

CITY OF MINNEAPOLIS' MUNICIPAL FINANCIAL REPORTING ENTITY
Minneapolis, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2021

City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas

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Year ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Minneapolis
Minneapolis, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Minneapolis' Municipal Financial Reporting Entity as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Minneapolis' Municipal Financial Reporting Entity 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 City of Minneapolis' Municipal Reporting Entity 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 C.

Basis for adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibility 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 City of Minneapolis' Municipal Financial Reporting Entity, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note C of the financial statement, the financial statement is prepared by City of Minneapolis' Municipal Financial Reporting Entity 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 C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

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 C; 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 City of Minneapolis' Municipal Financial Reporting Entity ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an 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 judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgement and maintain professional skepticism throughout the audit.
2. 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.
3. 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 City of Minneapolis' Municipal Financial Reporting Entity internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management, as well as evaluate the overall presentation of the financial statement.
5. Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Minneapolis' Municipal Financial Reporting Entity 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 control-related matters that we identified during the audit.

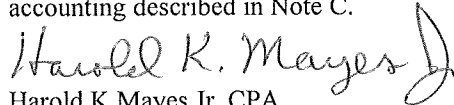
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-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), the summary of receipts and disbursements (Schedule 3) and the related municipal entities schedule of receipts and expenditures (Schedule 4) 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 C.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Minneapolis' Municipal Financial Reporting Entity as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated June 17, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/oar/municipal-services>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts

and expenditures – actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note C.

A handwritten signature in cursive script that reads "Harold K. Mayes Jr." followed by a stylized flourish.

Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
May 24, 2022

**City of Minneapolis's Municipal Financial Reporting Entity
Minneapolis, Kansas**

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year ended December 31, 2021

Fund	Unencumbered Cash Balance Beginning of Year	Prior Year Cancelled Encumbrance	Cash Receipts
Governmental Type Funds			
General Fund	\$ 99,579	\$ 0	\$ 1,155,257
Special Purpose Funds			
Library	0	0	61,254
Recreation Commission	0	0	50,012
Special Parks and Recreation	31,347	0	3,045
Special Highway	135,261	0	68,724
Capital Improvement	468,058	0	535,925
Equipment Reserve	295,213	0	50,000
Revitalization	44,136	0	2,478
Economic Development	103,977	0	6,315
	<u>1,077,992</u>	<u>0</u>	<u>777,753</u>
Bond and Interest			
Bond and Interest	<u>99,407</u>	<u>0</u>	<u>0</u>
Business Funds			
Ambulance Operations	546,161	0	507,010
Waterworks Operations	408,128	0	509,684
Waterworks Surplus	90,005	0	0
Electric Operations	96,260	0	2,792,077
Electric Bond and Interest	330,676	0	0
Electric Surplus	464,978	0	0
Electric Depreciation/Replacement	29,813	0	631
Sewer Operations	105,917	0	153,255
	<u>1,027,644</u>	<u>0</u>	<u>2,945,963</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Unencumbered Cash Balance End of Year</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance End of Year</u>
\$ 1,043,493	\$ 211,343	\$ 13,841	\$ 225,184
55,108	6,146	0	6,146
44,983	5,029	0	5,029
1,350	33,042	0	33,042
71,884	132,101	7,757	139,858
337,386	666,597	11,482	678,079
291,925	53,288	0	53,288
5,708	40,906	0	40,906
5,525	104,767	500	105,267
813,869	1,041,876	19,739	1,061,615
0	99,407	0	99,407
533,330	519,841	6,471	526,312
571,620	346,192	3,835	350,027
0	90,005	0	90,005
2,545,582	342,755	14,962	357,717
0	330,676	0	330,676
0	464,978	0	464,978
2,631	27,813	0	27,813
191,708	67,464	6,124	73,588
2,739,921	1,233,686	21,086	2,221,116

The accompanying notes are an integral part of this statement.

**City of Minneapolis's Municipal Financial Reporting Entity
Minneapolis, Kansas**

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year ended December 31, 2021

Fund	Unencumbered Cash Balance Beginning of Year	Prior Year Cancelled Encumbrance	Cash Receipts
Related Municipal Entities			
Minneapolis Public Library	\$ 104,103	\$ 0	\$ 77,194
Minneapolis Recreation Commission	83,938	0	67,788
	<u>188,041</u>	<u>0</u>	<u>144,982</u>
	\$ <u>2,492,663</u>	<u>0</u>	\$ <u>5,023,955</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Unencumbered Cash Balance End of Year</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance End of Year</u>
\$ 86,606	\$ 94,691	\$ 2,985	\$ 97,676
<u>80,887</u>	<u>70,839</u>	<u>0</u>	<u>70,839</u>
<u>167,493</u>	<u>165,530</u>	<u>2,985</u>	<u>168,515</u>
<u>\$ 4,764,776</u>	<u>\$ 2,751,842</u>	<u>\$ 57,651</u>	<u>\$ 3,775,837</u>

Cash balance consisting of

Balance on deposit

Checking, money market accounts & petty cash \$ 3,615,309

Library 97,676

Recreation Commission 70,839

Total cash 3,783,824

Agency Funds Per Schedule 3 (7,987)

Total cash (excluding agency funds) \$ 3,775,837

The accompanying notes are an integral part of this statement.

City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Minneapolis is a municipal corporation governed by an elected mayor and five member council. This financial statement presents the City of Minneapolis (the municipality) and its related municipal entities (entities for which the government is considered to be financially accountable). The related municipal entities are described below and they have a December 31 year end.

Related Municipal Entity

Minneapolis Public Library: The Library Board operates the City's public library. The Library Board operates as a separate governing body but the City levies the taxes for the 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.

Minneapolis Recreation Commission: The Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body but the City levies the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928.

The following related municipal entity is excluded from the financial statement of the primary government:

Housing Authority: The City of Minneapolis Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy or sell real property. Bond issuances must be approved by the City. The Housing Authority is audited separately. Copies of the City of Minneapolis Housing Authority audit may be obtained by contacting their office at 114 South Rock Street, Minneapolis, Kansas.

NOTE B. 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. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

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

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

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The City did not have any these type funds for the current year under audit.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds 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.). The City did not have any these type funds for the current year under audit.

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

City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE C. 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 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

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

NOTE D. BUDGETARY INFORMATION

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

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

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

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 budget amendments for this year.

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

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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.

**City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas**

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE D. BUDGETARY INFORMATION - continued

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

Capital Improvement	Equipment Reserve
Waterworks Surplus	Electric Bond & Interest
Electric Surplus	Electric Depreciation/Replacement

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

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

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 City or in an adjoining City 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 bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

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, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2021.

At December 31, 2021, the carrying amount of the City's bank deposits was \$3,615,309 (which includes petty cash funds of \$2,000) and the bank balance was \$3,619,037. The bank balance was held by one bank which increases concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$3,369,037 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

**City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas**

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE E. DEPOSITS AND INVESTMENTS - continued

At December 31, 2021, the carrying amount of the Library's bank deposits was \$97,676 and the bank balance was \$98,896. The bank balance was held by one bank which increases concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$98,896 was covered by federal depository insurance.

At December 31, 2021, the carrying amount of the Recreation Commission's bank deposits was \$70,839 (which includes petty cash funds) and the bank balance was \$70,839. The bank balance was held by one bank which increases concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$70,839 was covered by federal depository insurance.

NOTE F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), 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.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All full-time employees of the City are eligible to participate in the plan beginning the first day of the month following employment.

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

Compensated Absences: Employees accumulate sick leave at a rate of 8 hours per month. Sick leave accumulates to a maximum of 720 hours. Upon leaving the City, the City pays out sick leave at one-half of normal pay the accumulated sick leave available. Sick leave cannot be used for vacation leave. Employees with less than 10 years of service earn 8 hours of vacation for each month employed by the City. Those employees with more than 10 year experience earn 10 hours of vacation for each month employed by the City. Employees with less than 10 years can carryover a maximum of 144 hours of vacation time and employees with more than 10 years can carry over a maximum of 192 hours of vacation time. Vacation is paid out at current regular employee rates upon termination or retirement.

NOTE G. DEFINED BENEFIT PENSION PLAN

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

City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE G. DEFINED BENEFIT PENSION PLAN - continued

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 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City of Minneapolis were \$74,897 for the year ended December 31, 2021.

Net Pension Liability – At December 31, 2021, the City of Minneapolis's proportionate share of the collective net pension liability reported by KPERS was \$689,747. The net pension liability was measured as of June 30, 2021, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City of Minneapolis's proportion of the net pension liability was based on the ratio of the City of Minneapolis'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 these financial statements.

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.

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Equipment Reserve Fund	12-1118	\$ 50,000
General Fund	Capital Improvement Fund	12-1118	133,333
Waterworks Fund	General Fund	12-1118	41,667
Electric Depreciation/Replacement	Electric Operations Fund	12-1118	2,631
Ambulance Operations	General Fund	12-1118	50,000

NOTE I. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas

NOTES TO FINANCIAL STATEMENT
December 31, 2021

NOTE J. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
Bonds:				
Revenue Series 2007	4.375-4.650%	7/1/07	750,000	5/1/2022
GO Refunding Series 2012	1.875-2.5%	3/15/12	2,445,000	8/1/2026
GO Series 2014	0.50-4.05%	12/23/13	965,000	8/1/2029
Water Pollution Control Loan	2.29%	2/25/16	687,578	9/1/2034

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Bonds:						
Revenue Series 2007	\$ 190,000	\$ 0	\$ 60,000	\$ (60,000)	\$ 130,000	\$ 7,360
GO Refunding Series 2012	955,000	0	150,000	(150,000)	805,000	21,875
GO Series 2014	625,000	0	60,000	(60,000)	565,000	19,885
Water Pollution Control Loan	283,963	0	17,424	(17,424)	266,539	6,398
	<u>\$ 2,053,963</u>	<u>\$ 0</u>	<u>\$ 287,424</u>	<u>\$ (287,424)</u>	<u>\$ 1,766,539</u>	<u>\$ 55,518</u>

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

	Year					
	2022	2023	2024	2025	2026	2027-2031
Principal:						
Revenue Series 2007	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GO Refunding Series 2012	150,000	160,000	160,000	165,000	170,000	0
GO Series 2014	65,000	65,000	65,000	70,000	70,000	230,000
Water Pollution Control Loan	17,820	18,231	18,650	19,080	19,519	104,551
Total principal	<u>\$ 362,820</u>	<u>\$ 243,231</u>	<u>\$ 243,650</u>	<u>\$ 254,080</u>	<u>\$ 259,519</u>	<u>\$ 334,551</u>

	Year	
	2032-2034	Total
Principal:		
Revenue Series 2007	\$ 0	\$ 130,000
GO Refunding Series 2012	0	805,000
GO Series 2014	0	565,000
Water Pollution Control Loan	68,688	266,539
Total principal	<u>\$ 68,688</u>	<u>\$ 1,766,539</u>

City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE J. LONG-TERM DEBT - continued

	Year					
	2022	2023	2024	2025	2026	2027-2031
Interest:						
Revenue Series 2007	\$ 2,990	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
GO Refunding Series 2012	18,725	15,575	11,975	8,375	4,250	0
GO Series 2014	19,195	17,538	15,685	13,735	11,425	18,345
Water Pollution Control Loan	6,002	5,593	5,172	4,743	4,303	15,703
Total interest	<u>\$ 46,912</u>	<u>\$ 38,706</u>	<u>\$ 32,832</u>	<u>\$ 26,853</u>	<u>\$ 19,978</u>	<u>\$ 34,048</u>
	Year					
	2032-2034	Total				
Interest:						
Revenue Series 2007	\$ 0	\$ 2,990				
GO Refunding Series 2012	0	58,900				
GO Series 2014	0	95,923				
Water Pollution Control Loan	10,779	52,295				
Total interest	<u>\$ 10,779</u>	<u>\$ 210,108</u>				

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2021, the statutory limit for the City was \$3,073,466 providing a debt margin of \$2,306,926 after removing debt exempt from the limitation.

NOTE K. LEASES

The City had the following leases as of December 31, 2021.

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
Ambulance	2.20%	4/1/2018	\$ 172,308	4/1/2023
JCB Wheel Loader	1.90%	1/25/2016	83,902	1/25/2021
Volleyball Courts	2.50%	2/11/2016	65,000	2/11/2026
Motor Grader	3.48%	8/29/2019	127,300	4/1/2024
Utility Software	2.78%	5/18/2020	317,551	5/18/2025

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Ambulance	\$ 105,556	\$ 0	\$ 34,480	\$ (34,480)	\$ 71,076	\$ 2,323
JCB Wheel Loader	16,430	0	16,430	(16,430)	0	634
Volleyball Courts	40,849	0	6,420	(6,420)	34,429	1,021
Motor Grader	102,129	0	24,238	(24,238)	77,891	3,554
Utility Software	317,551	0	60,154	(60,154)	257,397	8,828
	<u>\$ 460,529</u>	<u>\$ 0</u>	<u>\$ 90,812</u>	<u>\$ (90,812)</u>	<u>\$ 369,717</u>	<u>\$ 13,403</u>

**City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas**

**NOTES TO FINANCIAL STATEMENT
December 31, 2021**

NOTE K. LEASES – continued

Current lease payments due through the end of the lease are as follows:

Principal:	Year					Total
	2022	2023	2024	2025	2026	
Ambulance	\$ 35,240	\$ 35,836	\$ 0	\$ 0	\$ 0	\$ 71,076
Volleyball Courts	6,580	6,745	6,914	7,086	7,104	34,429
Motor Grader	25,082	25,954	26,855	0	0	77,891
Utility Software	61,826	63,545	65,312	66,714	0	257,397
	<u>\$ 93,488</u>	<u>\$ 96,244</u>	<u>\$ 99,081</u>	<u>\$ 73,800</u>	<u>\$ 7,104</u>	<u>\$ 369,717</u>

Interest:	Year					Total
	2022	2023	2024	2025	2026	
Ambulance	\$ 1,564	\$ 788	\$ 0	\$ 0	\$ 0	\$ 2,352
Volleyball Courts	861	696	528	355	178	2,618
Motor Grader	2,711	1,838	937	0	0	5,486
Utility Software	7,156	5,437	3,670	1,855	0	18,118
Total interest	<u>\$ 10,728</u>	<u>\$ 7,971</u>	<u>\$ 5,135</u>	<u>\$ 2,210</u>	<u>\$ 178</u>	<u>\$ 26,222</u>

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas 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. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminated the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

It appears the Airport Improvement has a ending unencumbered cash violation, however the City has a grant receivable as of December 31, 2021 which cover the deficit in unencumbered cash.

Management is not aware of any other violations as of December 31, 2021.

**City of Minneapolis' Municipal Financial Reporting Entity
Minneapolis, Kansas**

NOTES TO FINANCIAL STATEMENT

December 31, 2021

NOTE M. COVID 19

COVID-19

On January 30, 2021, 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 2021, 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 decrease in certain revenues, etc. and disruptions or restrictions on the City's ability to operate under its current mission and operating model.

The City has significant interest/debt payments due in each year, which if tax, grant, etc. receipts decline due to the impact of the COVID-19 outbreak on taxpayers, grants available, may lead to the City seeking debt forbearance/restructuring and additional sources of debt and or equity financing. The City expects to meet certain covenant provisions in its debt arrangements. This may lead to the City seeking debt forbearance/restructuring and additional sources of debt and/or equity financing.

NOTE N. AD VALOREM TAX – REVENUE NEUTRAL RATE

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

NOTE O. SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through May 24, 2022, the date the financial statements were available to be issued.

**REGULATORY BASIS
SUPPLEMENTARY INFORMATION**

City of Minneapolis, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type funds					
General Fund	\$ 1,137,925	\$ 0	\$ 1,137,925	\$ 1,043,493	\$ (94,432)
Special Purpose Funds					
Library	59,406	0	59,406	55,108	(4,298)
Recreation Commission	48,418	0	48,418	44,983	(3,435)
Special Parks and Recreation	33,540	0	33,540	1,350	(32,190)
Special Highway	135,558	0	135,558	71,884	(63,674)
Revitalization	11,500	0	11,500	5,708	(5,792)
Economic Development	115,623	0	115,623	5,525	(110,098)
Bond and Interest Funds					
Bond and Interest	99,409	0	99,409	0	(99,409)
Business Funds					
Ambulance Operations	660,758	0	660,758	533,330	(127,428)
Waterworks Operations	694,205	0	694,205	571,620	(122,585)
Electric Operations	2,729,579	0	2,729,579	2,545,582	(183,997)
Sewer Operations	324,325	0	324,325	191,708	(132,617)

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		<u>2021</u>		
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Taxes				
Ad Valorem Property Tax	\$ 380,898	\$ 390,090	\$ 396,479	\$ (6,389)
Delinquent Tax	13,119	14,917	10,000	4,917
Motor Vehicle Tax	67,894	68,088	68,485	(397)
Recreational Vehicle Tax	1,314	1,208	1,260	(52)
16/20M Tax	916	1,235	520	715
Commercial Truck Tax	2,242	1,822	2,287	(465)
Watercraft Tax	456	502	408	94
Subtotal	<u>466,839</u>	<u>477,862</u>	<u>479,439</u>	<u>(1,577)</u>
Intergovernmental				
Local Sales Tax	226,826	285,435	201,250	84,185
City Share Sales and Use Tax	120,013	121,332	87,000	34,332
State Connecting Links	15,230	15,210	12,184	3,026
Local Alcoholic Liquor Fund	702	705	821	(116)
Subtotal	<u>362,771</u>	<u>422,682</u>	<u>301,255</u>	<u>121,427</u>
Licenses, fees and permits				
Utility Franchise Tax	105,342	90,566	132,624	(42,058)
Occupation & Amusement Licenses	1,245	1,550	1,800	(250)
Permits	1,490	1,815	1,350	465
Cereal Malt Beverage Licenses	225	100	200	(100)
Liquor Licenses	800	0	600	(600)
Dog and Cat Licenses	2,376	2,195	2,400	(205)
Pole Attachment Agreement	1,336	0	2,676	(2,676)
Subtotal	<u>112,814</u>	<u>96,226</u>	<u>141,650</u>	<u>(45,424)</u>
Charges for services				
Swimming Pool	15,107	15,470	14,500	970
Impoundment Fees	920	1,082	700	382
Accident Reports	85	55	75	(20)
Rezoning Fees	0	200	200	0
Parking Permits	340	1,060	500	560
Camper Fees and Scout Hall Rental	1,515	1,300	1,500	(200)
Subtotal	<u>17,967</u>	<u>19,167</u>	<u>17,475</u>	<u>1,692</u>
Fines, forfeitures, penalties				
Fines and forfeitures	<u>12,000</u>	<u>2,525</u>	<u>13,000</u>	<u>(10,475)</u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2021

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

		<u>2021</u>		
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Cash receipts - continued				
Use of money and property				
Interest	\$ 4,229	\$ 2,822	\$ 8,000	\$ (5,178)
Lease Purchase	14,882	7,441	7,441	
Subtotal	19,111	10,263	15,441	(5,178)
Reimbursements	2,040	1,336	5,000	(3,664)
Payment in Lieu of Taxes	19,218	20,611	18,500	2,111
Insurance Dividends	0	0	19,000	(19,000)
Miscellaneous	8,984	12,918	10,000	2,918
Subtotal	30,242	34,865	52,500	(17,635)
Operating transfers	37,000	91,667	110,000	(18,333)
Total cash receipts	1,058,744	1,155,257	\$ 1,130,760	\$ 24,497
Expenditures				
General Government				
Personnel services	89,877	65,634	\$ 78,226	\$ (12,592)
Contractual services	51,501	60,365	52,387	7,978
Commodities	33,475	54,220	108,756	(54,536)
Capital Outlay	0	0	13,623	(13,623)
Other	0	15,570	0	15,570
Subtotal	174,853	195,789	252,992	(57,203)
Police department				
Personnel services	336,935	354,845	353,038	1,807
Contractual services	33,236	35,525	44,425	(8,900)
Commodities	44,052	36,018	38,500	(2,482)
Subtotal	414,223	426,388	435,963	(9,575)
Fire Department				
Contractual services	28,000	30,117	30,117	0
Subtotal	28,000	30,117	30,117	0

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance Over (Under)	
	2020 Actual	Actual	Budget		
Expenditures - continued					
Public Works					
Personnel services	\$ 58,124	\$ 73,792	\$ 44,617	\$ 29,175	
Contractual services	16,838	10,084	10,400	(316)	
Commodities	26,500	46,123	76,000	(29,877)	
Subtotal	<u>101,462</u>	<u>129,999</u>	<u>131,017</u>	<u>(1,018)</u>	
Park Department					
Contractual services	12,692	15,080	14,625	455	
Commodities	4,277	9,440	6,500	2,940	
Capital outlay	4,787	7,351	2,000	5,351	
Subtotal	<u>21,756</u>	<u>31,871</u>	<u>23,125</u>	<u>8,746</u>	
Industrial					
Contractual services	66	95	0	95	
Subtotal	<u>66</u>	<u>95</u>	<u>0</u>	<u>95</u>	
Swimming Pools					
Personnel services	20,307	24,063	24,241	(178)	
Contractual services	9,583	10,302	10,200	102	
Commodities	8,954	10,102	9,000	1,102	
Subtotal	<u>38,844</u>	<u>44,467</u>	<u>43,441</u>	<u>1,026</u>	
Economic Development					
Contractual services	1,223	1,434	1,270	164	
Subtotal	<u>1,223</u>	<u>1,434</u>	<u>1,270</u>	<u>164</u>	
Operating Transfers	<u>219,000</u>	<u>183,333</u>	<u>220,000</u>	<u>(36,667)</u>	
Total expenditures and transfers subject to budget	<u>999,427</u>	<u>1,043,493</u>	<u>\$ 1,137,925</u>	<u>\$ (94,432)</u>	
Receipts over (under) expenditures	59,317	111,764			
Unencumbered cash, January 1	<u>40,262</u>	<u>99,579</u>			
Unencumbered cash, December 31	\$ <u>99,579</u>	\$ <u>211,343</u>			

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		<u>2021</u>		Variance Over (Under)
	<u>2020 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 48,705	\$ 50,206	\$ 50,078	\$ 128
Delinquent Tax	1,506	1,807	650	1,157
Motor Vehicle Tax	8,300	8,636	8,757	(121)
Recreational Vehicle Tax	161	154	161	(7)
16/20M Tax	108	153	66	87
Commercial Truck Tax	277	232	292	(60)
Watercraft Tax	56	64	52	12
Vehicle Excise Tax	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
Total cash receipts	<u>59,113</u>	<u>61,254</u>	<u>\$ 60,056</u>	<u>\$ 1,198</u>
Expenditures				
Appropriation to Library Board	<u>59,113</u>	<u>55,108</u>	<u>\$ 59,406</u>	<u>\$ (4,298)</u>
Total expenditures subject to budget	<u>59,113</u>	<u>55,108</u>	<u>\$ 59,406</u>	<u>\$ (4,298)</u>
Receipts over (under) expenditures	0	6,146		
Unencumbered cash, January 1	<u>0</u>	<u>0</u>		
Unencumbered cash, December 31	\$ <u>0</u>	\$ <u>6,146</u>		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
RECREATION COMMISSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		<u>2021</u>		Variance Over (Under)
	<u>2020 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 39,874	\$ 40,886	\$ 40,781	\$ 105
Delinquent Tax	1,298	1,507	0	1,507
Motor Vehicle Tax	7,070	7,119	7,169	(50)
Recreational Vehicle Tax	137	126	132	(6)
16/20M Tax	95	129	54	75
Commercial Truck Tax	234	191	239	(48)
Watercraft Tax	47	53	43	10
Vehicle Excise Tax	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>
Total cash receipts	<u>48,755</u>	<u>50,012</u>	<u>\$ 48,418</u>	<u>\$ 1,594</u>
Expenditures				
Appropriation to Library Board	<u>48,755</u>	<u>44,983</u>	<u>\$ 48,418</u>	<u>\$ (3,435)</u>
Total expenditures subject to budget	<u>48,755</u>	<u>44,983</u>	<u>\$ 48,418</u>	<u>\$ (3,435)</u>
Receipts over (under) expenditures	0	5,029		
Unencumbered cash, January 1	<u>0</u>	<u>0</u>		
Unencumbered cash, December 31	<u>\$ 0</u>	<u>\$ 5,029</u>		

See Independent Auditor's Report.

City of Minneapolis

Schedule 2d

SPECIAL PURPOSE FUNDS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Local Alcoholic Liquor Tax	\$ 702	\$ 705	\$ 821	\$ (116)
Campers Fees	1,370	2,340	1,300	1,040
Total cash receipts	2,072	3,045	<u>2,121</u>	<u>924</u>
Expenditures				
Capital Outlay	0	1,350	\$ 33,540	\$ (32,190)
Total expenditures subject to budget	0	1,350	<u>33,540</u>	<u>(32,190)</u>
Receipts over (under) expenditures	2,072	1,695		
Unencumbered cash, January 1	29,275	31,347		
Unencumbered cash, December 31	\$ <u>31,347</u>	\$ <u>33,042</u>		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
State of Kansas Gas Tax	\$ 49,880	\$ 68,608	\$ 44,300	\$ 24,308
Reimbursements and Other	9,834	116	1,000	(884)
Total cash receipts	59,714	68,724	<u>45,300</u>	<u>23,424</u>
Expenditures				
Personnel services	16,409	35,052	\$ 42,926	\$ (7,874)
Contractual services	2,286	66	55,000	(54,934)
Commodities	11,700	22,467	5,000	17,467
Capital outlay	8,394	14,299	32,632	(18,333)
Total expenditures subject to budget	38,789	71,884	<u>135,558</u>	<u>(63,674)</u>
Receipts over (under) expenditures	20,925	(3,160)		
Unencumbered cash, January 1	114,336	135,261		
Unencumbered cash, December 31	\$ <u>135,261</u>	\$ <u>132,101</u>		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year ended December 31, 2021

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

	2020		2021
	Actual		Actual
Cash receipts			
Grants	\$ 0	\$	307,254
GO 2014 Pool	79,535		80,540
Miscellaneous	0		14,798
Operating Transfers	<u>159,000</u>		<u>133,333</u>
Total cash receipts	<u>238,535</u>		<u>535,925</u>
Expenditures			
City Hall building remodel	375		0
CDBG expenses	4,028		144,670
Other	21,705		112,830
Debt service - 2014 GO Pool	<u>81,176</u>		<u>79,886</u>
Total expenditures	<u>107,284</u>		<u>337,386</u>
Receipts over (under) expenditures	131,251		198,539
Unencumbered cash, January 1	<u>336,807</u>		<u>468,058</u>
Unencumbered cash, December 31	\$ <u><u>468,058</u></u>	\$	<u><u>666,597</u></u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year ended December 31, 2021

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

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Cash receipts		
Taxes		
Sale of Equipment	\$ 465,317	\$ 0
Operating Transfers	<u>60,000</u>	<u>50,000</u>
Total cash receipts	<u>525,317</u>	<u>50,000</u>
Expenditures		
Equipment	<u>321,361</u>	<u>291,925</u>
Total expenditures	<u>321,361</u>	<u>291,925</u>
Receipts over (under) expenditures	203,956	(241,925)
Unencumbered cash, January 1	<u>91,257</u>	<u>295,213</u>
Unencumbered cash, December 31	\$ <u><u>295,213</u></u>	\$ <u><u>53,288</u></u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
REVITALIZATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
County Revitalization	\$ 6,373	\$ 2,478	\$ 6,400	\$ (3,922)
Property sales	25,449	0	0	0
Total cash receipts	31,822	2,478	<u>6,400</u>	<u>(3,922)</u>
Expenditures				
Tax Rebates	4,317	5,708	\$ 11,500	\$ (5,792)
Total expenditures subject to budget	4,317	5,708	<u>11,500</u>	<u>(5,792)</u>
Receipts over (under) expenditures	27,505	(3,230)		
Unencumbered cash, January 1	16,631	44,136		
Unencumbered cash, December 31	\$ <u>44,136</u>	\$ <u>40,906</u>		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Farm Income	\$ 5,920	\$ 6,315	\$ 7,500	\$ (1,185)
Total cash receipts	5,920	6,315	7,500	(1,185)
Expenditures				
Contractual services	124	1,688	\$ 111,623	\$ (109,935)
Commodities	5,330	3,837	4,000	(163)
Total expenditures subject to budget	5,454	5,525	115,623	(110,098)
Receipts over (under) expenditures	466	790		
Unencumbered cash, January 1	103,511	103,977		
Unencumbered cash, December 31	\$ 103,977	\$ 104,767		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Taxes and Shared Revenue	\$ 0	\$ 0	\$ 0	0
Total cash receipts	0	0	0	0
Expenditures				
Bond payments	0	0	99,409	(99,409)
Total expenditures subject to budget	0	0	99,409	(99,409)
Receipts over (under) expenditures	0	0		
Unencumbered cash, January 1	99,407	99,407		
Unencumbered cash, December 31	\$ 99,407	\$ 99,407		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2k

BUSINESS FUNDS
AMBULANCE OPERATIONS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance Over Under	
	2020	Actual	Budget		
	Actual	Actual	Budget	(Under)	
Cash receipts					
Charges for services	\$ 158,932	\$ 134,207	\$ 120,000	\$ 14,207	
County subsidy	359,790	372,514	330,000	42,514	
Reimbursements	4,026	289	3,500	(3,211)	
Miscellaneous	0	0	3,000	(3,000)	
Total cash receipts	522,748	507,010	\$ 456,500	\$ 50,510	
Expenditures					
Personnel services	332,727	363,024	\$ 397,888	\$ (34,864)	
Contractual services	62,152	43,844	66,870	(23,026)	
Commodities	43,296	39,659	36,000	3,659	
Capital outlay	36,803	36,803	100,000	(63,197)	
Subtotal	474,978	483,330	600,758	(117,428)	
Operating Transfers	0	50,000	60,000	(10,000)	
Total expenditures subject to budget	474,978	533,330	\$ 660,758	\$ (127,428)	
Receipts over (under) expenditures	47,770	(26,320)			
Unencumbered cash, January 1	498,391	546,161			
Unencumbered cash, December 31	\$ 546,161	\$ 519,841			

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 21

BUSINESS FUNDS
WATERWORKS OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021		Variance Over (Under)	
	2020 Actual	Actual	Budget		
Cash receipts					
Charges for Service	\$ 454,446	\$ 460,769	\$ 440,745	\$ 20,024	
Other Sales	12,451	(26)	2,500	(2,526)	
Connect and Reconnect	3,560	2,601	2,000	601	
Penalty Charges	6,168	3,494	8,500	(5,006)	
Reimbursed Expenses	9,776	9,261	9,000	261	
Miscellaneous	2,778	33,585	6,500	27,085	
Total Cash Receipts	<u>489,179</u>	<u>509,684</u>	\$ <u>469,245</u>	\$ <u>40,439</u>	
Expenditures					
Personnel services	115,958	130,527	178,585	(48,058)	
Contractual services	285,306	336,154	310,775	25,379	
Commodities	47,306	47,509	86,600	(39,091)	
Capital outlay	6,948	9,903	62,386	(52,483)	
Debt service	5,902	5,860	50,000	(44,140)	
Operating transfers	37,000	41,667	5,859	35,808	
Total expenditures	<u>498,420</u>	<u>571,620</u>	\$ <u>694,205</u>	\$ <u>(122,585)</u>	
Receipts over (under) expenditures	(9,241)	(61,936)			
Unencumbered cash, January 1	<u>417,369</u>	<u>408,128</u>			
Unencumbered cash, December 31	\$ <u>408,128</u>	\$ <u>346,192</u>			

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2m

BUSINESS FUNDS
WATERWORKS SURPLUS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

	<u>2020 Actual</u>	<u>2021 Actual</u>
Cash receipts		
Operating Transfers	\$ 0	\$ 0
Total cash receipts	<u>0</u>	<u>0</u>
Expenditures		
Capital outlay	<u>0</u>	<u>0</u>
Total expenditures subject to budget	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, January 1	<u>90,005</u>	<u>90,005</u>
Unencumbered cash, December 31	\$ <u><u>90,005</u></u>	\$ <u><u>90,005</u></u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2n

BUSINESS FUNDS
ELECTRIC OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		2021			
	2020			Variance	
	Actual	Actual	Budget	Over	
				(Under)	
Cash receipts					
Charges for Service - Electricity	\$ 2,283,297	\$ 2,650,012	\$ 2,506,947	\$ 143,065	
Connect and Reconnect	3,115	3,421	2,700	721	
Reimbursed Expenses	30,629	44,196	5,000	39,196	
Penalty Charges	9,915	9,877	13,000	(3,123)	
Capacity Payments	59,970	59,970	60,000	(30)	
Interest	0	0	1,500	(1,500)	
Miscellaneous	88,181	21,970	15,000	6,970	
Transfers in	761	2,631	0	2,631	
Total Cash Receipts	2,475,868	2,792,077	\$ 2,604,147	\$ 187,930	
Expenditures					
Production					
Personnel services	305,303	292,213	295,000	(2,787)	
Contractual services	1,432,336	1,573,682	1,595,868	(22,186)	
Commodities	79,069	84,097	85,000	(903)	
Capital outlay	17,776	6,948	0	6,948	
Subtotal	1,834,484	1,956,940	1,975,868	(18,928)	
Distribution					
Personnel services	281,925	301,515	305,000	(3,485)	
Contractual services	29,480	21,205	112,515	(91,310)	
Commodities	54,052	77,424	75,000	2,424	
Debt service	5,800	5,860	5,860	0	
Subtotal	371,257	406,004	498,375	(92,371)	
Administrative					
Personnel services	92,688	83,325	85,000	(1,675)	
Contractual services	93,533	30,560	98,276	(67,716)	
Commodities	3,440	1,393	4,700	(3,307)	
Debt service	64,991	67,360	67,360	0	
Subtotal	254,652	182,638	255,336	(72,698)	
Total expenditures	2,460,393	2,545,582	\$ 2,729,579	\$ (183,997)	
Receipts over (under) expenditures	15,475	246,495			
Unencumbered cash, January 1	80,785	96,260			
Unencumbered cash, December 31	\$ 96,260	\$ 342,755			

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2o

BUSINESS FUNDS
ELECTRIC BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Cash receipts		
Use of money and property		
Interest	\$ 0	\$ 0
Total cash receipts	<u>0</u>	<u>0</u>
Expenditures		
Debt service	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, January 1	<u>330,676</u>	<u>330,676</u>
Unencumbered cash, December 31	\$ <u><u>330,676</u></u>	\$ <u><u>330,676</u></u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2p

BUSINESS FUNDS
ELECTRIC SURPLUS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

	<u>2020 Actual</u>	<u>2021 Actual</u>
Cash receipts		
Operating Transfers	\$ 0	\$ 0
Total cash receipts	<u>0</u>	<u>0</u>
Expenditures		
Capital outlay	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, January 1	<u>464,978</u>	<u>464,978</u>
Unencumbered cash, December 31	\$ <u><u>464,978</u></u>	\$ <u><u>464,978</u></u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2q

BUSINESS FUNDS
ELECTRIC DEPRECIATION/REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Cash receipts		
Interest	\$ 620	\$ 631
Total Cash Receipts	<u>620</u>	<u>631</u>
Expenditures		
Transfers Out	<u>761</u>	<u>2,631</u>
Total Expenditures	<u>761</u>	<u>2,631</u>
Receipts Over (Under) Expenditures	(141)	(2,000)
Unencumbered Cash, January 1	<u>29,954</u>	<u>29,813</u>
Unencumbered Cash, December 31	\$ <u><u>29,813</u></u>	\$ <u><u>27,813</u></u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 2r

BUSINESS FUNDS
SEWER OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year ended December 31, 2021
(With Comparative Actual totals for the Prior Year Ended December 31, 2020)

		<u>2021</u>		
	<u>2020</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Sale of Service	\$ 148,034	\$ 151,819	\$ 190,000	\$ (38,181)
Reimbursements	2,193	525	2,000	(1,475)
Miscellaneous	<u>360</u>	<u>911</u>	<u>6,000</u>	<u>(5,089)</u>
Total cash receipts	<u>150,587</u>	<u>153,255</u>	<u>\$ 198,000</u>	<u>\$ (44,745)</u>
Expenditures				
Personnel service	51,213	55,551	\$ 64,472	\$ (8,921)
Contractual services	55,049	57,098	58,250	(1,152)
Commodities	20,912	49,377	56,350	(6,973)
Capital outlay	0	0	100,000	(100,000)
Debt service	<u>29,682</u>	<u>29,682</u>	<u>45,253</u>	<u>(15,571)</u>
Total expenditures	<u>156,856</u>	<u>191,708</u>	<u>\$ 324,325</u>	<u>\$ (132,617)</u>
Receipts over (under) expenditures	(6,269)	(38,453)		
Unencumbered cash, January 1	<u>112,186</u>	<u>105,917</u>		
Unencumbered cash, December 31	\$ <u>105,917</u>	\$ <u>67,464</u>		

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
For the Year ended December 31, 2021

<u>Fund</u>	<u>Cash Balance Beginning of year</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance End of year</u>
Tourism	\$ (618) \$	835 \$	0 \$	217
Municipal Court	<u>1,016</u>	<u>9,721</u>	<u>2,967</u>	<u>7,770</u>
	\$ <u>398</u> \$	\$ <u>10,556</u> \$	\$ <u>2,967</u> \$	<u>7,987</u>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 4a

RELATED MUNICIPAL ENTITY
MINNEAPOLIS PUBLIC LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year ended December 31, 2021

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

	2020		2021
	Actual		Actual
Cash receipts			
City of Minneapolis Appropriation	\$ 59,113	\$	55,108
CKLS Grant	1,863		12,851
State Aid	1,590		846
Copies/faxes	1,332		1,611
Donations	1,795		3,675
Courier income	1,050		490
Miscellaneous	913		471
Interest	2,672		2,142
	<hr/>		<hr/>
Total cash receipts	70,328		77,194
	<hr/>		<hr/>
Expenditures			
Salaries	40,067		44,191
Payroll taxes	3,105		3,425
KPERS - retirement	3,103		3,664
Utilities	2,512		2,723
Insurance	100		100
Continuing education	105		216
Audit	900		500
Advertising	339		530
Supplies	2,642		2,876
Books & periodicals	12,535		17,321
Miscellaneous	310		1,171
Services	217		185
Grants	3,815		0
Computer	2,372		2,229
Courier expenses	3,600		640
Special Projects	0		300
Capital Outlay	0		1,941
Memorial expenses	5,832		4,594
	<hr/>		<hr/>
Total expenditures	81,554		86,606
	<hr/>		<hr/>
Receipts over (under) expenditures	(11,226)		(9,412)
	<hr/>		<hr/>
Unencumbered cash, January 1	115,329		104,103
	<hr/>		<hr/>
Unencumbered cash, December 31	\$ 104,103	\$	94,691
	<hr/>		<hr/>

See Independent Auditor's Report.

City of Minneapolis, Kansas

Schedule 4b

RELATED MUNICIPAL ENTITY
MINNEAPOLIS RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year ended December 31, 2021

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

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Cash receipts		
City of Minneapolis	\$ 47,955	\$ 45,783
Interest	104	48
League Fees	804	7,157
Grant	1,250	13,600
Scoreboard	2,500	0
Miscellaneous	149	1,200
	<u>52,762</u>	<u>67,788</u>
Total cash receipts		
Expenditures		
Wages	5,339	0
Payroll Taxes	408	0
Recreation Programs:		
Junior golf	0	250
Basketball	0	300
Drama	186	250
Football	0	461
Volleyball	0	150
Umpire	1,000	900
Ballfield Expense	6,606	7,016
Baseball Improvements	21,517	33,195
Volleyball Improvements	14,882	0
Contract Labor	0	13,400
Advertising	0	1,353
Insurance	437	500
League & Tourney Fees	500	0
Miscellaneous	11,464	7,441
Repairs & Maintenance	0	6,560
Professional Fees	2,077	2,925
Supplies	1,375	1,181
Summer Camp	0	1,540
Swimming Pool	0	235
Tennis & Basketball Courts	212	319
Trash	204	480
Treasurer pay	1,200	1,200
Uniforms	0	934
Website	0	297
Interest & Penalties	451	0
	<u>67,858</u>	<u>80,887</u>
Total expenditures		
Receipts over (under) expenditures	(15,096)	(13,099)
Unencumbered cash, January 1	99,034	83,938
	<u>99,034</u>	<u>83,938</u>
Unencumbered cash, December 31	\$ <u>83,938</u>	\$ <u>70,839</u>

See Independent Auditor's Report.