

CITY OF MANKATO

Mankato, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2021

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF MANKATO

For the Year Ended December 31, 2021

City Council

Lyle Dauner – President

John Tyler

Chris Klos

Susan Abel

Neil Becker

City Offices

Justin Schoonover, Mayor
Alora Vandaveer, Clerk
Carol Wakefield, Treasurer
Barry Parsons, City Administrator

CITY OF MANKATO
Mankato, Kansas

For the Year Ended December 31, 2021

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Mankato, Kansas

For the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Mankato, Kansas
Mankato, KS 66967

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Mankato, Kansas, a Municipality, as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified 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 the City of Mankato, as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City of Mankato, 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.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Mankato, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures – agency funds, (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

May 23, 2023
Phillipsburg, Kansas

CITY OF MANKATO
Mankato, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended December 31, 2021

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 184,038	\$ -	\$ 400,135	\$ 414,109	\$ 170,064	\$ 20,899	\$ 190,963
Special Revenue Funds							
Library Fund	3,174	-	20,987	18,135	6,026	-	6,026
Employee Benefits Fund	17,915	-	63,492	76,959	4,448	1,528	5,976
Noxious Weed Fund	3,667	-	62	-	3,729	-	3,729
Special Law Enforcement & Fire Equipment Fund	148,087	-	183	-	148,270	-	148,270
Special Street Maintenance & Reconstruction Fund	5,478	-	16,084	11,557	10,005	-	10,005
Special Machinery Fund	9,454	-	16	-	9,470	-	9,470
Special Highway Fund	128,262	-	23,804	6,440	145,626	-	145,626
Special Parks & Recreation Fund	822	-	-	-	822	-	822
Special Sales Tax Infrastructure Fund	331,516	-	110,666	111,317	330,865	-	330,865
Economic Development Fund	300,243	-	37,390	39,315	298,318	-	298,318
Waterline Project Fund	5	-	-	-	5	-	5
Hansen Grant Fund	-	-	110,000	77,702	32,298	72,000	104,298
Grant Fund	5,528	9,966	143,281	146,710	12,065	-	12,065
Capital Project Funds							
Electric Construction Fund	961,235	-	4,284	-	965,519	-	965,519
Sewer Replacement Fund	49,226	-	397	-	49,623	-	49,623
Airport Improvement Fund	7,171	-	-	-	7,171	-	7,171
Water Project Fund	1,881	-	1,782,275	448,440	1,335,716	229,849	1,565,565
Sewer Project Fund	-	-	-	93,200	(93,200) **	93,200	-

** See Note 3 (Cash Basis Exception)

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

CITY OF MANKATO
Mankato, Kansas

Statement 1
(Cont.)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended December 31, 2021

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds							
Water Utility Fund	\$ 554,414	\$ -	\$ 281,276	\$ 410,244	\$ 425,446	\$ 1,384	\$ 426,830
Electric Utility Fund	680,043	-	1,105,339	1,136,780	648,602	1,892	650,494
Sewer Utility Fund	142,274	-	196,530	258,289	80,515	227	80,742
Related Municipal Entity							
Land Bank	19,600	-	650	8,623	11,627	-	11,627
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,554,033</u>	<u>\$ 9,966</u>	<u>\$ 4,296,851</u>	<u>\$ 3,257,820</u>	<u>\$ 4,603,030</u>	<u>\$ 420,979</u>	<u>\$ 5,024,009</u>

Composition of Cash

Cash On Hand	\$ 155
Checking Accounts	2,915,370
Certificates of Deposit	2,162,368
Related Municipal Entity	<u>11,627</u>
Total Cash	5,089,520
Agency Funds (Per Schedule 3)	<u>(65,511)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,024,009</u>

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

CITY OF MANKATO
Mankato, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The City of Mankato, Kansas, is a municipal corporation government by an elected mayor and an elected five member council. This financial statement presents the City of Mankato, the municipality, and does not include its related municipal entities.

Land Bank - The City of Mankato Land Bank Board operates the Land Bank for the purpose of acquiring, maintaining and selling real property located within the City to achieve the City's goal of returning municipally-owned, tax delinquent, or abandoned real property to private ownership. The Land Bank operates as a separate governing body. The Land Bank can sue and be sued and can buy, sell, or lease real property.

(b) Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the City for the year ended December 31, 2021.

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

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

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.

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

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

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis

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

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

(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.

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 was a budget amendment to the Employee Benefits Fund for the year ended December 31, 2021.

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

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

A legal operating budget is not required for Capital Project Funds, Trust Funds, and Agency Funds and the following:

Special Purpose Fund:

Special Machinery Fund

Waterline Project Fund

Hansen Grant Fund

Grant Fund

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 body.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

- A. Cash Basis Violation – K.S.A. 10-1113 requires each fund to comply with the cash basis laws of Kansas. That is, no commitments or indebtedness should be incurred unless there is available cash in the fund. The Employee Benefit Fund was in violation of K.S.A. 10-1113 by spending more than the available cash in August, September, October, and November 2021.
- B. Fund Encumbrances – K.S.A. 10-1117 requires the City to maintain a record of each fund's indebtedness and contracts creating a liability as well as maintaining all warrants or checks written. Encumbrances for contracts approved were not recorded on the books at December 31, 2021.
- C. Payment of Claims – K.S.A. 12-105b requires approval of expenditures by the governing body. The City is mailing checks for payment of all expenditures prior to approval by governing body.
- D. Utility Deposits – K.S.A. 12-822 requires City to pay interest or credit utility bills on utility deposits at the rate set annually by the Kansas Corporation Commission. The City did not pay interest on the utility deposits in 2021.
- E. The City is not aware of any other non-compliance with Kansas statutes.

3. Cash Basis Exception

The City received a Community Development Block Grant (CDBG). The grant agreement requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the Sewer Project Fund at December 31, 2021. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with expectation of monies to be reimbursed to the City under conditions of the grant award. The City had CDBG grant funds available in the amount of \$600,000, as of December 31, 2021.

4. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located 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. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was \$5,089,365 and the bank balance was \$5,111,609. The bank balance was held by two banks resulting in no concentration of credit risk. Of the bank balance \$750,000 was covered by federal depository insurance and the remaining \$4,361,609 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.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Electric Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	\$ 30,000

6. DEFINED BENEFIT PENSION PLAN

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$34,614 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 \$206,212. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) 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 retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) 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.

(c) Compensated Absences

Vacation Leave

All full-time employees of the City are entitled to paid vacation. After one full year of employment, employees are entitled to ten working days of paid vacation. At the end of five years employment, employees are entitled to twelve working days paid vacation. After twelve years of employment, employees are entitled to fourteen days of paid vacation. Each employee can accumulate up to a maximum of one hundred sixty hours of vacation. The vacation time is paid at the employee's regular rate. Unused vacation pay will be paid to employees upon termination, if proper notice of resignation is given.

The cost of accumulated vacation leave is \$16,699 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave

An employee is given one day sick leave for each month of employment. A total of thirty-six days sick leave can be accumulated. Part-time employees and temporary employees are not entitled to sick leave unless agreed to by the City Council. No sick leave exceeding two consecutive days will be allowed unless a statement from a doctor certifies that the sickness prevented the employee from working. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

8. RISK MANAGEMENT

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

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 has purchased commercial insurance for these potential risks.

During the year ended December 31, 2021, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three years.

9. COVID-19 NOTE

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operation. 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 a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

As a result of the COVID-19 outbreak, numerous federal and state grants have been made available to the City to assist with the risks and help offset incurred costs to the City.

10. SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end through the date of this report, and does not believe any other events through the date of this report have occurred, which effect the financial statement as presented.

The City received \$123,793 in American Rescue Plan Act (ARPA) funds. These economic stimulus funds are to assist the long-term recovery from the economic and public health impact related to the COVID-19 pandemic. The City received the second half of the ARPA funds, \$62,265, on June 13, 2022. These funds must be obligated by December 31, 2024.

On December 16, 2021, the U.S. Department of Agriculture approved a Rural Development loan in the amount of \$1,771,000 and a grant in the amount of \$649,000. The USDA Loan will have an interest rate of 1.375% and will be repaid over the next 40 years. These funds are to be used to repair the City of Mankato’s existing water distribution system. The proposed project is the first of a multi-phase plan to improve the City’s water system. This phase will replace about 30 percent of the City’s water lines, associated valves and hydrants. The City was also awarded a \$600,000 CDBG Grant on February 15, 2021 that will be used toward this project.

On May 24, 2022, the City of Mankato was approved for two Kansas Department of Health & Environment loans. KDHE will loan the City an amount not to exceed \$355,900 for the administration, legal and engineering costs for planning, design, and construction phase services to rehabilitate the City’s sanitary sewer collection system. The interest rate for the loan will be 1.61% with semi-annual payments of \$7,309.54 beginning March 1, 2024 through maturity on September 1, 2043. The second loan will be for an amount not to exceed \$1,868,890 for the construction costs to rehabilitate the City’s sanitary sewer collection system. It is estimated that \$560,667 of this loan will be forgiven. The interest rate for this loan is also 1.61% and the City would make semi-annual payments of \$38,383.61 beginning March 1, 2024 through maturity on September 1, 2043.

On December 27, 2022, the U.S. Department of Agriculture was approved for another Rural Development loan in the amount of \$2,225,000. This loan will be used to do wastewater system improvements, including the installation of new PVC sewer main, new service reconnecting, CIPP sewer lining and manhole rehabilitation. The loan will have an interest rate of 2.125% and will be repaid over the next 40 years. The City was also awarded a \$600,000 CDBG Grant on January 18, 2022 that will be used for this project.

11. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2021	Additions	Reductions/ Payments	Ending Balance 12/31/2021	Interest/ Service Fees Paid
KDHE Loan:									
Kansas Water Pollution Control Revolving Loan	3.58%	12/4/2002	300,653	9/1/2021	\$ 20,397	\$ -	\$ 20,397	\$ -	\$ 549
Capital Leases:									
Bucket Truck Lease	4.00%	3/21/2017	122,189	3/21/2022	32,877	-	26,170	6,707	838
Backhoe Lease	5.00%	7/9/2019	58,500	7/9/2024	43,389	-	43,389	-	270
Skid Steer Lease		3/24/2021	51,320	3/24/2024	-	51,320	5,323	45,997	1,726
Total Capital Leases					76,266	51,320	74,882	52,704	2,834
General Obligation Temporary Note:									
Series 2021	1.00%	12/22/2021	1,771,000	12/1/2023	-	1,771,000	-	1,771,000	-
Total Contractual Indebtedness					\$ 96,663	\$ 1,822,320	\$ 95,279	\$ 1,823,704	\$ 3,383

Current maturities of long-term debt and interest for the next three years through maturity are as follows.

Year	G.O. Temporary Note		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ -	\$ 16,677	\$ 12,031	\$ 1,771	\$ 12,031	\$ 18,448
2023	1,771,000	17,710	5,323	1,726	1,776,323	19,436
2024	-	-	35,350	-	35,350	-
	<u>\$ 1,771,000</u>	<u>\$ 34,387</u>	<u>\$ 52,704</u>	<u>\$ 3,497</u>	<u>\$ 1,823,704</u>	<u>\$ 37,884</u>

12. ECONOMIC DEVELOPMENT REVOLVING FUND

In connection with the Economic Development Revolving Fund, the City has loaned local businesses monies. Principal and interest received from borrowers may be re-loaned to additional eligible borrowers as funds become available.

Business Type	Interest Rate	Date of Issue	Original Amount	Outstanding 1/1/2021	Loaned	Principal Payments	Unpaid Interest	Outstanding 12/31/2021	Interest Received
Retail	4.00%	12/1/2011	\$ 50,000	\$ 30,223	\$ -	\$ 375	\$ 181	\$ 30,029	\$ 536
Retail	3.50%	5/17/2016	35,000	15,581	-	5,181	-	10,400	464
Retail	4.75%	6/11/2018	50,000	42,965	-	8,025	-	34,940	3,030
Service	5.25%	5/31/2019	50,000	36,937	-	7,849	-	29,088	1,751
Service	5.00%	7/31/2019	50,000	47,784	-	3,891	-	43,893	1,109
Service	3.25%	9/18/2021	6,250	6,046	-	1,759	-	4,287	174
Service	3.25%	10/26/2021	19,600	19,209	-	2,398	-	16,811	561
			<u>\$ 260,850</u>	<u>\$ 198,745</u>	<u>\$ -</u>	<u>\$ 29,478</u>	<u>\$ 181</u>	<u>\$ 169,448</u>	<u>\$ 7,625</u>

CITY OF MANKATO, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF MANKATO
Mankato, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For The Year Ended December 31, 2021

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over (Under)
General Operating Fund	\$ 456,071	\$ -	\$ 456,071	\$ 414,109	\$ (41,962)
Special Revenue Funds					
Library Fund	23,250	-	23,250	18,135	(5,115)
Employee Benefits Fund	80,500	-	80,500	76,959	(3,541)
Noxious Weed Fund	2,236	-	2,236	-	(2,236)
Special Law Enforcement & Fire Equipment Fund	92,492	-	92,492	-	(92,492)
Special Street Maintenance & Reconstruction Fund	15,000	-	15,000	11,557	(3,443)
Special Highway Fund	100,000	-	100,000	6,440	(93,560)
Special Parks & Recreation Fund	767	-	767	-	(767)
Special Sales Tax Infrastructure Fund	474,301	-	474,301	111,317	(362,984)
Economic Development Fund	203,640	-	203,640	39,315	(164,325)
Business Funds					
Water Utility Fund	815,000	-	815,000	410,243	(404,757)
Electric Utility Fund	1,339,000	-	1,339,000	1,136,780	(202,220)
Sewer Utility Fund	325,000	-	325,000	258,289	(66,711)

CITY OF MANKATO
Mankato, Kansas

Schedule 2-1
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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For The Year Ended December 31, 2021

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 167,344	\$ 171,302	\$ (3,958)
Delinquent Tax	2,437	2,000	437
Motor Vehicle Tax	27,630	29,066	(1,436)
Recreational Vehicle Tax	652	531	121
Commercial Motor Vehicle Tax	513	466	47
Watercraft Tax	289	283	6
16/20M Vehicle Tax	879	775	104
Intangibles Tax	8,646	7,453	1,193
Local Sales Tax	55,776	-	55,776
Licenses & Permits	1,790	2,000	(210)
Charges for Services	710	10,000	(9,290)
Use of Money & Property	13,225	50,000	(36,775)
Pool Income	9,738	10,000	(262)
Community Center	-	2,000	(2,000)
City Building	-	1,500	(1,500)
Grants - Fire Department	-	3,000	(3,000)
Park Revenue	3,000	-	3,000
State Court Fees	4,773	-	4,773
In Lieu of Taxes (IRB)	500	500	-
Court Fines	32,513	-	32,513
Interest on Idle Funds	2,574	2,500	74
Reimbursements	17,039	-	17,039
Miscellaneous Revenue	17,728	15,000	2,728
Rentals	-	-	-
Franchise Fee	24,732	-	24,732
Over/Short	21	-	21
Federal Aid	3,000	-	3,000
Sale of Fixed Assets	4,626	-	4,626
Incoming Transfers			
Water Utility Fund	-	50,000	(50,000)
Electric Utility Fund	-	50,000	(50,000)
Total Receipts	<u>400,135</u>	<u>\$ 408,376</u>	<u>\$ (8,241)</u>
EXPENDITURES			
General Administration			
Personal Services	100,283	\$ 29,289	\$ 70,994
Contractual Services	76,347	50,000	26,347
Commodities	14,649	15,000	(351)
Capital Outlay	1,601	10,000	(8,399)
Total General Administration	<u>192,880</u>	<u>104,289</u>	<u>88,591</u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-1
Page 2 of 3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For The Year Ended December 31, 2021

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
Expenditures (Cont.)			
Street & Alley Department			
Personal Services	\$ 18,974	\$ 40,000	\$ (21,026)
Contractual Services	32,067	21,000	11,067
Commodities	19,327	25,000	(5,673)
Capital Outlay	1,601	44,282	(42,681)
Total Street & Alley Department	71,969	130,282	(58,313)
Park Department			
Personal Services	49,887	25,000	24,887
Contractual Services	923	10,000	(9,077)
Commodities	3,280	8,000	(4,720)
Capital Outlay	3,500	10,000	(6,500)
Total Park Department	57,590	53,000	4,590
Capital Projects			
Commodities	123	-	123
Fire Department			
Personal Services	6,340	15,000	(8,660)
Contractual Services	2,700	18,000	(15,300)
Commodities	8,235	10,000	(1,765)
Capital Outlay	889	5,000	(4,111)
Total Fire Department	18,164	48,000	(29,836)
Community Center			
Personal Services	5,464	8,000	(2,536)
Contractual Services	12,733	16,000	(3,267)
Commodities	2,999	8,000	(5,001)
Capital Outlay	-	3,000	(3,000)
Total Community Center	21,196	35,000	(13,804)
Municipal Court and Police Department			
Contractual Services	46,678	55,000	(8,322)
Airport			
Contractual Services	5,509	20,000	(14,491)

CITY OF MANKATO
Mankato, Kansas

Schedule 2-1
Page 3 of 3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
Expenditures (Cont.)			
Pool			
Contractual Services	\$ -	\$ 5,000	\$ (5,000)
Commodities	-	5,000	(5,000)
Total Pool	-	10,000	(10,000)
City Building			
Contractual Services	-	500	(500)
Total Expenditures	414,109	<u>\$ 456,071</u>	<u>\$ (41,962)</u>
Receipts Over (Under) Expenditures	(13,974)		
UNENCUMBERED CASH, January 1, 2021	<u>184,038</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 170,064</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 17,057	\$ 17,460	\$ (403)
Delinquent Tax	265	200	65
Motor Vehicle Tax	3,387	3,094	293
Recreational Vehicle Tax	80	57	23
Commercial Vehicle Tax	64	50	14
Watercraft Tax	31	30	1
16/20M Vehicle Tax	103	82	21
	<u>20,987</u>	<u>20,973</u>	<u>14</u>
Total Receipts	<u>20,987</u>	<u>\$ 20,973</u>	<u>\$ 14</u>
EXPENDITURES			
Contractual Services	18,135	\$ 20,900	\$ (2,765)
Commodities	-	2,350	(2,350)
	<u>18,135</u>	<u>23,250</u>	<u>(5,115)</u>
Total Expenditures	<u>18,135</u>	<u>\$ 23,250</u>	<u>\$ (5,115)</u>
Receipts Over (Under) Expenditures	2,852		
UNENCUMBERED CASH, January 1, 2021	<u>3,174</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 6,026</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For The Year Ended December 31, 2021

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 22,667	\$ 23,203	\$ (536)
Delinquent Tax	388	1,000	(612)
Motor Vehicle Tax	9,801	2,719	7,082
Recreational Vehicle Tax	241	50	191
Commercial Vehicle Tax	207	44	163
Watercraft Tax	27	27	-
16/20M Vehicle Tax	161	72	89
Incoming Transfer			
Electric Utility Fund	30,000	-	30,000
	<u>63,492</u>	<u>\$ 27,115</u>	<u>\$ 36,377</u>
Total Receipts			
EXPENDITURES			
Retirement	37,487	\$ 30,000	\$ 7,487
Health Insurance	14,313	7,000	7,313
Social Security	25,159	35,000	(9,841)
Workman's Compensation	-	8,000	(8,000)
Unemployment	-	500	(500)
	<u>76,959</u>	<u>\$ 80,500</u>	<u>\$ (3,541)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(13,467)		
UNENCUMBERED CASH, January 1, 2021	<u>17,915</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 4,448</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For The Year Ended December 31, 2021

NOXIOUS WEED FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Motor Vehicle Tax	\$ 52	\$ -	\$ 52
Recreational Vehicle Tax	1	-	1
Delinquent Tax	2	-	2
16/20 Motor Vehicle Tax	7	-	7
Interest on Idle Funds	-	160	(160)
	<u>62</u>	<u>160</u>	<u>(98)</u>
Total Receipts	<u>62</u>	<u>\$ 160</u>	<u>\$ (98)</u>
EXPENDITURES			
Contractual Services	-	\$ 236	\$ (236)
Commodities	-	2,000	(2,000)
	<u>-</u>	<u>2,236</u>	<u>(2,236)</u>
Total Expenditures	<u>-</u>	<u>\$ 2,236</u>	<u>\$ (2,236)</u>
Receipts Over (Under) Expenditures	62		
UNENCUMBERED CASH, January 1, 2021	<u>3,667</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 3,729</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SPECIAL LAW ENFORCEMENT & FIRE EQUIPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest on Idle Funds	\$ 183	\$ 1,000	\$ (817)
Miscellaneous Reveune	<u>-</u>	<u>15,000</u>	<u>(15,000)</u>
Total Receipts	<u>183</u>	<u>\$ 16,000</u>	<u>\$ (15,817)</u>
EXPENDITURES			
Capital Outlay	<u>-</u>	<u>\$ 92,492</u>	<u>\$ (92,492)</u>
Receipts Over (Under) Expenditures	183		
UNENCUMBERED CASH, January 1, 2021	<u>148,087</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 148,270</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SPECIAL STREET MAINTENANCE & RECONSTRUCTION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 14,882	\$ 15,234	\$ (352)
Delinquent Tax	59	-	59
Motor Vehicle Tax	956	-	956
Recreational Vehicle Tax	18	-	18
Commercial Vehicle Tax	7	-	7
16/20M Vehicle Tax	96	-	96
Miscellaneous Revenue	45	-	45
Interest on Idle Funds	21	-	21
	<hr/>	<hr/>	<hr/>
Total Receipts	16,084	\$ 15,234	\$ 850
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Contractual Services	208	\$ 15,000	\$ (14,792)
Commodities	445	-	445
Capital Outlay	10,904	-	10,904
	<hr/>	<hr/>	<hr/>
Total Expenditures	11,557	\$ 15,000	\$ (3,443)
	<hr/>	<hr/>	<hr/>
Receipts Over (Under) Expenditures	4,527		
UNENCUMBERED CASH, January 1, 2021	<hr/> 5,478		
UNENCUMBERED CASH, December 31, 2021	<hr/> \$ 10,005		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SPECIAL MACHINERY FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 16</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	16
UNENCUMBERED CASH, January 1, 2021	<u>9,454</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 9,470</u></u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Special Highway Tax	\$ 23,514	\$ 18,260	\$ 5,254
Interest on Idle Funds	290	-	290
	<u>23,804</u>	<u>\$ 18,260</u>	<u>\$ 5,544</u>
Total Receipts			
	<u>23,804</u>	<u>\$ 18,260</u>	<u>\$ 5,544</u>
EXPENDITURES			
Commodities	6,440	\$ 100,000	\$ (93,560)
	<u>6,440</u>	<u>\$ 100,000</u>	<u>\$ (93,560)</u>
Receipts Over (Under) Expenditures	17,364		
UNENCUMBERED CASH, January 1, 2021	<u>128,262</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 145,626</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES			
Commodities	<u>-</u>	<u>\$ 767</u>	<u>\$ (767)</u>
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, January 1, 2021	<u>822</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 822</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SPECIAL SALES TAX INFRASTRUCTURE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Sales and Compensation Use Tax	\$ 110,666	\$ 80,000	\$ 30,666
EXPENDITURES			
Contractual Services	5,152	\$ -	\$ 5,152
Capital Outlay	100,912	474,301	(373,389)
Miscellaneous Expense	5,253	-	5,253
Total Expenditures	111,317	\$ 474,301	\$ (362,984)
Receipts Over (Under) Expenditures	(651)		
UNENCUMBERED CASH, January 1, 2021	331,516		
UNENCUMBERED CASH, December 31, 2021	\$ 330,865		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended December 31, 2021

ECONOMIC DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Loan Principal and Interest	\$ 36,563	\$ 20,000	\$ 16,563
Miscellaneous Revenue	400	-	400
Interest on Idle Funds	427	1,000	(573)
	<u>37,390</u>	<u>\$ 21,000</u>	<u>\$ 16,390</u>
EXPENDITURES			
Contractual Services	31,588	\$ -	\$ 31,588
Commodities	794	500	294
Loans to Applicants	4,000	200,000	(196,000)
Allocation to Jewell County Community Development Assoc.	2,933	3,140	(207)
	<u>39,315</u>	<u>\$ 203,640</u>	<u>\$ (164,325)</u>
Receipts Over (Under) Expenditures	(1,925)		
UNENCUMBERED CASH, January 1, 2021	<u>300,243</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 298,318</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

WATERLINE PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2021	<u>5</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 5</u></u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

HANSEN GRANT FUND

	Actual
RECEIPTS	
Other Grants & Donations	<u>\$ 110,000</u>
EXPENDITURES	
Commodities	202
Capital Outlay	<u>77,500</u>
Total Expenditures	<u>77,702</u>
Receipts Over (Under) Expenditures	32,298
UNENCUMBERED CASH, January 1, 2021	<u>-</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 32,298</u></u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

GRANT FUND

	Actual
RECEIPTS	
Federal Aid	\$ 129,000
Grants & Donations	14,281
Total Receipts	143,281
EXPENDITURES	
Commodities	129,000
Capital Outlay	17,710
Total Expenditures	146,710
Receipts Over (Under) Expenditures	(3,429)
UNENCUMBERED CASH, January 1, 2021	5,528
Prior Year Cancelled Encumbrances	9,966
UNENCUMBERED CASH, December 31, 2021	\$ 12,065

CITY OF MANKATO
Mankato, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended December 31, 2021

ELECTRIC CONSTRUCTION FUND

	Actual
RECEIPTS	
Interest on Idle Funds	\$ 4,284
EXPENDITURES	-
Receipts Over (Under) Expenditures	4,284
UNENCUMBERED CASH, January 1, 2021	961,235
UNENCUMBERED CASH, December 31, 2021	\$ 965,519

CITY OF MANKATO
Mankato, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SEWER REPLACEMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 397</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	397
UNENCUMBERED CASH, January 1, 2021	<u>49,226</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 49,623</u></u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

AIRPORT IMPROVEMENT FUND

	Actual
RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2021	<u>7,171</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 7,171</u></u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

WATER PROJECT FUND

	<u>Actual</u>
RECEIPTS	
General Obligation Temporary Note	\$ 1,771,000
State Aid	<u>11,275</u>
Total Receipts	<u>1,782,275</u>
EXPENDITURES	
Contractual Services	<u>448,440</u>
Receipts Over (Under) Expenditures	1,333,835
UNENCUMBERED CASH, January 1, 2021	<u>1,881</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 1,335,716</u></u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-19

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

SEWER PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Contractual Services	<u>93,200</u>
Receipts Over (Under) Expenditures	(93,200)
UNENCUMBERED CASH, January 1, 2021	<u>-</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ (93,200) **</u></u>

** See Note 3 (Cash Basis Exception)

CITY OF MANKATO
Mankato, Kansas

Schedule 2-20
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

WATER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for Services	\$ 255,927	\$ 270,000	\$ (14,073)
Interest on Idle Funds	519	2,000	(1,481)
Penalties	79	2,000	(1,921)
Miscellaneous Revenue	5,814	-	5,814
Sales & Compensating Use Tax	18,937	3,000	15,937
Incoming Transfer			
Electric Utility Fund	-	50,000	(50,000)
Total Receipts	<u>281,276</u>	<u>\$ 327,000</u>	<u>\$ (45,724)</u>
EXPENDITURES			
Water Production			
Personal Services	39,080	\$ 48,000	\$ (8,920)
Contractual Services	11,909	50,000	(38,091)
Commodities	-	5,000	(5,000)
Capital Outlay	5,745	75,000	(69,255)
Total Water Production	<u>56,734</u>	<u>178,000</u>	<u>(121,266)</u>
Transmission & Distribution			
Personal Services	45,477	50,000	(4,523)
Contractual Services	27,208	100,000	(72,792)
Commodities	3,775	18,000	(14,225)
Capital Outlay	33,458	200,000	(166,542)
Total Transmission & Distribution	<u>109,918</u>	<u>368,000</u>	<u>(258,082)</u>
Commercial and General			
Personal Services	46,011	40,000	6,011
Contractual Services	78,674	30,000	48,674
Commodities	26,533	8,000	18,533
Capital Outlay	1,601	100,000	(98,399)
Total Commercial and General	<u>152,819</u>	<u>178,000</u>	<u>(25,181)</u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-20
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

WATER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Other Expenditures			
Sales & Compensating Use Tax	\$ 89,105	\$ 5,000	\$ 84,105
Water Protection Fee	1,668	1,000	668
Outgoing Transfers			
General Operating Fund	-	50,000	(50,000)
Special Machinery Fund	-	35,000	(35,000)
Total Other Expenditures	<u>90,773</u>	<u>91,000</u>	<u>(227)</u>
Total Expenditures	<u>410,244</u>	<u>\$ 815,000</u>	<u>\$ (404,756)</u>
Receipts Over (Under) Expenditures	(128,968)		
UNENCUMBERED CASH, January 1, 2021	<u>554,414</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 425,446</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-21
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For The Year Ended December 31, 2021

ELECTRIC UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for Services	\$ 1,078,511	\$ 800,000	\$ 278,511
Sales & Compensating Use Tax	5,373	21,000	(15,627)
Reimbursements	-	-	-
Interest on Idle Funds	1,471	5,000	(3,529)
Miscellaneous Revenue	19,666	-	19,666
Penalties	318	-	318
	<u>1,105,339</u>	<u>\$ 826,000</u>	<u>\$ 279,339</u>
Total Receipts			
EXPENDITURES			
Production			
Contractual Services	807,320	\$ 700,000	\$ 107,320
Commodities	749	-	749
	<u>808,069</u>	<u>700,000</u>	<u>108,069</u>
Total Production			
Transmission & Distribution			
Personal Services	123,884	300,000	(176,116)
Contractual Services	411	20,000	(19,589)
Commodities	6,119	10,000	(3,881)
Capital Outlay	10,905	40,000	(29,095)
	<u>141,319</u>	<u>370,000</u>	<u>(228,681)</u>
Total Transmission & Distribution			
Commercial & General			
Personal Services	61,393	70,000	(8,607)
Contractual Services	32,102	30,000	2,102
Commodities	29,543	22,000	7,543
Capital Outlay	34,354	22,000	12,354
	<u>157,392</u>	<u>144,000</u>	<u>13,392</u>
Total Commercial & General			
Other Expenditures			
Sales & Compensating Use Tax	-	25,000	(25,000)
	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>

CITY OF MANKATO
Mankato, Kansas

Schedule 2-21
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

ELECTRIC UTILITY FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Outgoing Transfers			
General Operating Fund	\$ -	\$ 50,000	\$ (50,000)
Employee Benefits Fund	30,000	-	30,000
Sewer Utility Fund	-	50,000	(50,000)
Total Outgoing Transfers	30,000	100,000	(70,000)
Total Expenditures	1,136,780	\$ 1,339,000	\$ (202,220)
Receipts Over (Under) Expenditures	(31,441)		
UNENCUMBERED CASH, January 1, 2021	680,043		
UNENCUMBERED CASH, December 31, 2021	\$ 648,602		

CITY OF MANKATO
Mankato, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended December 31, 2021

SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Sewer User Fee	\$ 130,581	\$ 120,000	\$ 10,581
Interest on Idle Funds	664	-	664
Miscellaneous Revenue	3,020	-	3,020
Federal Aid	62,265	-	62,265
Incoming Transfers			
Electric Utility Fund	-	50,000	(50,000)
Sewer Replacement Fund	-	45,000	(45,000)
	<u>196,530</u>	<u>\$ 215,000</u>	<u>\$ (18,470)</u>
Total Receipts			
EXPENDITURES			
Commercial & General			
Personal Services	22,372	\$ 45,000	\$ (22,628)
Contractual Services	44,265	30,000	14,265
Commodities	8,407	20,000	(11,593)
Capital Outlay	162,299	205,000	(42,701)
	<u>237,343</u>	<u>300,000</u>	<u>62,657</u>
Total Commercial & General			
Other Expenditures			
KDHE Loan Payment	20,946	25,000	(4,054)
	<u>258,289</u>	<u>\$ 325,000</u>	<u>\$ (66,711)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(61,759)		
UNENCUMBERED CASH, January 1, 2021	<u>142,274</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 80,515</u>		

CITY OF MANKATO
Mankato, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For The Year Ended December 31, 2021

AGENCY FUNDS

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Utility Meter Deposit	\$ 74,947	\$ 6,950	\$ 16,386	\$ 65,511

CITY OF MANKATO
Mankato, Kansas

Schedule 4

RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For The Year Ended December 31, 2021

LAND BANK FUND

	Actual
RECEIPTS	
Other Revenue	\$ 650
EXPENDITURES	
Commodities	8,623
Receipts Over (Under) Expenditures	(7,973)
UNENCUMBERED CASH, January 1, 2021	19,600
UNENCUMBERED CASH, December 31, 2021	\$ 11,627