

CITY OF QUINTER, KANSAS

Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report

For the Year Ended December 31, 2020

MAPES & MILLER LLP
Certified Public Accountants
Quinter, Kansas

CITY OF QUINTER, KANSAS

**Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report**

For the Year Ended December 31, 2020

Table of Contents

	<u>Page Numbers</u>
Independent Auditor's Report	1
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statement	4
 <u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	14
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget	
General Fund	15
Special Purpose Funds	18
Bond and Interest Funds	21
Capital Project Funds	22
Business Funds	23
Trust Funds	25



Mapes & Miller LLP

Certified Public Accountants & Business Advisors

230 MAIN, PO BOX 412, QUINTER, KS 67752
PHONE: 785-754-2111 EMAIL: dtilton@mmcpas.net

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D MAPES, CPA, CHTD
DENIS W. MILLER, CPA, PA
THOMAS B. CARPENTER, CPA, PA
DON E. TILTON, CPA, PA
BRIAN S. THOMPSON, CPA, PA
REBECCA A. LIX, CPA, PA
STEPHANIE M. HEIER, CPA, PA

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Quinter
Quinter, Kansas 67752

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on 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.

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Quinter, 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Quinter, Kansas, as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Quinter, Kansas, as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

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

Mapes & Miller LLP

Certified Public Accountants
Quinter, Kansas

January 17, 2022

CITY OF QUINTER, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General Fund	\$ 398,799	805,552	812,299	392,052	31,504	423,556
Special Purpose Funds:						
Library Fund	4,326	76,822	78,825	2,323	0	2,323
Employee Benefits Fund	51,274	13,449	0	64,723	0	64,723
Special Highway Fund	135,058	27,009	26,739	135,328	0	135,328
Equipment Reserve Fund	41,120	0	0	41,120	0	41,120
Capital Improvement Fund	62,642	0	0	62,642	0	62,642
Bond and Interest Funds:						
Series A, 2015 Principal and Interest Fund	610	11,935	12,500	45	0	45
Capital Project Funds:						
Ball Field Project Fund	3,258	0	3,258	0	0	0
Business Funds:						
Water Utility Fund	143,953	166,573	204,528	105,998	1,306	107,304
Sewer Utility Fund	127,647	151,957	113,872	165,732	1,197	166,929
Sewer Utility - Principal & Interest Fund	68,721	68,500	76,395	60,826	0	60,826
Trust Funds:						
Revolving Loan I Fund	65,957	9,996	202	75,751	33	75,784
Revolving Loan II Fund	134,368	18,066	140,652	11,782	33	11,815
Total Reporting Entity	\$ <u>1,237,733</u>	<u>1,349,859</u>	<u>1,469,270</u>	<u>1,118,322</u>	<u>34,073</u>	<u>1,152,395</u>

Composition of Cash:

The Bank, Quinter, KS	
Checking Accounts	\$ 690
Money Market Account	865,204
NOW Account	<u>286,501</u>
Total Reporting Entity	\$ <u>1,152,395</u>

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

CITY OF QUINTER, KANSAS
Notes to the Financial Statement
December 31, 2020

1. Summary of Significant Accounting Policies

(a) Municipal Financial Reporting Entity

The City of Quinter, Kansas, is a municipal corporation governed by an elected five-member council. This regulatory financial statement presents only the City of Quinter, Kansas, and does not include the following related municipal entity:

Jay Johnson Public Library – The Jay Johnson Public Library Board operates the City of Quinter’s public library. Acquisitions or dispositions of real property by the board must be approved by the City as well as bond issuances.

(b) Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City of Quinter for the year ended December 31, 2020:

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

Special Purpose 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.

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

Capital Project 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 (enterprise and internal service fund).

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

(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 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, Schedule 2 as listed in the table of contents, 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 supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Equipment Reserve Fund

Capital Improvement Fund

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

2. 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, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$1,152,395 and the bank balance was \$1,151,242. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$901,242 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. At December 31, 2020, the City held no investments.

3. Defined Benefit Pension Plan

Plan description. The City of Quinter, Kansas, 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 benefits provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information.

KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contributions rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City of Quinter, Kansas, were \$23,126 for the year ended December 31, 2020.

Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$230,108. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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 the financial statement.

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

4. Revolving Loan I Fund

The City of Quinter, Kansas, obtained funds from a Small Cities Community Development-Economic Development Grant in 1986 and subsequently loaned the funds to Flex-King, Inc. According to the grant agreement, the recapture of the grant money from Flex-King, Inc. could be returned to the State or retained locally to create a Revolving Loan Fund. The latter option was chosen.

The City of Quinter Revolving Loan Fund I was established to stimulate private investment and create or retain permanent jobs for low and moderate income citizens of the City. The monies from this fund provide fixed asset financing for new and expanding businesses. Potential businesses must demonstrate that their project is economically viable, and it meets other eligibility requirements.

5. Revolving Loan II Fund

The City obtained funds from a Rural Business Enterprise Grant in 1999 to establish this fund. The purpose of this fund is to stimulate private investment and create or retain permanent jobs in Quinter. To be eligible for the monies, a potential business must demonstrate economic viability, be located within the city limits, and meet leverage requirements. The City is required to comply with certain relending criteria.

6. 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 purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

7. Other Long-Term Obligations**(a) Compensated Absences**

Sick Leave. Full-time employees earn one full day per month of sick leave. There is no maximum accumulation for sick leave. Sick leave accumulates monthly and may be claimed with pay only in the case of an illness which renders the employee incapable of performing their duties, doctors' appointments, or care of a close relative. Any accumulated days over 120 will be paid at fifty percent.

Vacation Leave. Vacation leave accumulates for one year only and may be claimed as part of the pay for each unit of twelve months of continuous service.

Full-time employees are entitled to vacation leave as follows:

Year 1	-	5 days
Year 2 to 10	-	10 days per year
Year 11 to 20	-	15 days per year
Year 21 and above	-	20 days per year

Accrued vacation leave is paid to the employee upon termination.

Compensatory Time. Compensatory time is earned for overtime hours worked and is accrued at one and one-half times the overtime hours worked. Compensatory time may be carried over from month to month and year to year but will not exceed 20 hours from any given month or year. All hours over the allowed 20 hours at the end of each month are paid, subject to review by the City Administrator/City Clerk.

(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, 2020.

(c) Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality 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.

8. Special Items-Industrial Revenue Bonds

On April 13, 2015, the City authorized the issuance of \$2,800,000 Taxable Industrial Revenue Bonds Series 2015A and Series 2015B for the purpose of the acquisition, construction, furnishing and equipping a commercial hotel facility to lease such facility to Quinter Area Hospitality Group, LLC. The lease agreement provides the lease payment to be paid by Quinter Area Hospitality Group, LLC directly to the fiscal agent, Farmers & Merchant Bank of Colby, Colby, Kansas. The fiscal agent is responsible for collecting the lease payments and paying the interest and bonds to the bondholders.

9. Interfund Transfers

Operating transfers were as follows:

From	To	Amount	Statutory Authority
Sewer Utility Fund	Sewer Utility – Principal & Interest Fund	\$ 68,500	12-825d

10. COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the 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 outbreaks continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global response 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 2020. Based on current conditions, Management is unable to reasonably determine the future potential impacts that the COVID-19 outbreak may have on financial conditions and operations.

11. Capital Projects

The City received donations in 2019 for the construction of a press box at the west ball field. The project was completed in 2020. In total, the City expended \$19,471 for the project.

On April 15, 2019, the City approved a contract to purchase water rights and to convert them from irrigation to municipal use as permitted by K.S.A. 82a-708b and K.A.R. 5-5-1, *et seq.* On September 3, 2019, a grant application to help finance the water project was submitted to Rural Development for federal assistance in the amount of \$500,000. The City is expected to provide local funding of \$207,000. As of December 31, 2020, local funding of \$160,289 had been expended for the project.

12. CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local government in the amount of \$400 million. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which include audit requirements, can be found at <https://covid.ks.gov/>. In 2020, the City received \$1,012 in CRF from Gove County, Kansas.

13. Subsequent Events

On September 29, 2021, USDA approved the grant for the water capital project in the amount of \$740,000.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date the financial statement is available to be issued.

14. Stewardship, Compliance and Accountability

(a) Funds Disbursed by Law

K.S.A. 12-105a requires all claims against a municipality to be presented in writing and approved by the governing body unless the claims meet one of the exemptions listed in K.S.A. 12-105b. K.S.A. 12-105b (e) does allow the City Council to authorize an officer or employee to pay any claim which may provide discount for early payment, or to avoid assessment of a penalty for late payment prior to approval by the governing body. Numerous invoices were paid prior to review and approval by the City Council. The claims paid do not appear to meet the exemption under K.S.A. 12-105b (e). This is a violation of this statute.

(b) Meeting Minutes

K.S.A 13-518 indicates that the City Clerk should keep minutes and maintain other records following sound business practices. There were six City Council meetings in 2020 for which minutes were unprepared and unapproved in a timely fashion. This is a violation of this statute.

(c) Bond Payments

K.S.A. 10-130 requires the City to remit at least 20 days prior to the maturity of the bonds the amount necessary to pay the interest and principal due. The City did not timely remit the payments for the Series A 2015 and Series 2012 General Obligation Bonds. The payments should have been received by the fiscal agent by October 5, 2020, but were received on October 16, 2020. This is a violation of this statute.

(d) Deposits Adequately Secured

K.S.A. 9-1402 and K.S.A. 9-1405 require the City's deposits in financial institutions to be covered entirely, at any given time, by federal depository insurance or by collateral held under a joint custody receipt. The bank balance was not adequately secured from February 3 through February 6, 2020. This is a violation of this statute.

(e) Substantial Interests Disclosures

K.S.A. 75-4302a states that elected officers, appointed public officers, and certain employees file written reports disclosing substantial interests. This was not done for one council member who took office as a write-in. This is a violation of this statute.

15. Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Principal Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2012	0.00%	2012	\$ 233,760	2021	\$ 52,000	-	26,000	26,000	-
Series A 2015	3.00%	2015	175,000	2035	150,000	-	8,000	142,000	4,500
KDHE Loans:									
Sewer Improvement	3.39%	2001	535,140	2022	72,797	-	28,387	44,410	2,065
Sewer Improvement	2.77%	2007	800,007	2028	362,465	-	35,986	326,479	8,909
Capital Leases Payable:									
Backhoe	4.00%	2019	62,895	2024	62,895	-	11,594	51,301	2,558
Other Debt:									
Firefighters Relief Association Loan	1.00%	2015	22,670	2020	2,318	-	2,318	-	12
Total Contractual Indebtedness					\$ 702,475	-	112,285	590,190	18,044

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

Principal:	2021	2022	2023	2024	2025	2026-2030	2031-2035	Total
General Obligation Bonds	\$ 34,000	8,000	8,000	9,000	9,000	48,000	52,000	168,000
KDHE Loans	66,348	53,074	39,082	40,173	41,293	130,919	-	370,889
Capital Leases Payable	12,071	12,561	13,070	13,599	-	-	-	51,301
Total principal	112,419	73,635	60,152	62,772	50,293	178,919	52,000	590,190
Interest:								
General Obligation Bonds	4,260	4,020	3,780	3,540	3,270	12,210	4,770	35,850
KDHE Loans	9,162	7,294	6,092	5,101	4,081	5,841	-	37,571
Capital Leases Payable	2,081	1,591	1,082	553	-	-	-	5,307
Total interest	15,503	12,905	10,954	9,194	7,351	18,051	4,770	78,728
Total principal and interest	\$ 127,922	86,540	71,106	71,966	57,644	196,970	56,770	668,918

Regulatory-Required
Supplementary Information

CITY OF QUINTER, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

SCHEDULE 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:					
General Fund	\$ 1,022,407	0	1,022,407	812,299	(210,108)
Special Purpose Funds:					
Library Fund	78,825	0	78,825	78,825	0
Employee Benefits Fund	0	0	0	0	0
Special Highway Fund	166,809	0	166,809	26,739	(140,070)
Bond and Interest Fund					
Series A, 2015 Principal and Interest Fund	12,500	0	12,500	12,500	0
Business Funds:					
Water Utility Fund	290,730	0	290,730	204,528	(86,202)
Sewer Utility Fund	170,495	0	170,495	113,872	(56,623)
Sewer Utility - Principal & Interest Fund	77,691	0	77,691	76,395	(1,296)

General Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 1

	Actual	Budget	Variance Over (Under)
General Fund			
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 404,218	420,881	(16,663)
Neighborhood Revitalization Rebate	0	(6,368)	6,368
Delinquent Tax	2,849	2,525	324
Motor Vehicle Tax	39,232	37,744	1,488
Recreational Vehicle Tax	900	723	177
16/20M Vehicle Tax	516	247	269
Commercial Vehicle Tax	2,148	2,631	(483)
Watercraft Tax	0	257	(257)
Intergovernmental:			
Local Intangibles Tax	6,419	6,326	93
Local Alcoholic Liquor	3,156	1,200	1,956
Sales Tax	117,138	100,000	17,138
Compensating Use Tax	19,343	12,000	7,343
Transient Guest Tax	16,381	13,500	2,881
Franchise Tax	55,833	48,500	7,333
Fines, Permits, Licenses, and Tags	1,704	1,150	554
Law Enforcement/Court	6,562	4,000	2,562
Swimming Pool	10,654	13,000	(2,346)
Interest on Idle Funds	3,652	2,000	1,652
Recreation	14,442	14,500	(58)
Recreation - Concession Stand	8,373	0	8,373
Miscellaneous	31,546	9,000	22,546
Reimbursements	486	1,500	(1,014)
Fire Department - Miscellaneous	500	500	0
Gove County - Rural Fire District	35,500	35,500	0
Gove County - Fire Rescue Truck	24,000	0	24,000
Transfer from Sewer Utility Fund	0	25,000	(25,000)
Transfer from Water Utility Fund	0	50,000	(50,000)
Total Receipts	<u>805,552</u>	<u>796,316</u>	<u>9,236</u>
Expenditures			
General Government			
Personal Services	84,079	110,359	(26,280)
Contractual Services	24,264	17,544	6,720
Commodities	8,295	13,500	(5,205)
Capital Outlay	41	55,590	(55,549)
Social Security	5,788	0	5,788
State Unemployment	158	0	158
KPERS	6,804	0	6,804
Telephone	5,156	6,495	(1,339)
Insurance	49,280	41,848	7,432
Training & Miscellaneous	30,037	6,121	23,916
Total General Government	<u>\$ 213,902</u>	<u>251,457</u>	<u>(37,555)</u>

CITY OF QUINTER, KANSAS
General Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 2

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
General Fund			
Expenditures			
Police			
Personal Services	\$ 53,743	69,640	(15,897)
Social Security	3,611	0	3,611
State Unemployment	14	0	14
KPERS	4,650	0	4,650
Contractual Services	3,938	3,000	938
Commodities	5,101	5,000	101
Capital Outlay	5,749	12,000	(6,251)
Total Police	76,806	89,640	(12,834)
Pool			
Personal Services	31,015	37,500	(6,485)
Social Security	2,373	0	2,373
State Unemployment	33	0	33
Contractual Services	525	1,500	(975)
Commodities	15,947	13,000	2,947
Capital Outlay	0	7,650	(7,650)
Total Pool	49,893	59,650	(9,757)
Street			
Personal Services	119,209	49,226	69,983
Social Security	8,706	0	8,706
State Unemployment	40	0	40
KPERS	2,486	0	2,486
Contractual Services	3,715	20,400	(16,685)
Commodities	16,256	25,750	(9,494)
Utilities	3,723	0	3,723
Capital Outlay	47,016	35,000	12,016
Total Street	201,151	130,376	70,775
Fire			
Personal Services	12,677	10,867	1,810
Social Security	958	0	958
State Unemployment	13	0	13
Contractual Services	951	6,600	(5,649)
Commodities	17,874	17,000	874
Utilities	92	0	92
Capital Outlay	28	15,000	(14,972)
Total Fire	32,593	49,467	(16,874)
Fire Rescue Truck			
Personal Services	1,413	0	1,413
Social Security	108	0	108
State Unemployment	1	0	1
Commodities	3,499	0	3,499
Utilities	184	0	184
Total Fire	\$ 5,205	0	5,205

CITY OF QUINTER, KANSAS
General Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 3

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
General Fund			
Expenditures			
Park			
Personal Services	\$ 0	26,273	(26,273)
Contractual Services	311	6,000	(5,689)
Commodities	8,953	2,975	5,978
Utilities	69	0	69
Capital Outlay	<u>30</u>	<u>5,000</u>	<u>(4,970)</u>
Total Park	<u>9,363</u>	<u>40,248</u>	<u>(30,885)</u>
Recreation			
Personal Services	57,720	74,500	(16,780)
Social Security	3,898	0	3,898
State Unemployment	61	0	61
KPERS	4,076	0	4,076
Contractual Services	5,192	15,000	(9,808)
Contractual Services - Concessions	2,180	0	2,180
Commodities	24,197	15,000	9,197
Commodities - Concessions	5,137	0	5,137
Utilities	144	0	144
Capital Outlay	<u>13,515</u>	<u>12,000</u>	<u>1,515</u>
Total Recreation	<u>116,120</u>	<u>116,500</u>	<u>(380)</u>
Utility Service Cost	52,865	63,500	(10,635)
Audit Cost	0	8,000	(8,000)
Noxious Weed	640	1,000	(360)
Appropriation to Senior Citizens Center	5,767	5,250	517
Transient Guest Tax Expenditure	0	14,000	(14,000)
Fire Station Bond Payment - Principal	26,000	26,001	(1)
Fire Station Bond Payment - Fees	1	0	1
FRA Payment	2,330	2,318	12
Capital Outlay - Insurance Claim	19,663	0	19,663
Capital Outlay - carryover	0	130,000	(130,000)
Transfer to Capital Improvement Fund	0	15,000	(15,000)
Transfer to Equipment Reserve Fund	<u>0</u>	<u>20,000</u>	<u>(20,000)</u>
Total Expenditures	<u>812,299</u>	<u>1,022,407</u>	<u>(210,108)</u>
Receipts over (under) Expenditures	(6,747)		
Unencumbered Cash, Beginning	<u>398,799</u>		
Unencumbered Cash, Ending	\$ <u>392,052</u>		

CITY OF QUINTER, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 4

	Actual	Budget	Variance Over (Under)
Library Fund			
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 67,081	69,843	(2,762)
Neighborhood Revitalization Rebate	0	(1,057)	1,057
Delinquent Tax	598	419	179
Motor Vehicle Tax	8,376	8,258	118
Recreational Vehicle Tax	192	158	34
16/20M Vehicle Tax	106	54	52
Watercraft Tax	0	56	(56)
Commercial Vehicle Tax	469	575	(106)
Total Receipts	<u>76,822</u>	<u>78,306</u>	<u>(1,484)</u>
Expenditures			
Appropriation to Jay Johnson Public Library	<u>78,825</u>	<u>78,825</u>	<u>0</u>
Receipts over (under) Expenditures	(2,003)		
Unencumbered Cash, Beginning	<u>4,326</u>		
Unencumbered Cash, Ending	<u>\$ 2,323</u>		
Employee Benefits Fund			
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 13	0	13
Delinquent Tax	817	0	817
Motor Vehicle Tax	11,504	12,127	(623)
Recreational Vehicle Tax	260	232	28
16/20M Vehicle Tax	131	79	52
Commercial Vehicle Tax	686	845	(159)
Watercraft Tax	0	82	(82)
Miscellaneous	38	0	38
Total Receipts	<u>13,449</u>	<u>13,365</u>	<u>84</u>
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Receipts over (under) Expenditures	13,449		
Unencumbered Cash, Beginning	<u>51,274</u>		
Unencumbered Cash, Ending	<u>\$ 64,723</u>		

CITY OF QUINTER, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 5

	Actual	Budget	Variance Over (Under)
Special Highway Fund			
Receipts			
State of Kansas	\$ 27,009	<u>27,220</u>	<u>(211)</u>
Expenditures			
Capital Outlay	<u>26,739</u>	<u>166,809</u>	<u>(140,070)</u>
Receipts over (under) Expenditures	270		
Unencumbered Cash, Beginning	<u>135,058</u>		
Unencumbered Cash, Ending	<u>\$ 135,328</u>		

CITY OF QUINTER, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 6

	<u>Actual</u>
Equipment Reserve Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts over (under) Expenditures	0
Unencumbered Cash, Beginning	<u>41,120</u>
Unencumbered Cash, Ending	\$ <u><u>41,120</u></u>
 Capital Improvement Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts over (under) Expenditures	0
Unencumbered Cash, Beginning	<u>62,642</u>
Unencumbered Cash, Ending	\$ <u><u>62,642</u></u>

CITY OF QUINTER, KANSAS
Bond and Interest Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 7

	Actual	Budget	Variance Over (Under)
Series A, Principal and Interest Fund			
Receipts			
Taxes and Shared Revenue:			
Motor Vehicle Tax	\$ 5	0	5
Special Assessments	11,930	11,928	2
Total Receipts	11,935	11,928	7
Expenditures			
Principal	8,000	8,000	0
Interest	4,500	4,500	0
Total Expenditures	12,500	12,500	0
Receipts over (under) Expenditures	(565)		
Unencumbered Cash, Beginning	610		
Unencumbered Cash, Ending	\$ 45		

CITY OF QUINTER, KANSAS
 Capital Project Funds
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2020

Schedule 2
 Page 8

	<u>Actual</u>
Ball Field Project Fund	
Receipts	\$ <u>0</u>
Expenditures	
Project Expenditures	<u>3,258</u>
Receipts over (under) Expenditures	(3,258)
Unencumbered Cash, Beginning	<u>3,258</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>

CITY OF QUINTER, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 9

	Actual	Budget	Variance Over (Under)
Water Utility Fund			
Receipts			
Water Sales	\$ 164,396	154,944	9,452
Deposits and Taps	1,875	1,800	75
Reconnect and Late Fees	205	182	23
Miscellaneous	97	97	0
	<u>166,573</u>	<u>157,023</u>	<u>9,550</u>
Total Receipts			
Expenditures			
Personal Services	5,110	52,133	(47,023)
KPERS	4,891	0	4,891
Contractual Services	4,670	26,816	(22,146)
Commodities	30,114	24,877	5,237
Capital Outlay	151,083	129,897	21,186
Miscellaneous	4,211	0	4,211
State Water Plan	2,896	2,896	0
Travel	0	4,111	(4,111)
Utilities	1,553	0	1,553
Transfer to General Fund	0	50,000	(50,000)
	<u>204,528</u>	<u>290,730</u>	<u>(86,202)</u>
Total Expenditures			
Receipts over (under) Expenditures	(37,955)		
Unencumbered Cash, Beginning	<u>143,953</u>		
Unencumbered Cash, Ending	\$ <u>105,998</u>		

CITY OF QUINTER, KANSAS
Business Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 10

	Actual	Budget	Variance Over (Under)
Sewer Utility Fund			
Receipts			
User Charges	\$ 151,845	138,424	13,421
Miscellaneous	112	4,151	(4,039)
Total Receipts	<u>151,957</u>	<u>142,575</u>	<u>9,382</u>
Expenditures			
Personal Services	5,390	34,259	(28,869)
KPERs	3,936	0	3,936
Contractual Services	2,126	2,106	20
Commodities	13,680	13,266	414
Capital Outlay	4,877	4,867	10
Sewer Maintenance Contract	14,417	14,602	(185)
Utilities	761	0	761
Sewer Permits	185	0	185
Transfer to General Fund	0	25,000	(25,000)
Transfer to Sewer Utility - Principal & Interest Fund	68,500	76,395	(7,895)
Total Expenditures	<u>113,872</u>	<u>170,495</u>	<u>(56,623)</u>
Receipts over (under) Expenditures	38,085		
Unencumbered Cash, Beginning	<u>127,647</u>		
Unencumbered Cash, Ending	<u>\$ 165,732</u>		
 Sewer Utility - Principal & Interest Fund			
Receipts			
Transfer from Sewer Utility Fund	\$ 68,500	64,373	4,127
Expenditures			
Principal - KDHE	64,373	64,373	0
Interest - KDHE	10,974	10,818	156
Fees	1,048	2,500	(1,452)
Total Expenditures	<u>76,395</u>	<u>77,691</u>	<u>(1,296)</u>
Receipts over (under) Expenditures	(7,895)		
Unencumbered Cash, Beginning	<u>68,721</u>		
Unencumbered Cash, Ending	<u>\$ 60,826</u>		

CITY OF QUINTER, KANSAS
Trust Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020

Schedule 2
Page 11

	<u>Actual</u>
Revolving Loan I Fund	
Receipts	
Principal and Interest Payments	\$ 9,825
Interest on Idle Funds	<u>171</u>
Total Receipts	<u>9,996</u>
Expenditures	
Contractual Services	<u>202</u>
Receipts over (under) Expenditures	9,794
Unencumbered Cash, Beginning	<u>65,957</u>
Unencumbered Cash, Ending	\$ <u><u>75,751</u></u>
 Revolving Loan II Fund	
Receipts	
Principal and Interest Payments	\$ 17,797
Interest on Idle Funds	<u>269</u>
Total Receipts	<u>18,066</u>
Expenditures	
Contractual Services	652
Loan Disbursements	<u>140,000</u>
Total Expenditures	<u>140,652</u>
Receipts over (under) Expenditures	(122,586)
Unencumbered Cash, Beginning	<u>134,368</u>
Unencumbered Cash, Ending	\$ <u><u>11,782</u></u>