638,618.63	$ 2,852,558.14	$ (213,939.51)
Receipts Over(Under) Expenditures	60,069.29		
Unencumbered Cash, Beginning	262,937.20		
Unencumbered Cash, Ending	$ 323,006.49		

CITY OF BELOIT, KANSAS
ECONOMIC DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Intergovernmental			
County Appropriations	$ 45,797.00	$ 42,500.00	$ 3,297.00
Other Receipts			
Reimbursed Expense	30.00	-	30.00
Operating Transfer from			
General Fund	17,499.96	17,500.00	(0.04)
Electric Fund	17,499.96	17,500.00	(0.04)
Water Fund	17,499.96	17,500.00	(0.04)
Total Receipts	98,326.88	$ 95,000.00	$ 3,326.88
Expenditures			
General Government			
Personal Services	69,167.90	$ 74,500.00	$ (5,332.10)
Contractual Services	9,117.76	10,400.00	(1,282.24)
Commodities	39.96	1,700.00	(1,660.04)
Capital Outlay	-	-	-
Operating Transfer to			
Employee Benefits Fund	24,234.96	24,235.00	(0.04)
Total Expenditures	102,560.58	$ 110,835.00	$ (8,274.42)
Receipts Over(Under) Expenditures	(4,233.70)		
Unencumbered Cash, Beginning	22,525.78		
Unencumbered Cash, Ending	$ 18,292.08		

CITY OF BELOIT, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Ad Valorem Taxes	$ 448,181.09	$ 448,548.00	$ (366.91)
Neighborhood Revitalization	(26,033.57)	(24,575.00)	(1,458.57)
Delinquent Taxes	-	-	-
Motor Vehicle Taxes	54,857.78	50,446.00	4,411.78
Recreational Vehicle Taxes	980.76	675.00	305.76
16/20M Truck Taxes	1,357.34	1,315.00	42.34
Commercial Vehicle Taxes	6,213.34	4,199.00	2,014.34
Watercraft Taxes	406.20	406.00	0.20
Other Receipts			
Reimbursed Expense	65,261.31	47,000.00	18,261.31
Employee Contributions	129,415.26	114,900.00	14,515.26
Operating Transfer from:			
Electric Fund	500,000.04	500,000.00	0.04
Water Fund	225,000.00	300,000.00	(75,000.00)
Waste-Water Fund	225,000.00	225,000.00	-
Economic Development Fund	24,234.96	24,235.00	(0.04)
Total Receipts	1,654,874.51	$ 1,692,149.00	$ (37,274.49)
Expenditures			
Employee Benefits			
Medical Insurance	913,716.30	$ 1,064,768.00	$ (151,051.70)
FICA	226,102.64	245,000.00	(18,897.36)
KPERS	279,013.68	295,500.00	(16,486.32)
Unemployment	3,037.34	25,000.00	(21,962.66)
Workmen's Comp	48,174.00	49,500.00	(1,326.00)
Professional Services	10,000.00	10,000.00	-
Membership Dues	27,771.87	27,500.00	271.87
Total Expenditures	1,507,815.83	$ 1,717,268.00	$ (209,452.17)
Receipts Over(Under) Expenditures	147,058.68		
Unencumbered Cash, Beginning	82,300.38		
Unencumbered Cash, Ending	$ 229,359.06		

CITY OF BELOIT, KANSAS
EQUIPMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Other Receipts	
Reimbursed Expense	$ 9,320.62
Operating Transfers from	
General Fund	203,499.96
Total Receipts	212,820.58
Expenditures	
General Government	
Capital Outlay	86,896.50
Total Expenditures	86,896.50
Receipts Over(Under) Expenditures	125,924.08
Unencumbered Cash, Beginning	77,844.25
Unencumbered Cash, Ending	$ 203,768.33

CITY OF BELOIT, KANSAS
LIBRARY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Ad Valorem Taxes	$ 188,745.44	$ 192,156.00	$ (3,410.56)
Neighborhood Revitalization	(11,152.30)	(10,528.00)	(624.30)
Delinquent Taxes	4,059.71	1,500.00	2,559.71
Motor Vehicle Taxes	30,212.61	27,755.00	2,457.61
Recreational Vehicle Taxes	540.24	371.00	169.24
16/20M Truck Taxes	750.37	724.00	26.37
Commercial Vehicle Taxes	3,418.36	2,310.00	1,108.36
Watercraft Taxes	223.48	223.00	0.48
Total Receipts	216,797.91	214,511.00	2,286.91
Expenditures			
Culture and Recreation			
Appropriations to Library	230,000.00	$ 212,000.00	$ 18,000.00
Contractual Services	1,893.75	4,600.00	(2,706.25)
Capital Outlay	-	15,500.00	(15,500.00)
Total Expenditures	231,893.75	$ 232,100.00	$ (206.25)
Receipts Over(Under) Expenditures	(15,095.84)		
Unencumbered Cash, Beginning	15,565.92		
Unencumbered Cash, Ending	$ 470.08		

CITY OF BELOIT, KANSAS
SPECIAL HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Special Highway Tax	$ 104,348.26	$ 83,860.00	$ 20,488.26
Other Receipts			
Reimbursed Expense	8,563.91	1,600.00	6,963.91
Total Receipts	112,912.17	$ 85,460.00	$ 27,452.17
Expenditures			
Highways and Streets			
Contractual Services	2,564.04	$ 7,000.00	$ (4,435.96)
Commodities	76,531.45	79,000.00	(2,468.55)
Capital Outlay	3,826.96	11,652.00	(7,825.04)
Total Expenditures	82,922.45	$ 97,652.00	$ (14,729.55)
Receipts Over(Under) Expenditures	29,989.72		
Unencumbered Cash, Beginning	63,995.30		
Unencumbered Cash, Ending	$ 93,985.02		

CITY OF BELOIT, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Intergovernmental			
Local Alcoholic Liquor Tax	$ 9,986.09	$ 11,256.00	$ (1,269.91)
State Grants - KDHE	1,378.00	-	1,378.00
Other Receipts			
Reimbursed Expense	16,088.45	3,500.00	12,588.45
Total Receipts	27,452.54	$ 14,756.00	$ 12,696.54
Expenditures			
Culture and Recreation			
Capital Outlay	64,902.77	$ 75,697.00	$ (10,794.23)
Total Expenditures	64,902.77	$ 75,697.00	$ (10,794.23)
Receipts Over(Under) Expenditures	(37,450.23)		
Unencumbered Cash, Beginning	75,384.75		
Unencumbered Cash, Ending	$ 37,934.52		

CITY OF BELOIT, KANSAS
SPECIAL LAW ENFORCEMENT FORFEITURE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Intergovernmental	
Drug Forfeiture Funds	$ -
Use of Money and Property	
Interest Income	4.71
Total Receipts	4.71
Expenditures	
Operating Expenditures	
Capital Outlay	3,000.00
Total Expenditures	3,000.00
Receipts Over(Under) Expenditures	(2,995.29)
Unencumbered Cash, Beginning	5,172.00
Unencumbered Cash, Ending	$ 2,176.71

CITY OF BELOIT, KANSAS
FIRE EQUIPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts			
Ad Valorem Taxes	$ 44,222.63	$ 45,005.00	$ (782.37)
Neighborhood Revitalization	(2,612.96)	(2,466.00)	(146.96)
Delinquent Taxes	635.50	-	635.50
Motor Vehicle Taxes	4,860.77	3,790.00	1,070.77
Recreational Vehicle Taxes	88.76	51.00	37.76
16/20M Truck Taxes	184.64	99.00	85.64
Commercial Vehicle Taxes	468.39	315.00	153.39
Watercraft Taxes	30.52	30.00	0.52
Total Receipts	47,878.25	$ 46,824.00	$ 1,054.25
Expenditures			
Fire Fighting Equipment			
Capital Outlay	-	$ 15,944.00	$ (15,944.00)
Debt Service			
Capital Lease	44,056.11	44,056.00	0.11
Total Expenditures	44,056.11	$ 60,000.00	$ (15,943.89)
Receipts Over(Under) Expenditures	3,822.14		
Unencumbered Cash, Beginning	11,746.90		
Unencumbered Cash, Ending	$ 15,569.04		

CITY OF BELOIT, KANSAS
POLICE CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Other Receipts	
Reimbursed Expense	$ 2,759.00
Operating Transfer from	
General Fund	-
Total Receipts	2,759.00
Expenditures	
General Government	
Capital Outlay	-
Total Expenditures	-
Receipts Over(Under) Expenditures	2,759.00
Unencumbered Cash, Beginning	9,784.25
Unencumbered Cash, Ending	$ 12,543.25

CITY OF BELOIT, KANSAS
FIRE CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Other Receipts	
Donations	$ 475.00
Operating Transfer from	
General Fund	-
Total Receipts	475.00
Expenditures	
General Government	
Capital Outlay	350.00
Total Expenditures	350.00
Receipts Over(Under) Expenditures	125.00
Unencumbered Cash, Beginning	38,898.99
Unencumbered Cash, Ending	$ 39,023.99

CITY OF BELOIT, KANSAS
ELECTRIC EQUIPMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Use of Money and Property	
Sale of Equipment	$ 19,830.50
Operating Transfers from	
Electric Fund	201,354.96
Total Receipts	221,185.46
Expenditures	
Capital Improvements	
Capital Outlay	799,817.19
Total Expenditures	799,817.19
Receipts Over(Under) Expenditures	(578,631.73)
Unencumbered Cash, Beginning	2,326,109.89
Unencumbered Cash, Ending	$ 1,747,478.16

CITY OF BELOIT, KANSAS
WATER EQUIPMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Use of Money and Property	
Revolving Loan Proceeds	$ 383,312.00
Operating Transfers from	
Water Fund	45,446.04
Total Receipts	428,758.04
Expenditures	
Capital Improvements	
Capital Outlay	509,141.11
Total Expenditures	509,141.11
Receipts Over(Under) Expenditures	(80,383.07)
Unencumbered Cash, Beginning	240,402.28
Unencumbered Cash, Ending	$ 160,019.21

CITY OF BELOIT, KANSAS
WASTE-WATER EQUIPMENT REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Use of Money and Property	
Interest Income	$ -
Operating Transfers from	
Waste-Water Fund	34,680.00
Total Receipts	34,680.00
Expenditures	
Capital Improvements	
Capital Outlay	-
Total Expenditures	-
Receipts Over(Under) Expenditures	34,680.00
Unencumbered Cash, Beginning	501,455.40
Unencumbered Cash, Ending	$ 536,135.40

CITY OF BELOIT, KANSAS
CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Taxes and Shared Receipts	
Local Sales Tax	$ 743,248.94
Special Assessments	119,393.10
Federal Grants - CDBG	209,363.65
Federal Grants - CDBG COVID	3,000.00
Federal Grants - FAA	302,834.00
Other Receipts	
Miscellaneous	(107.40)
Reimbursed Expense	101,226.87
Total Receipts	1,478,959.16
Expenditures	
Capital Improvements	
Contractual Services	899,209.87
Commodities	90,331.72
Capital Outlay	421.60
Debt Service	
Principal	220,000.00
Interest	44,950.00
Total Expenditures	1,254,913.19
Receipts Over(Under) Expenditures	224,045.97
Unencumbered Cash, Beginning	299,583.19
Unencumbered Cash, Ending	$ 523,629.16

CITY OF BELOIT, KANSAS
CAPITAL PROJECTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year Actual
Receipts	
Taxes and Shared Receipts	
Local Sales Tax	$ 318,535.24
Federal Grants - ARPA Funds	276,604.09
Total Receipts	595,139.33
Expenditures	
Capital Improvements	
Capital Outlay	12,097.50
Debt Service	
Principal	165,000.00
Interest	137,650.02
Total Expenditures	314,747.52
Receipts Over(Under) Expenditures	280,391.81
Unencumbered Cash, Beginning	115,720.04
Unencumbered Cash, Ending	$ 396,111.85

CITY OF BELOIT, KANSAS
ELECTRIC FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Electric Sales	$ 4,683,770.98	$ 5,200,000.00	$ (516,229.02)
Penalties	36,733.88	41,500.00	(4,766.12)
Connections and Disconnects	375.00	2,100.00	(1,725.00)
Franchise Fees	379,819.13	411,110.00	(31,290.87)
Impact Fees	3,350.00	3,100.00	250.00
Transfer Fees	780.00	1,200.00	(420.00)
Use of Money and Property			
Interest Income	3,903.42	24,000.00	(20,096.58)
Other Receipts			
Reimbursed Expense	99,187.65	130,000.00	(30,812.35)
Miscellaneous	2,298.23	500.00	1,798.23
Total Receipts	5,210,218.29	$ 5,813,510.00	$ (603,291.71)
Expenditures			
Production Services			
Personal Services	351,126.18	$ 316,500.00	$ 34,626.18
Contractual Services	416,903.64	490,234.00	(73,330.36)
Commodities	2,639,338.92	3,217,000.00	(577,661.08)
Capital Outlay	2,152.67	24,500.00	(22,347.33)
Distribution Services			
Personal Services	428,478.18	396,000.00	32,478.18
Contractual Services	112,932.96	156,094.00	(43,161.04)
Commodities	153,489.43	180,500.00	(27,010.57)
Capital Outlay	235,200.95	192,500.00	42,700.95
Debt Service			
Principal - Cooling Towers	200,000.00	200,000.00	-
Interest - Cooling Towers	75,000.00	75,000.00	-
Principal - Line Truck	63,939.18	59,255.00	4,684.18
Interest - Line Truck	988.14	830.00	158.14
Operating Transfers to:			
General Fund	372,215.23	425,000.00	(52,784.77)
Employee Benefit Fund	500,000.04	500,000.00	0.04
Economic Development Fund	17,499.96	17,500.00	(0.04)
Electric Equipment Reserve Fund	201,354.96	201,355.00	(0.04)
Total Expenditures	5,770,620.44	$ 6,452,268.00	$ (681,647.56)
Receipts Over(Under) Expenditures	(560,402.15)		
Unencumbered Cash, Beginning	818,461.66		
Unencumbered Cash, Ending	$ 258,059.51		

CITY OF BELOIT, KANSAS
WATER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Water Sales	$ 1,609,724.78	$ 1,505,000.00	$ 104,724.78
Connects and Disconnects	200.00	550.00	(350.00)
Penalties	13,343.21	12,500.00	843.21
Water Protection Fees	4,805.65	4,700.00	105.65
Reimbursed Fees	-	5,000.00	(5,000.00)
Franchise Fees	44,935.96	40,460.00	4,475.96
Impact Fees	2,600.00	2,000.00	600.00
Transfer Fees	600.00	800.00	(200.00)
Use of Money and Property			
Interest Income	5,543.77	15,000.00	(9,456.23)
Other Receipts			
Miscellaneous	330.00	-	330.00
Reimbursed Expense	2,659.72	-	2,659.72
Total Receipts	1,684,743.09	$ 1,586,010.00	$ 98,733.09
Expenditures			
Production Services			
Personal Services	224,905.30	$ 228,000.00	$ (3,094.70)
Contractual Services	253,588.94	198,747.00	54,841.94
Commodities	468,657.66	330,100.00	138,557.66
Capital Outlay	2,536.64	7,500.00	(4,963.36)
Distribution Services			
Personal Services	194,808.92	186,700.00	8,108.92
Contractual Services	30,559.97	31,260.00	(700.03)
Commodities	23,335.14	32,700.00	(9,364.86)
Capital Outlay	7,742.00	13,000.00	(5,258.00)
Debt Service			
Principal	33,326.52	33,327.00	(0.48)
Interest	1,860.62	1,861.00	(0.38)
Operating Transfers to:			
General Fund	58,722.73	46,000.00	12,723.00
Employee Benefits Fund	225,000.00	300,000.00	(75,000.00)
Economic Development Fund	17,499.96	17,500.00	-
Water Equipment Reserve Fund	45,446.04	180,446.00	(135,000.00)
Total Expenditures	1,587,990.44	$ 1,607,141.00	$ (19,150.29)
Receipts Over(Under) Expenditures	96,752.65		
Unencumbered Cash, Beginning	121,137.80		
Unencumbered Cash, Ending	$ 217,890.45		

CITY OF BELOIT, KANSAS
WASTE-WATER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Sewer Collections	$ 860,535.47	$ 900,000.00	$ (39,464.53)
Penalties	11,758.61	12,000.00	(241.39)
Connects and Disconnects	200.00	6,000.00	(5,800.00)
Franchise Fees	19,562.86	21,000.00	(1,437.14)
Impact Fees	3,200.00	2,000.00	1,200.00
Taxes and Shared Receipts			
Special Assessments	-	2,500.00	(2,500.00)
Use of Money and Property			
Interest Income	1,536.47	9,840.00	(8,303.53)
Other Receipts			
Reimbursed Expense	4,712.72	3,000.00	1,712.72
Total Receipts	901,506.13	$ 956,340.00	$ (54,833.87)
Expenditures			
Production Services			
Personal Services	149,800.51	$ 149,900.00	$ (99.49)
Contractual Services	74,349.21	89,957.00	(15,607.79)
Commodities	121,598.00	144,700.00	(23,102.00)
Capital Outlay	1,539.14	31,450.00	(29,910.86)
Distribution Services			
Personal Services	192,550.18	183,200.00	9,350.18
Contractual Services	46,483.22	40,695.00	5,788.22
Commodities	21,177.19	23,000.00	(1,822.81)
Capital Outlay	2,766.22	42,500.00	(39,733.78)
Operating Transfer to:			
General Fund	19,943.89	21,500.00	(1,556.11)
Employee Benefits Fund	225,000.00	225,000.00	-
Waste Water Equipment Reserve Fund	34,680.00	34,680.00	-
Total Expenditures	889,887.56	$ 986,582.00	$ (96,694.44)
Receipts Over(Under) Expenditures	11,618.57		
Unencumbered Cash, Beginning	56,894.94		
Unencumbered Cash, Ending	$ 68,513.51		

CITY OF BELOIT, KANSAS
REFUSE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services			
Refuse Collections	$ 233,435.41	$ 243,000.00	$ (9,564.59)
Penalties	5,571.56	5,750.00	(178.44)
Other Receipts			
Reimbursed Expense	-	-	-
Total Receipts	239,006.97	$ 248,750.00	$ (9,743.03)
Expenditures			
General Government			
Professional Services	218,348.54	$ 218,700.00	$ (351.46)
City Billings Fees	-	25,500.00	(25,500.00)
Uncollectible	67.96	500.00	(432.04)
Operating Transfer to:			
General Fund	55,729.00	30,229.00	25,500.00
Total Expenditures	274,145.50	$ 274,929.00	$ (783.50)
Receipts Over(Under) Expenditures	(35,138.53)		
Unencumbered Cash, Beginning	62,417.81		
Unencumbered Cash, Ending	$ 27,279.28		

CITY OF BELOIT, KANSAS
CEMETERY ENDOWMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021

	Actual
Receipts	
Use of Money and Property	
Sale of Cemetery Lots	$ 6,750.00
Interest Income	595.50
Total Receipts	7,345.50
Expenditures	
Cemetery Expansion	
Capital Outlay	-
Total Expenditures	-
Receipts Over(Under) Expenditures	7,345.50
Unencumbered Cash, Beginning	56,633.06
Unencumbered Cash, Ending	$ 63,978.56

CITY OF BELOIT, 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
Utility Security Deposit	$ 64,149.92	$ 36,169.74	$ 31,072.88	$ 69,246.78
	$ 64,149.92	$ 36,169.74	$ 31,072.88	$ 69,246.78

CITY OF BELOIT, KANSAS

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Identifying Number	Federal CFDA Number	Pass Through to Sub-Recipients	Federal Receipts	Federal Expenditures
U.S. Department of Transportation:					
Direct Grant					
Airport Improvement Program	N/A	20.106	$ -	$ 12,725.00	$ 7,501.72
Airport Improvement Program	N/A	20.106	-	290,109.00	290,110.46
COVID19 - FAA CARES - Airport Operating Grant	N/A	20.106	-	4,024.00	-
COVID19 - FAA CARES - Airport Operating Grant	N/A	20.106	-	13,000.00	13,000.00
COVID19 - FAA CARES - Airport Operating Grant	N/A	20.106	-	25,306.00	25,306.00
		Total 20.106	-	345,164.00	335,918.18
Total US Department of Transportation			-	345,164.00	335,918.18
Department of Housing and Urban Development:					
Pass-through program from Kansas State Department of Commerce					
Community Development Block Grant - Housing Rehabilitation/Demolition	19-HR-001	14.228	-	209,363.65	209,363.65
Community Development Block Grant -COVID-19	20-CV-006	14.228	-	3,000.00	3,000.00
		Total 14.228	-	212,363.65	212,363.65
Total Department of Housing and Urban Development			-	212,363.65	212,363.65
U.S. Department of Treasury:					
Pass through program from Kansas Governor's Office-Federal Aid					
American Rescue Plan Act - ARPA Funds	N/A	21.027	-	276,604.09	12,097.50
Total from US Department of Treasury			-	276,604.09	12,097.50
U.S. Environmental Protection Agency					
Pass-through the Kansas Department of Health and Environment					
Drinking Water State Revolving Fund Cluster					
Capitalization Grants for Drinking Water State Revolving Funds	2986	66.468	-	383,312.00	395,625.00
Total Environment Protection Agency			-	383,312.00	395,625.00
Total Expenditures of Federal Awards			$ -	$ 1,217,443.74	$ 956,004.33

NOTE A - BASIS OF PRESENTATION

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

NOTE B - INDIRECT COSTS

The City of Beloit, Kansas did not elect to use the 10% de Minimis cost rate allowed under Section 200.141(f) of the Uniform Guidance.

NOTE C - PRIOR YEAR

A single audit was not required in the prior year.

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

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

Honorable Mayor and City Council
City of Beloit, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Beloit, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise the City of Beloit's basic financial statement, and have issued our report thereon dated May 6, 2022.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statement, we considered the City of Beloit's 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 Beloit's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Beloit's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City of Beloit's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
May 6, 2022

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

Honorable Mayor and City Council
City of Beloit, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited the City of Beloit, Kansas' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Beloit's major federal programs for the year ended December 31, 2021. The City of Beloit's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Beloit, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

We are required to be independent of the City of Beloit and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Beloit's compliance with the compliance requirements referred to above.

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

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Beloit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore

is not a guarantee that an audit conducted in accordance with generally accept auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Beloit's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Beloit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Beloit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Beloit's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
May 6, 2022

CITY OF BELOIT, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statement:

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

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	X No	
Significant deficiencies identified?	____ Yes	X None reported	
Noncompliance or other matters required to be reported under *Government Auditing Standards?*	____ Yes	X No	

Federal Awards:

Internal control over major programs:

Material weakness(es) identified?	____ Yes	X No	
Significant deficiencies identified?	____ Yes	X None reported	

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes X No

Identification of major programs:

U.S. ENVIRONMENTAL PROTECTION AGENCY
Capitalization Grants for Drinking Water State Revolving Funds — CFDA 66.468

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

Auditee qualified as a low risk auditee? ____ Yes X No

II. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

CITY OF BELOIT, KANSAS

Summary Schedule of Prior Audit Findings
December 31, 2021

NONE