

CITY OF ROZEL, KANSAS

FINANCIAL STATEMENT
For the Year Ended December 31, 2021

VONFELDT, BAUER & VONFELDT, CHTD.
Certified Public Accountants
Larned, Kansas 67550

CITY OF ROZEL, KANSAS

Financial Statement
Regulatory Basis
For the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

City Council
City of Rozel, Kansas

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified 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 Rozel 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 Rozel 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 Opinions

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

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 Rozel'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 Rozel'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 Rozel'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 schedule of regulatory basis receipts and expenditures-actual and budget and summary of regulatory basis receipts and disbursements-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 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.

VonFeldt, Bauer & VonFeldt, Chtd.

VONFELDT, BAUER & VONFELDT, CHTD.

Certified Public Accountants

Larned, Kansas

August 5, 2022

CITY OF ROZEL, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances
General Funds:		
General Fund	\$ 109,265.48	\$ 0.00
Special Purpose Funds:		
Law Enforcement Fund	604.57	0.00
Special Highway Fund	2,671.46	0.00
Fire Donations Fund	23,729.00	0.00
Park Donations Fund	300.00	0.00
Ball Field Donations Fund	6,747.87	0.00
Economic Development Grant Fund	145.92	0.00
ARPA Grant Fund	0.00	0.00
Bond & Interest Funds:		
Water Debt Service Fund	1,198.41	0.00
Gas Loan Debt Service Fund	0.00	0.00
Business Funds:		
Gas Fund	119,825.10	0.00
Water Fund	37,606.89	0.00
Sewer Fund	<u>70,134.19</u>	<u>0.00</u>
Total Reporting Entity	<u>\$ 372,228.89</u>	<u>\$ 0.00</u>

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

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 138,058.53	\$ 128,242.62	\$ 119,081.39	\$ 2,837.53	\$ 121,918.92
0.00	202.36	402.21	0.00	402.21
4,020.87	1,307.54	5,384.79	0.00	5,384.79
10,661.70	9,590.52	24,800.18	0.00	24,800.18
3,536.65	0.00	3,836.65	0.00	3,836.65
2,960.00	7,781.91	1,925.96	0.00	1,925.96
0.00	0.00	145.92	0.00	145.92
10,682.64	0.00	10,682.64	0.00	10,682.64
19,500.00	19,542.12	1,156.29	0.00	1,156.29
94,077.93	10,795.20	83,282.73	0.00	83,282.73
321,226.15	300,633.39	140,417.86	0.00	140,417.86
37,404.55	41,807.83	33,203.61	0.00	33,203.61
<u>12,906.16</u>	<u>7,459.72</u>	<u>75,580.63</u>	<u>0.00</u>	<u>75,580.63</u>
<u>\$ 655,035.18</u>	<u>\$ 527,363.21</u>	<u>\$ 499,900.86</u>	<u>\$ 2,837.53</u>	<u>\$ 502,738.39</u>

Cash on Hand:

Kansas State Treasurer	\$ 5,332.60
Petty Cash	50.00
Checking Accounts	413,176.76
Savings Account	9,975.43
Certificates of Deposit	<u>74,203.60</u>
Total Cash	<u>\$ 502,738.39</u>

CITY OF ROZEL, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Rozel, Kansas (City) is a municipal corporation governed by an elected five-member council. This financial statement presents the City of Rozel (the municipality) and does not include any of its related municipal entities.

B. REGULATORY BASIS FUND TYPES

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

Special Purpose 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.

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

C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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 municipality to use the regulatory basis of accounting.

D. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available. Cash and investments consist of a checking account, interest bearing checking account, savings account and certificates of deposit. Earnings from these investments are allocated to designated funds. Cash and investments are stated at cost.

E. AD VALOREM TAX REVENUE

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the City by January 20. The second half is due May 10 and distributed to the City by June 5. The City Treasurer draws available funds from the County Treasurer at designated times throughout the year.

F. REIMBURSED EXPENSES

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

G. USE OF ESTIMATES

The preparation of the financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the amounts reported in the financial statement and accompanying notes. Actual results may differ from those estimates.

Note 2 - BUDGETARY INFORMATION

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

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

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

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

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

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

Note 2 - BUDGETARY INFORMATION (Cont'd.)

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:

Fire Donations Fund	Economic Development Grant Fund
Park Donations Fund	ARPA Grant Fund
Ball Field Donations Fund	

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

Note 3 - COMPLIANCE WITH KANSAS STATUTES

1. Funds on deposit at SJN Bank of Kansas were under secured during the year in violation of K.S.A. 9-1402.

Management is aware of no other statutory violations for the period covered by the audit.

Note 4 - DEPOSITS

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 investments 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%. There were no designated "peak periods" during the year. All deposits were legally secured at December 31, 2021.

At December 31, 2021 the City's carrying amount of deposits was \$497,355.79 and the bank balance was \$502,725.52. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$324,349.52 was covered by federal depository insurance, and \$178,376.00 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Note 5 - 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
General obligation bonds:				
Series 2010-A	3.25%	2/18/2010	\$ 384,000.00	2/18/2050
Series 2010-B	3.25%	2/18/2010	50,000.00	2/18/2050
Kansas State Treasurer loan	0.25%	3/23/2021	205,382.21	1/1/2031
Capital leases:				
2012 Danko Fire Truck	3.59%	4/4/2013	79,400.00	4/5/2023
Hustler 60" Super Z Mower	2.75%	6/11/2021	10,832.00	6/1/2026

Total contractual indebtedness

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

	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Principal:				
General obligation bonds	\$ 7,729.65	\$ 7,980.86	\$ 8,240.25	\$ 8,508.05
Kansas State Treasurer loan	20,862.49	20,914.71	20,967.04	21,019.50
Capital leases	10,992.84	11,002.72	2,162.75	2,223.56
Total principal	39,584.98	39,898.29	31,370.04	31,751.11
Interest				
General obligation bonds	11,812.47	11,561.26	11,301.88	11,034.08
Kansas State Treasurer loan	467.91	415.69	363.36	310.90
Capital leases	946.96	577.08	186.53	125.72
Total interest	13,227.34	12,554.03	11,851.77	11,470.70
Total principal and interest	\$ 52,812.32	\$ 52,452.32	\$ 43,221.81	\$ 43,221.81

Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
\$ 328,211.18	\$ 0.00	\$ 6,623.87	\$ 321,587.31	\$ 10,666.86
42,735.84	0.00	862.48	41,873.36	1,388.91
0.00	205,382.21	10,400.31	194,981.90	264.89
26,463.02	0.00	8,627.58	17,835.44	962.94
0.00	10,832.00	0.00	10,832.00	0.00
<u>\$ 397,410.04</u>	<u>\$ 216,214.21</u>	<u>\$ 26,514.24</u>	<u>\$ 587,110.01</u>	<u>\$ 13,283.60</u>
12/31/2026	12/31/2027 - 12/31/2031	12/31/2032 - 12/31/2036	12/31/2037 - 12/31/2041	12/31/2042 - 12/31/2046
\$ 8,784.57	\$ 48,395.47	\$ 56,787.78	\$ 66,635.44	\$ 78,190.78
21,072.10	90,146.06	0.00	0.00	0.00
2,285.57	0.00	0.00	0.00	0.00
<u>32,142.24</u>	<u>138,541.53</u>	<u>56,787.78</u>	<u>66,635.44</u>	<u>78,190.78</u>
10,757.56	49,315.17	40,922.85	31,075.19	19,519.85
258.30	507.89	0.00	0.00	0.00
63.71	0.00	0.00	0.00	0.00
<u>11,079.57</u>	<u>49,823.06</u>	<u>40,922.85</u>	<u>31,075.19</u>	<u>19,519.85</u>
<u>\$ 43,221.81</u>	<u>\$ 188,364.59</u>	<u>\$ 97,710.63</u>	<u>\$ 97,710.63</u>	<u>\$ 97,710.63</u>

Note 5 - LONG-TERM DEBT (Cont'd.)

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

	12/31/2047 - 12/31/2051	Total
Principal:		
General obligation bonds	\$ 72,207.82	\$ 363,460.67
Kansas State Treasurer loan	0.00	194,981.90
Capital leases	0.00	28,667.44
Total principal	72,207.82	587,110.01
Interest		
General obligation bonds	5,960.67	203,260.98
Kansas State Treasurer loan	0.00	2,324.05
Capital leases	0.00	1,900.00
Total interest	5,960.67	207,485.03
Total principal and interest	\$ 78,168.49	\$ 794,595.04

Note 6 - INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Water	Water Debt Service	K.S.A. 12-825d	\$ 19,500.00

Note 7 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences. Full-time employees will accrue one day of vacation per month of employment. During the first year accrued vacation days cannot be taken until the full-time employee has been employed for 6 months. Thereafter, accrued vacation days may be taken at the discretion of the full-time employee, with approval of the Council. This arrangement will continue through 10 years of employment. Thereafter, 1 1/2 days will be accrued per month. Accumulation of vacation days will be 18 days (144 hours). They may carry over up to 12 days a year throughout the first 10 years and 18 days per year thereafter. Unused accumulated vacation time will be paid upon termination. The potential liability for unused vacation leave is \$2,063.68.

Full-time employees will accrue one day of sick leave per month. These accrued days may be carried over up to 60 working days (480 hours). Full-time employees will not be paid for any accumulated sick days upon termination of employment.

After completing one (1) year of service, full-time employees shall be entitled to two (2) personal leave days with pay at the employee's regular non-overtime pay as approved by the Mayor or a Council Member. Their personal days cannot be accumulated or carried forward at the end of the year and terminated employees will not be paid for unused personal days or any part thereof.

Note 8 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain property and liability insurance and workers compensation at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Midwest Public Risk of Kansas, Inc. and the Kansas Municipal Insurance Trust, public entity risk pools currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Midwest Public Risk of Kansas, Inc. for its property and liability insurance and an annual premium to Kansas Municipal Insurance Trust for its workers compensation insurance. The agreement to participate provides that the Midwest Public Risk of Kansas, Inc. and Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Midwest Public Risk of Kansas, Inc. and Kansas Municipal Insurance Trust's management.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9 - CONTINGENCIES

During the ordinary course of its operations the City is a party to potential claims, legal actions and complaints. It is the opinion of the City's management that these matters are not anticipated to have a material effect on the City's financial statement.

Note 10 - OPERATING LEASES

The City has entered into a cancelable lease for a 2018 Ford F-150 which contains a cancellation provision and is subject to annual appropriations. For the year ended December 31, 2021 rent expenditures were \$5,691.12.

Note 11 - COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the 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 operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

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

Note 12 - SUBSEQUENT EVENTS

The City has evaluated events subsequent to year end through August 5, 2022 for potential recognition or disclosure in the financial statement. The extent to which COVID-19 may impact the City will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions required to contain the coronavirus. The City has not included any contingencies in the financial statement specific to this issue.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF ROZEL, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustment for Qualifying Budget Credits
General Funds:		
General Fund	\$ 233,000.00	\$ 0.00
Special Purpose Funds:		
Law Enforcement Fund	2,000.00	0.00
Special Highway Fund	6,000.00	0.00
Bond & Interest Fund		
Water Debt Service Fund	20,698.00	0.00
Gas Loan Debt Service Fund	0.00	10,795.20
Business Funds:		
Gas Fund	245,000.00	201,179.94
Water Fund	75,000.00	0.00
Sewer Fund	80,000.00	0.00

<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
\$ 233,000.00	\$ 128,242.62	\$ (104,757.38)
2,000.00	202.36	(1,797.64)
6,000.00	1,307.54	(4,692.46)
20,698.00	19,542.12	(1,155.88)
10,795.20	10,795.20	0.00
446,179.94	300,633.39	(145,546.55)
75,000.00	41,807.83	(33,192.17)
80,000.00	7,459.72	(72,540.28)

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 77,003.32	\$ 79,095.00	\$ (2,091.68)
Delinquent Tax	3,898.56	0.00	3,898.56
Motor Vehicle Tax	14,358.16	13,470.00	888.16
Recreational Vehicle Tax	241.20	231.00	10.20
16/20 M Vehicle Tax	0.00	334.00	(334.00)
Commercial Vehicle Tax	3,178.50	1,467.00	1,711.50
Sales Tax	13,952.96	11,000.00	2,952.96
Franchise Fees	5,346.04	4,500.00	846.04
Fire Protection	10,075.00	10,000.00	75.00
Sales Tax Collection	2,637.21	4,000.00	(1,362.79)
Late Charges	2,966.28	2,000.00	966.28
Licenses, Permits & Fees	283.00	100.00	183.00
Community Center	1,635.53	1,000.00	635.53
Reimbursed Expense	389.00	0.00	389.00
Interest on Idle Funds	262.13	500.00	(237.87)
Miscellaneous	1,831.64	0.00	1,831.64
Total Receipts	<u>138,058.53</u>	<u>\$ 127,697.00</u>	<u>\$ 10,361.53</u>
Expenditures			
Salaries	30,202.78	35,000.00	(4,797.22)
Payroll Taxes	5,834.87	7,000.00	(1,165.13)
Utilities	22,500.60	18,000.00	4,500.60
Repairs	1,405.00	1,000.00	405.00
Office Expense	4,886.14	6,000.00	(1,113.86)
Dues & Continuing Education	1,125.14	2,000.00	(874.86)
Professional Fees	11,728.49	6,000.00	5,728.49
Supplies	750.69	11,000.00	(10,249.31)
Insurance	15,960.78	11,000.00	4,960.78
Equipment Fuel & Repairs	3,891.10	6,000.00	(2,108.90)
Sales Tax	2,848.07	4,000.00	(1,151.93)
Capital Outlay	5,500.40	108,000.00	(102,499.60)
Fire Department	5,341.51	7,000.00	(1,658.49)
Community Center	6,625.13	4,000.00	2,625.13
Shop	3,167.01	4,000.00	(832.99)
Vehicle Lease	1,897.08	3,000.00	(1,102.92)

CITY OF ROZEL, KANSAS
GENERAL FUND (Cont'd.)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance Over (Under)
Expenditures			
Miscellaneous	<u>4,577.83</u>	<u>0.00</u>	<u>4,577.83</u>
Total Expenditures	<u>128,242.62</u>	<u>\$ 233,000.00</u>	<u>\$ (104,757.38)</u>
Receipts Over (Under) Expenditures	9,815.91		
Unencumbered Cash, Beginning	<u>109,265.48</u>		
Unencumbered Cash, Ending	<u>\$ 119,081.39</u>		

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Fines & Fees	\$ 0.00	\$ 1,000.00	\$ (1,000.00)
Total Receipts	<u>0.00</u>	<u>\$ 1,000.00</u>	<u>\$ (1,000.00)</u>
Expenditures			
Salaries	0.00	500.00	(500.00)
Supplies	<u>202.36</u>	<u>1,500.00</u>	<u>(1,297.64)</u>
Total Expenditures	<u>202.36</u>	<u>\$ 2,000.00</u>	<u>\$ (1,797.64)</u>
Receipts Over (Under) Expenditures	(202.36)		
Unencumbered Cash, Beginning	<u>604.57</u>		
Unencumbered Cash, Ending	<u>\$ 402.21</u>		

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Taxes and Shared Receipts:			
State Gas Tax	\$ 4,020.87	\$ 3,300.00	\$ 720.87
Total Receipts	<u>4,020.87</u>	<u>\$ 3,300.00</u>	<u>\$ 720.87</u>
Expenditures			
Street Repair & Maintenance	<u>1,307.54</u>	<u>6,000.00</u>	<u>(4,692.46)</u>
Total Expenditures	<u>1,307.54</u>	<u>\$ 6,000.00</u>	<u>\$ (4,692.46)</u>
Receipts Over (Under) Expenditures	2,713.33		
Unencumbered Cash, Beginning	<u>2,671.46</u>		
Unencumbered Cash, Ending	<u>\$ 5,384.79</u>		

CITY OF ROZEL, KANSAS
 FIRE DONATIONS FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>2021</u>
Receipts	
Donations	\$ 5,161.70
Reimbursed Expense	<u>5,500.00</u>
Total Receipts	<u>10,661.70</u>
Expenditures	
Capital Outlay	<u>9,590.52</u>
Total Expenditures	<u>9,590.52</u>
Receipts Over (Under) Expenditures	1,071.18
Unencumbered Cash, Beginning	<u>23,729.00</u>
Unencumbered Cash, Ending	<u><u>\$ 24,800.18</u></u>

CITY OF ROZEL, KANSAS
 PARK DONATIONS FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>2021</u>
Receipts	
Donations	<u>\$ 3,536.65</u>
Total Receipts	<u>3,536.65</u>
Expenditures	
None	<u>0.00</u>
Total Expenditures	<u>0.00</u>
Receipts Over (Under) Expenditures	3,536.65
Unencumbered Cash, Beginning	<u>300.00</u>
Unencumbered Cash, Ending	<u><u>\$ 3,836.65</u></u>

CITY OF ROZEL, KANSAS
 BALL FIELD DONATIONS FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>2021</u>
Receipts	
Donations	<u>\$ 2,960.00</u>
Total Receipts	<u>2,960.00</u>
Expenditures	
Capital Outlay	<u>7,781.91</u>
Total Expenditures	<u>7,781.91</u>
Receipts Over (Under) Expenditures	(4,821.91)
Unencumbered Cash, Beginning	<u>6,747.87</u>
Unencumbered Cash, Ending	<u><u>\$ 1,925.96</u></u>

CITY OF ROZEL, KANSAS
ECONOMIC DEVELOPMENT GRANT FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

	<u>2021</u>
Receipts	
None	<u>\$ 0.00</u>
Total Receipts	<u>0.00</u>
Expenditures	
None	<u>0.00</u>
Total Expenditures	<u>0.00</u>
Receipts Over (Under) Expenditures	0.00
Unencumbered Cash, Beginning	<u>145.92</u>
Unencumbered Cash, Ending	<u><u>\$ 145.92</u></u>

CITY OF ROZEL, KANSAS
 ARPA GRANT FUND
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2021

	<u>2021</u>
Receipts	
Federal Grant	<u>\$ 10,682.64</u>
Total Receipts	<u>10,682.64</u>
Expenditures	
None	<u>0.00</u>
Total Expenditures	<u>0.00</u>
Receipts Over (Under) Expenditures	10,682.64
Unencumbered Cash, Beginning	<u>0.00</u>
Unencumbered Cash, Ending	<u><u>\$ 10,682.64</u></u>

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Operating Transfers:			
From Water	\$ 19,500.00	\$ 19,500.00	\$ 0.00
Total Receipts	<u>19,500.00</u>	<u>\$ 19,500.00</u>	<u>\$ 0.00</u>
Expenditures			
Principal	7,486.35	7,487.00	(0.65)
Interest	12,055.77	12,056.00	(0.23)
Cash Basis Reserve	<u>0.00</u>	<u>1,155.00</u>	<u>(1,155.00)</u>
Total Expenditures	<u>19,542.12</u>	<u>\$ 20,698.00</u>	<u>\$ (1,155.88)</u>
Receipts Over (Under) Expenditures	(42.12)		
Unencumbered Cash, Beginning	<u>1,198.41</u>		
Unencumbered Cash, Ending	<u>\$ 1,156.29</u>		

CITY OF ROZEL, KANSAS
 GAS LOAN DEBT SERVICE FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Reimbursed Expense	\$ 94,077.93	\$ 0.00	\$ 94,077.93
Total Receipts	<u>94,077.93</u>	<u>\$ 0.00</u>	<u>\$ 94,077.93</u>
Expenditures			
Loan Principal	10,795.20	0.00	10,795.20
Adjustment for Qualifying Budget Credits	<u> </u>	<u>10,795.20</u>	<u>(10,795.20)</u>
Total Expenditures	<u>10,795.20</u>	<u>\$ 10,795.20</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	83,282.73		
Unencumbered Cash, Beginning	<u>0.00</u>		
Unencumbered Cash, Ending	<u>\$ 83,282.73</u>		

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	\$ 109,132.59	\$ 121,000.00	\$ (11,867.41)
Connection Fees	488.00	0.00	488.00
Loan Proceeds	205,382.21	0.00	205,382.21
Reimbursed Expense	5,239.36	0.00	5,239.36
Miscellaneous	983.99	0.00	983.99
Total Receipts	<u>321,226.15</u>	<u>\$ 121,000.00</u>	<u>\$ 200,226.15</u>
Expenditures			
Salaries	44,934.37	44,000.00	934.37
Repairs & Supplies	12,429.01	11,000.00	1,429.01
Purchased Gas	234,436.57	40,000.00	194,436.57
Contractual Services	6,936.36	30,000.00	(23,063.64)
Utilities	0.00	2,000.00	(2,000.00)
Capital Outlay	0.00	115,000.00	(115,000.00)
Vehicle Lease	1,897.08	3,000.00	(1,102.92)
Adjustment for Qualifying Budget Credits		201,179.94	(201,179.94)
Total Expenditures	<u>300,633.39</u>	<u>\$ 446,179.94</u>	<u>\$ (145,546.55)</u>
Receipts Over (Under) Expenditures	20,592.76		
Unencumbered Cash, Beginning	<u>119,825.10</u>		
Unencumbered Cash, Ending	<u>\$ 140,417.86</u>		

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	\$ 37,241.55	\$ 38,000.00	\$ (758.45)
Connections Fees	<u>163.00</u>	<u>0.00</u>	<u>163.00</u>
Total Receipts	<u>37,404.55</u>	<u>\$ 38,000.00</u>	<u>\$ (595.45)</u>
Expenditures			
Salaries	0.00	5,000.00	(5,000.00)
Repairs & Supplies	10,219.78	12,000.00	(1,780.22)
Utilities	8,157.28	7,000.00	1,157.28
Water Fees	365.69	2,000.00	(1,634.31)
Contractual Services	1,668.12	1,000.00	668.12
Capital Outlay	0.00	25,500.00	(25,500.00)
Vehicle Lease	1,896.96	3,000.00	(1,103.04)
Operating Transfers:			
To Water Debt Service	<u>19,500.00</u>	<u>19,500.00</u>	<u>0.00</u>
Total Expenditures	<u>41,807.83</u>	<u>\$ 75,000.00</u>	<u>\$ (33,192.17)</u>
Receipts Over (Under) Expenditures	(4,403.28)		
Unencumbered Cash, Beginning	<u>37,606.89</u>		
Unencumbered Cash, Ending	<u>\$ 33,203.61</u>		

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

	Current Year		
	Actual	Budget	Variance Over (Under)
Receipts			
Customer Receipts	\$ 12,906.16	\$ 14,000.00	\$ (1,093.84)
Total Receipts	<u>12,906.16</u>	<u>\$ 14,000.00</u>	<u>\$ (1,093.84)</u>
Expenditures			
Salaries	0.00	5,000.00	(5,000.00)
Repairs & Supplies	6,456.96	8,000.00	(1,543.04)
Utilities	1,002.76	1,000.00	2.76
Capital Outlay	<u>0.00</u>	<u>66,000.00</u>	<u>(66,000.00)</u>
Total Expenditures	<u>7,459.72</u>	<u>\$ 80,000.00</u>	<u>\$ (72,540.28)</u>
Receipts Over (Under) Expenditures	5,446.44		
Unencumbered Cash, Beginning	<u>70,134.19</u>		
Unencumbered Cash, Ending	<u>\$ 75,580.63</u>		