

THE CITY OF SEDAN, KANSAS

**AUDITORS' REPORT AND
FINANCIAL STATEMENT**

December 31, 2021

CITY OF SEDAN, KANSAS

For the Year Ended December 31, 2021 Table of Contents

Page Number

INTRODUCTORY SECTION

Title Page	
Table of Contents	

FINANCIAL SECTION

Independent Auditors' Report	1 - 3
STATEMENT 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - For the Year Ended December 31, 2021	4 - 5
NOTES TO THE FINANCIAL STATEMENT	6 - 13

SUPPLEMENTARY INFORMATION

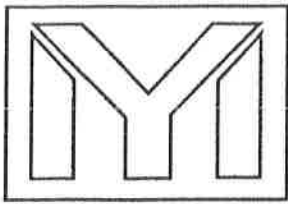
SCHEDULE 1	
Summary of Expenditures - Actual and Budget, Regulatory Basis For the Year Ended December 31, 2021	14

SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget, Regulatory Basis For the Year Ended December 31, 2021	

GENERAL FUND	15
LIBRARY FUND	16
SPECIAL STREET AND HIGHWAY FUND	17
SPECIAL PARK FUND	18
TRANSIENT GUEST TAX FUND	19
ARPA GRANT FUND	20
COVID GRANT FUND	21
CHAUTAUQUA COUNTY SPARK GRANT FUND	22
WATER PROJECT FUND	23
WATER FUND	24
SEWER FUND	25

SCHEDULE 3	
Summary of Receipts and Disbursements – Agency Fund Regulatory Basis For the Year Ended December 31, 2020	

PAYROLL CLEARING FUND	26
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YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

American Institute of Certified Public Accountants, Kansas Society of Certified Public Accountants

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Emily S. Vail, CPA

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
And City Council
City of Sedan, Kansas
111 E Cherokee
Sedan, KS 67361

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sedan, 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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Sedan, Kansas as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Sedan, Kansas as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1B.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City of Sedan, Kansas, 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 1B of the financial statement, the financial statement is prepared by the City of Sedan, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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 City of Sedan, Kansas' 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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 expenditure-agency funds of regulatory basis receipts and expenditures (Schedule 1 as listed in the table of contents) are presented for analysis and

are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1B.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Sedan, Kansas, as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated March 25, 2022, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financialofficer/municipal-services>. 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 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.



YERKES & MICHELS, CPA, LLC
Independence, KS

August 30, 2022

THE CITY OF SEDAN, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended December 31, 2021

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance	
Governmental Type Funds:								Governmental Type Funds:
General	\$ 162,613.29	\$ -	\$ 724,670.76	\$ 677,726.44	\$ 209,557.61	\$ 31,558.21	\$ 241,115.82	General
Special Purpose								Special Purpose
Library Fund	1,109.62	-	28,813.07	28,813.07	1,109.62	-	1,109.62	Library Fund
Special Street and Highway Fund	33,340.24	-	28,881.05	45,602.15	16,619.14	1,333.40	17,952.54	Spec.Str.& Hwy.Fund
Special Park Fund	10,823.60	-	662.60	500.00	10,986.20	-	10,986.20	Special Park Fund
Transient Guest Tax Fund	13,199.48	-	4,181.73	1,117.23	16,263.98	-	16,263.98	Transient Guest Tax Fund
ARPA Grant Fund	-	-	75,701.60	15,006.43	60,695.17	-	60,695.17	ARPA Grant Fund
Covid Grand Fund	-	-	61,980.65	61,530.28	450.37	-	450.37	Covid Grand Fund
Capital Projects								Capital Projects
Water Project Fund	(7,658.02)	-	9,658.02	2,000.00	-	-	-	Water Project Fund
Business Funds:								Business Funds:
Water Fund	400,558.78	-	537,247.26	421,173.09	516,632.95	6,503.69	523,136.64	Water Fund
Sewer Fund	13,195.14	-	121,825.53	110,708.34	24,312.33	3,192.60	27,504.93	Bond Reserve Fund
TOTAL REPORTING ENTITY	\$ 627,182.13	\$ -	\$ 1,593,622.27	\$ 1,364,177.03	\$ 856,627.37	\$ 42,587.90	\$ 899,215.27	TOTAL REPORTING ENTITY

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

THE CITY OF SEDAN, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended December 31, 2021

COMPOSITION OF CASH:

Cash on Hand		\$ 300.00
First National Bank, Sedan, Kansas		
Checking Account	\$ 73,668.34	
Money Market Account	526,245.00	
Certificate of Deposit	<u>226,740.89</u>	
		826,654.23
Bank of Sedan, Sedan, Kansas		
Certificate of Deposits	<u>\$ 72,261.04</u>	
		<u>72,261.04</u>
TOTAL REPORTING ENTITY		<u><u>\$ 899,215.27</u></u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. MUNICIPAL FINANCIAL REPORTING ENTITY

The City of Sedan is a municipal corporation governed by an elected six-member council. This financial statement presents the City of Sedan (the primary government) only.

1B. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

1C. REIMBURSEMENTS

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

NOTE 2 – REGULATORY BASIS FUND TYPES

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

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

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 2 – REGULATORY BASIS FUND TYPES (cont'd)

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

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

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

3A. BUDGETARY INFORMATION

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd)

supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

3B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

Management is not aware of any violations of compliance with Kansas Statutes or violations of other finance related legal matters.

NOTE 4 - DEPOSITS AND INVESTMENTS

At December 31, 2021, the City had no investments.

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At December 31, 2021, the City's carrying amount of deposits, including certificates of deposit, was \$899,215.27 and the bank balance was \$912,524.73. The difference between the carrying amount and the bank balance is outstanding checks and deposits

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS (cont'd)

in transit. Of the bank balance \$322,261.04 was covered by federal depository insurance, creating a custodial credit risk; however, the remaining \$590,263.69 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

NOTE 5 – LONG-TERM DEBT

SEE SCHEDULE ON PAGES 12 & 13.

NOTE 6 - 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 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 of Sedan were \$32,770.72 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$209,604.56. The net pension liability was measured

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLAN (cont'd)

as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in 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 7 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

Compensated Absences. City employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not accumulate, are lost if not used, and are recorded as expenditures when they are paid.

NOTE 8 - 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; injuries to employees; and natural disasters. The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – INTERFUND TRANSFERS

There were no interfund transfers in the 2021 fiscal year.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

NOTE 10 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

NOTE 11 – DATE OF MANAGEMENT'S REVIEW

Subsequent events were evaluated through the date of financial statement issuance August 30, 2022.

THE CITY OF SEDAN, KANSAS
STATEMENT OF CHANGES IN LONG TERM DEBT
For the Year Ended December 31, 2021

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
LOAN										
GO Bond Series 2020	1.13%	8/25/20	3,916,000.00	8/25/60	3,916,000.00	-	78,086.00	(78,086.00)	3,837,914.00	44,055.00
CAPITAL LEASES										
2004 Int'l Truck	2.50%	12/9/21	7,000.00	1/31/26	-	7,000.00	-	7,000.00	7,000.00	-
Fire Truck	3.80%	1/24/20	7,500.00	2/14/24	5,914.81	-	1,409.19	(1,409.19)	4,505.62	189.81
Firefighting Equipment	3.19%	10/17/16	17,000.00	1/31/21	3,559.41	-	3,559.41	(3,559.41)	-	78.91
					<u>\$ 3,925,474.22</u>	<u>\$ 7,000.00</u>	<u>\$ 83,054.60</u>	<u>\$ (76,054.60)</u>	<u>\$ 3,849,419.62</u>	<u>\$ 44,323.72</u>

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 5 - LONG-TERM DEBT (cont'd)

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

	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027-2031	Year 2032-2036	Year 2037-2041	Year 2042-2046	Year 2047-2051	Year 2052-2056	Year 2057-2060	TOTAL
PRINCIPAL													
Loan													
GO Bond Series 2020	\$ 78,964.47	\$ 79,852.82	\$ 80,637.77	\$ 81,658.34	\$ 82,576.99	\$ 426,923.82	\$ 451,412.98	\$ 477,490.46	\$ 504,972.05	\$ 534,035.48	\$ 564,753.65	\$ 474,635.17	\$ 3,837,914.00
Capital Leases													
2004 Int'l Box Truck	1,444.26	1,337.97	1,371.42	1,405.51	1,439.84	1.00	-	-	-	-	-	-	7,000.00
Fire Truck	1,454.82	1,501.36	1,549.44	-	-	-	-	-	-	-	-	-	4,505.62
Firefighting Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PRINCIPAL	\$ 81,863.55	\$ 82,692.15	\$ 83,558.63	\$ 83,063.85	\$ 84,016.83	\$ 426,924.82	\$ 451,412.98	\$ 477,490.46	\$ 504,972.05	\$ 534,035.48	\$ 564,753.65	\$ 474,635.17	\$ 3,849,419.62
INTEREST													
Loan													
GO Bond Series 2020	\$ 43,176.53	\$ 42,288.18	\$ 41,503.23	\$ 40,482.66	\$ 188,530.64	\$ 164,233.21	\$ 138,607.26	\$ 111,350.69	\$ 82,610.58	\$ 52,216.16	\$ 20,075.93	\$ 20,075.93	\$ 925,075.07
Capital Leases													
2004 Int'l Box Truck	32.60	138.89	105.44	71.35	36.02	-	-	-	-	-	-	-	384.30
Fire Truck	144.18	97.64	49.57	-	-	-	-	-	-	-	-	-	291.39
Firefighting Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INTEREST	\$ 43,353.31	\$ 42,524.71	\$ 41,658.24	\$ 40,554.01	\$ 188,566.66	\$ 164,233.21	\$ 138,607.26	\$ 111,350.69	\$ 82,610.58	\$ 52,216.16	\$ 20,075.93	\$ 20,075.93	\$ 925,750.76
TOTAL PRINCIPAL & INTEREST	\$ 125,216.86	\$ 125,216.86	\$ 125,216.87	\$ 123,617.86	\$ 272,583.49	\$ 591,158.03	\$ 590,020.24	\$ 588,841.15	\$ 587,582.63	\$ 586,251.64	\$ 584,829.58	\$ 494,711.10	\$ 4,775,170.38

THE CITY OF SEDAN, KANSAS
REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2021

THE CITY OF SEDAN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2021

	Certified <u>Budget</u>	Adjustment For Qualifying <u>Budget Credits</u>	Total Budget for <u>Comparison</u>	Expenditures Chargeable to <u>Current Year</u>	Variance Over <u>(Under)</u>
<u>GOVERNMENTAL TYPE FUNDS</u>					
General	\$ 724,138.00	\$ 19,657.31	\$ 743,795.31	\$ 697,383.75	\$ (46,411.56)
Special Purpose					
Library Fund	29,339.00		29,339.00	28,813.07	(525.93)
Special Street and Highway Fund	63,520.00		63,520.00	45,602.15	(17,917.85)
Special Parks Fund	13,461.00		13,461.00	500.00	(12,961.00)
Transient Guest Tax	15,179.00		15,179.00	1,117.23	(14,061.77)
Business Funds					
Water Fund	804,399.00	31,183.92	835,582.92	452,999.01	(382,583.91)
Sewer Fund	145,478.00		145,478.00	110,708.34	(34,769.66)

THE CITY OF SEDAN, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Taxes	\$ 218,670.49	\$ 227,827.33	\$ 235,640.00	\$ (7,812.67)
Motor Vehicle Tax	25,205.22	33,225.73	28,899.00	4,326.73
Other Taxes	1,371.62	4,733.63	4,484.00	249.63
Local Sales Tax	289,770.02	343,115.06	228,000.00	115,115.06
Connecting Link	9,065.30	9,339.66	7,600.00	1,739.66
Franchise Tax	73,329.65	77,050.39	75,000.00	2,050.39
Fines and Forfeitures	11,316.90	12,618.31	11,000.00	1,618.31
Fees Licenses and Permits	1,031.50	3,990.65	4,400.00	(409.35)
Swimming Pool	8,626.85	7,678.75	12,000.00	(4,321.25)
Loan Proceeds	2,467.50	-	-	-
Rental Income	1,220.00	1,080.00	500.00	580.00
Interest	-	-	100.00	(100.00)
Miscellaneous	5,706.80	4,011.25	7,800.00	(3,788.75)
TOTAL CASH RECEIPTS	<u>647,781.85</u>	<u>724,670.76</u>	<u>\$ 615,423.00</u>	<u>\$ 109,247.76</u>
EXPENDITURES				
General Government	135,173.21	124,809.77	\$ 168,407.00	\$ (43,597.23)
Recycling	10.30	-	-	-
Governing Body	-	-	-	-
Police Department	154,622.61	171,748.87	189,202.00	(17,453.13)
Fire Department	17,152.38	11,856.38	21,650.00	(9,793.62)
Street Department	98,089.83	119,401.52	137,618.00	(18,216.48)
Ambulance	30,000.00	30,000.00	30,000.00	-
Park	12,190.05	13,520.65	17,700.00	(4,179.35)
Street Lighting	12,810.61	16,531.74	16,000.00	531.74
Hospital	144,192.42	172,877.58	110,000.00	62,877.58
Museum	5,000.00	5,000.00	5,000.00	-
Airport	698.32	635.68	2,000.00	(1,364.32)
Fair	4,000.00	4,000.00	4,000.00	-
Swimming Pool	16,521.74	21,764.24	22,561.00	(796.76)
Lease Purchase Payment	-	4,968.60	-	4,968.60
Interest	-	268.72	-	268.72
Transfer	(498.28)	-	-	-
Total Certified Budget			724,138.00	(26,754.25)
Adjustment for Qualifying Budget Credits			19,657.31	(19,657.31)
TOTAL EXPENDITURES	<u>629,963.19</u>	<u>697,383.75</u>	<u>\$ 743,795.31</u>	<u>\$ (46,411.56)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ 17,818.66</u>	<u>\$ 27,287.01</u>		
UNENCUMBERED CASH, BEGINNING	<u>140,179.79</u>	<u>157,998.45</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 157,998.45</u>	<u>\$ 185,285.46</u>		

THE CITY OF SEDAN, KANSAS
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)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Taxes	\$ <u>29,868.08</u>	\$ <u>28,813.07</u>	\$ <u>4,315.00</u>	\$ <u>24,498.07</u>
TOTAL CASH RECEIPTS	<u>29,868.08</u>	<u>28,813.07</u>	<u>\$ 4,315.00</u>	<u>\$ 24,498.07</u>
EXPENDITURES				
Appropriations to Library Board	<u>29,874.09</u>	<u>28,813.07</u>	\$ <u>29,339.00</u>	\$ <u>(525.93)</u>
TOTAL EXPENDITURES	<u>29,874.09</u>	<u>28,813.07</u>	<u>\$ 29,339.00</u>	<u>\$ (525.93)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (6.01)	\$ -		
UNENCUMBERED CASH, BEGINNING	<u>1,115.63</u>	<u>1,109.62</u>		
UNENCUMBERED CASH, ENDING	\$ <u>1,109.62</u>	\$ <u>1,109.62</u>		

THE CITY OF SEDAN, KANSAS
SPECIAL STREET AND 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)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
State of Kansas	\$ 26,209.11	\$ 288,881.05	\$ 23,370.00	\$ 265,511.05
TOTAL CASH RECEIPTS	<u>26,209.11</u>	<u>288,881.05</u>	<u>\$ 23,370.00</u>	<u>\$ 265,511.05</u>
EXPENDITURES				
Street Repair and Maintenance	10,951.76	21,105.50	\$ 43,794.00	\$ (22,688.50)
Personnel Services	<u>26,133.22</u>	<u>24,496.65</u>	<u>19,726.00</u>	<u>4,770.65</u>
TOTAL EXPENDITURES	<u>37,084.98</u>	<u>45,602.15</u>	<u>\$ 63,520.00</u>	<u>\$ (17,917.85)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (10,875.87)	\$ 243,278.90		
UNENCUMBERED CASH, BEGINNING	<u>44,216.11</u>	<u>33,340.24</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 33,340.24</u>	<u>\$ 276,619.14</u>		

THE CITY OF SEDAN, KANSAS
SPECIAL PARK 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)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Taxes	\$ -	\$ -	\$ 236.00	\$ (236.00)
Miscellaneous	<u>42.31</u>	<u>662.60</u>	<u>-</u>	<u>662.60</u>
TOTAL CASH RECEIPTS	<u>42.31</u>	<u>662.60</u>	<u>\$ 236.00</u>	<u>\$ 426.60</u>
EXPENDITURES				
Commodities	7,207.53	500.00	\$ 3,000.00	\$ (2,500.00)
Contractual	<u>-</u>	<u>-</u>	<u>10,461.00</u>	<u>(10,461.00)</u>
TOTAL EXPENDITURES	<u>7,207.53</u>	<u>500.00</u>	<u>\$ 13,461.00</u>	<u>\$ (12,961.00)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (7,165.22)	\$ 162.60		
UNENCUMBERED CASH, BEGINNING	<u>17,988.82</u>	<u>10,823.60</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 10,823.60</u>	<u>\$ 10,986.20</u>		

THE CITY OF SEDAN, KANSAS
TRANSIENT GUEST TAX 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)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Guest Tax	\$ 3,990.90	\$ 4,181.73	\$ 4,200.00	\$ (18.27)
TOTAL CASH RECEIPTS	<u>3,990.90</u>	<u>4,181.73</u>	<u>\$ 4,200.00</u>	<u>\$ (18.27)</u>
EXPENDITURES				
Tourism	<u>70.00</u>	<u>1,117.23</u>	<u>\$ 15,179.00</u>	<u>\$ (14,061.77)</u>
TOTAL EXPENDITURES	<u>70.00</u>	<u>1,117.23</u>	<u>\$ 15,179.00</u>	<u>\$ (14,061.77)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 3,920.90	\$ 3,064.50		
UNENCUMBERED CASH, BEGINNING	<u>9,278.58</u>	<u>13,199.48</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 13,199.48</u>	<u>\$ 16,263.98</u>		

THE CITY OF SEDAN, KANSAS
ARPA GRANT 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)

	Prior Year <u>Actual</u>	<u>Actual</u>
CASH RECEIPTS		
Grant Proceeds	\$ -	\$ 75,701.60
TOTAL CASH RECEIPTS	-	75,701.60
EXPENDITURES		
Personnel	-	13,566.43
Contractual	-	1,440.00
TOTAL EXPENDITURES	-	15,006.43
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ 60,695.17
UNENCUMBERED CASH, BEGINNING	-	-
UNENCUMBERED CASH, ENDING	\$ -	\$ 60,695.17

THE CITY OF SEDAN, KANSAS
COVID GRANT 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)

	Prior Year <u>Actual</u>	<u>Actual</u>
CASH RECEIPTS		
Grants	\$ 63,500.00	\$ 61,980.65
TOTAL CASH RECEIPTS	<u>63,500.00</u>	<u>61,980.65</u>
EXPENDITURES		
Contractual	7,500.00	3,750.00
Commodities	<u>56,000.00</u>	<u>57,780.28</u>
TOTAL EXPENDITURES	<u>63,500.00</u>	<u>61,530.28</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ 450.37
UNENCUMBERED CASH, BEGINNING	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ENDING	<u>\$ -</u>	<u>\$ 450.37</u>

THE CITY OF SEDAN, KANSAS
CHAUTAUQUA COUNTY SPARK GRANT
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)

	Prior Year <u>Actual</u>	<u>Actual</u>
CASH RECEIPTS		
Grants	\$ 52,233.37	\$ -
TOTAL CASH RECEIPTS	<u>52,233.37</u>	<u>-</u>
EXPENDITURES		
Contractual	<u>52,233.37</u>	<u>-</u>
TOTAL EXPENDITURES	<u>52,233.37</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ -
UNENCUMBERED CASH, BEGINNING	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ENDING	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF SEDAN, KANSAS
WATER PROJECT 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)

	Prior Year <u>Actual</u>	<u>Actual</u>
CASH RECEIPTS		
Loan Proceeds	\$ 1,776,798.36	\$ -
Federal CDBG Grant	332,273.10	9,658.02
Federal Rural Development Grant	1,400,887.80	-
General Obligations Bond	<u>3,916,000.00</u>	<u>-</u>
TOTAL CASH RECEIPTS	<u>7,425,959.26</u>	<u>9,658.02</u>
EXPENDITURES		
Contractual	3,041,684.93	2,000.00
Loan Principal	4,088,728.72	-
Loan Interest & Fees	36,526.64	-
Transfer	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,166,940.29</u>	<u>2,000.00</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 259,018.97	\$ 7,658.02
UNENCUMBERED CASH, BEGINNING	<u>(266,676.99)</u>	<u>(7,658.02)</u>
UNENCUMBERED CASH, ENDING	<u>\$ (7,658.02)</u>	<u>\$ (0.00)</u>

THE CITY OF SEDAN, KANSAS
WATER 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)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Water Sales	\$ 501,532.96	\$ 520,420.76	\$ 550,000.00	(29,579.24)
Connection Fees	3,251.36	1,280.00	15,000.00	(13,720.00)
Penalties	11,746.10	10,747.53	-	10,747.53
Interest	16,608.91	5,440.97	4,000.00	1,440.97
Miscellaneous	-	-	2,000.00	(2,000.00)
CFAP	-	-	3,372.00	(3,372.00)
TOTAL CASH RECEIPTS	<u>533,139.33</u>	<u>537,889.26</u>	<u>\$ 574,372.00</u>	<u>\$ (36,482.74)</u>
EXPENDITURES				
Personnel Services	154,505.69	125,203.28	\$ 152,190.00	\$ (26,986.72)
Water Purchased	196,333.96	148,049.25	-	148,049.25
Contractual Services	17,153.13	20,687.84	222,000.00	(201,312.16)
Commodities	23,421.71	19,831.69	20,000.00	(168.31)
Reimbursed Expenses	-	3,008.55	-	3,008.55
Capital Outlay	-	5,925.53	252,800.00	(246,874.47)
Loan Principal	127.93	78,086.00	64,435.00	13,651.00
Loan Interest & Fees	19,651.32	44,055.00	84,874.00	(40,819.00)
Sales Tax	7,461.65	7,509.87	8,000.00	(490.13)
Refunds	199.17	642.00	100.00	542.00
Total Certified Budget			804,399.00	(351,399.99)
Adjustment for Qualifying Budget Credits			<u>31,183.92</u>	<u>(31,183.92)</u>
TOTAL EXPENDITURES	<u>418,854.56</u>	<u>452,999.01</u>	<u>\$ 835,582.92</u>	<u>\$ (382,583.91)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ 114,284.77</u>	<u>\$ 84,890.25</u>		
UNENCUMBERED CASH, BEGINNING	<u>276,944.85</u>	<u>391,229.62</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 391,229.62</u>	<u>\$ 476,119.87</u>		

THE CITY OF SEDAN, KANSAS
SEWER 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)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS				
Sewer Charges	\$ 117,242.64	\$ 120,084.35	\$ 127,000.00	\$ (6,915.65)
Fines and Forfeitures	<u>1,580.97</u>	<u>1,741.18</u>	<u>1,600.00</u>	<u>141.18</u>
TOTAL CASH RECEIPTS	<u>118,823.61</u>	<u>121,825.53</u>	<u>\$ 128,600.00</u>	<u>\$ (6,774.47)</u>
EXPENDITURES				
Personnel Services	68,754.42	86,965.26	\$ 70,061.00	\$ 16,904.26
Contractual Services	6,590.52	9,471.53	18,000.00	(8,528.47)
Commodities	9,873.00	9,771.55	10,000.00	(228.45)
Capital Outlay	-	4,500.00	47,417.00	(42,917.00)
Principal	44,493.23	-	-	-
Interest	983.66	-	-	-
Miscellaneous	<u>83.65</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>130,778.48</u>	<u>110,708.34</u>	<u>\$ 145,478.00</u>	<u>\$ (34,769.66)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (11,954.87)	\$ 11,117.19		
UNENCUMBERED CASH, BEGINNING	<u>25,150.01</u>	<u>13,195.14</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 13,195.14</u>	<u>\$ 24,312.33</u>		

THE CITY OF SEDAN, KANSAS
AGENCY FUND

SCHEDULE 3
Page 1 of 1

SCHEDULE OF RECEIPTS AND EXPENDITURES
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2020)

Regulatory Basis
PAYROLL CLEARING FUND

For the Year Ended December 31, 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Payroll Clearing	\$ 545,228.17	\$ 582,494.53
TOTAL CASH RECEIPTS	<u>545,228.17</u>	<u>582,494.53</u>
EXPENDITURES		
Payroll Clearing	544,729.89	582,494.53
Transfer	<u>498.28</u>	<u>-</u>
TOTAL EXPENDITURES	<u>545,228.17</u>	<u>582,494.53</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-	-
UNENCUMBERED CASH, BEGINNING	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ENDING	<u>\$ -</u>	<u>\$ -</u>