

**City of Cottonwood Falls  
Chase County, Kansas**

**Independent Auditors' Report and  
Regulatory Basis Financial Statement  
Year Ended December 31, 2021**

City of Cottonwood Falls  
Chase County, Kansas

Regulatory Basis Financial Statement  
Year Ended December 31, 2021

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# Cindy Jensen

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### Independent Auditors' Report

Mayor and City Council  
City of Cottonwood Falls, Kansas

#### **Adverse and Unmodified Opinions**

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

#### *Adverse Opinion on the U.S. Generally Accepted Accounting Principles*

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion and Unmodified Opinions section of my report, 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 Cottonwood Falls, Kansas, as of December 31, 2021, or the changes in its financial position or cash flows for the year then ended.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

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

#### **Basis for Adverse Opinion and Unmodified Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the Kansas Municipal Audit and Accounting Guide. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. I am required to be independent of the City of Cottonwood Falls, Kansas, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my 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 Cottonwood Falls, 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.

#### **Responsibilities of Management for the Financial Statement**

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statement**

My 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 my 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 Cottonwood Falls' 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 Cottonwood Falls' ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

#### **Report on Regulatory – Required Supplementary Information**

My 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, and schedule of regulatory basis receipts and disbursements-agency funds, (Schedules 1,2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement but 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 my 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.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Cottonwood Falls, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued my report dated August 4, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and my report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for analysis and are not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the 2020 comparative information is fairly stated in all material respects, in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.



Cindy Jensen, CPA  
September 19, 2022

City of Cottonwood Falls  
Chase County, Kansas

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

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	\$ 316,898	\$ 0	\$ 453,051	\$ 441,732	\$ 328,217	\$ 10,458	\$ 338,675
Special Purpose Funds							
Sales Tax Fund	466,813	0	265,378	123,708	608,483	0	608,483
Special Highway	34,303	0	24,778	3,202	55,879	0	55,879
Special Parks & Recreation	7,129	0	2,482	0	9,611	0	9,611
Municipal Equipment Reserve	2,561	0	0	0	2,561	0	2,561
Capital Improvement Reserve	0	0	0	0	0	0	0
Swope Park Equipment	7,251	0	0	0	7,251	0	7,251
Streetscape	2,004	0	0	600	1,404	0	1,404
Community Building Equip	85	0	0	0	85	0	85
Veteran's Memorial	4,208	0	1,530	1,469	4,269	0	4,269
Cottonwood Falls Volunteers	80	0	0	0	80	0	80
Pool Renovation	5,000	0	0	0	5,000	0	5,000
Bill North Courtyard	7	0	0	0	7	0	7
Chase Disc Golf	1,214	0	362	0	1,576	0	1,576
Christmas Lights	81	0	0	0	81	0	81
ARPA fund	0	0	65,385	0	65,385	0	65,385
Business Fund							
Sewer	43,857	0	56,272	42,745	57,384	540	57,924
Solid Waste	160,414	0	165,385	195,565	130,234	4,670	134,904
Water	251,492	0	310,845	340,956	221,381	16,292	237,673
Total Reporting Entity(Excluding Agency Funds Schedule 3)	<u>\$ 1,303,397</u>	<u>\$ 0</u>	<u>\$ 1,345,468</u>	<u>\$ 1,149,977</u>	<u>\$ 1,498,888</u>	<u>\$ 31,960</u>	<u>\$ 1,530,848</u>

Composition of Cash Balance:

Checking	\$ 1,276,646
Certificates of Deposit	256,726
Petty Cash	150
Total Cash Balance	<u>1,533,522</u>
Less: Agency Funds per Schedule 3	<u>(2,674)</u>
Total Reporting Entity	<u>\$ 1,530,848</u>

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

City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 1 – Summary of Significant Accounting Principles

Financial Reporting Entity

The City of Cottonwood Falls is a governmental entity governed by an elected five-member Council and Mayor. The City's major operations include public safety and transportation, culture and recreation, and general administrative services. The City also operates three major business type activities: a sewer system, a solid waste system, and a water system.

This financial statement presents the City of Cottonwood Falls (the municipality) but does not include any related municipal entities of the City of Cottonwood Falls.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

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 revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

Agency Fund – used to report assets held by the municipal reporting entity in a purely custodial capacity.

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 of 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, 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.

City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 1 – Summary of Significant Accounting Policies (Cont.)

Use of Estimates

The preparation of the financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures at the date of the financial statement. Accordingly, actual results could differ from those estimates.

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are 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 certain other special purpose funds as noted in the presentation of the appropriate Schedule 2.

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

City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 2 – Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports and legal representatives of the municipality.

Management is not aware of any noncompliance with Kansas statutes.

Note 3 – Deposits and Investments

K.S.A. 9-1401 established 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 K.S.A. 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%. Deposits were legally secured at December 31, 2021.

At year-end, the carrying amount of the City's deposits was \$1,533,372 and the bank balance was \$1,542,230. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,042,230 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City held no investments at December 31, 2021.



City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 4 – Property Taxes

The City certifies its' budget to the county clerk annually. Using this certified budget and those of other political subdivisions within the county, the county clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20 of the same year, and the second installment is due May 10 of the subsequent year. The county treasurer collects and distributes the property taxes. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the following years operations.

Note 5 – Long-Term Debt

KDHE loan

The City of Cottonwood Falls entered into a loan agreement with the Kansas Dept. of Health and Environment on October 1, 2012, to finance a portion of the cost to replace water lines, associated service lines, and meters in the City. The original authorized loan amount was \$1,100,000, which was amended on October 19, 2015 to \$1,166,876. The City made a payment of \$34,302 on February 1, 2015. Semi-annual principal and interest payments in the amount of \$36,250 began on August 1, 2015. The payments are due on February 1 and August 1 of each year, with the final payment to be made on August 1, 2034. Payments on this loan are to be made from revenues of the Water fund.

Lease Agreements

The City entered into a lease agreement with Cottonwood Valley Bank for the purchase of a Hustler Mower on September 14, 2016 for \$19,170. The City made an initial payment of \$3,170 on September 14, 2016. Five annual payments of \$3,200 plus interest are scheduled, beginning September 14, 2017. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease are made from the General, Water, and Sewer funds.

The City entered into a lease agreement with Cottonwood Valley Bank for the purchase of a 2020 Mower on February 28, 2020 for \$12,791. The City made an initial payment of \$3,000. Ten semi-annual payments of \$1,104 were scheduled beginning August 28, 2020. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease will be made from the General, Water, and Sewer funds.

The City entered into a lease agreement with Cottonwood Valley Bank for the purchase of a 2021 Peterbilt on May 19, 2021 for \$150,900. The City made an initial payment of \$60,900. Seventy-two monthly payments of \$1,321 were scheduled beginning August 5, 2021. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease will be made from the Solid Waste fund.

City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 5 – Long-Term Debt (Cont)

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

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
KDHE Water loan	2.25%	10/1/2012	1,166,876	8/1/2034	\$ 863,677	\$ 0	\$ 53,125	\$ 810,552	\$ 19,135
Capital Leases									
2020 Mower	4.5%	2/28/2020	9,791	2/28/2025	8,907	0	1,828	7,079	380
2021 Pete	1.75%	5/19/2021	90,000	7/5/2027	0	90,000	5,757	84,243	846
Hustler mower	3.75%	9/14/2016	19,170	9/14/2021	3,200	0	3,200	0	122
Total contractual indebtedness					<u>\$ 875,784</u>	<u>\$ 90,000</u>	<u>\$ 63,910</u>	<u>\$ 901,874</u>	<u>\$ 20,483</u>

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

	2022	2023	2024	2025	2026	2027-2031	2032-2034	Total
Principal								
KDHE Water loan	\$ 54,327	\$ 55,556	\$ 56,813	\$ 58,099	\$ 59,413	\$ 317,849	\$ 208,495	\$ 810,552
2020 mower	1,911	1,998	2,090	1,080	0	0	0	7,079
2021 Pete	14,490	14,746	15,006	15,270	15,540	9,191	0	84,243
Total Principal	<u>70,728</u>	<u>72,300</u>	<u>73,909</u>	<u>74,449</u>	<u>74,953</u>	<u>327,040</u>	<u>208,495</u>	<u>901,874</u>
Interest								
KDHE Water loan	17,934	16,704	15,447	14,162	12,847	43,453	8,286	128,833
2020 mower	297	210	119	25	0	0	0	651
2021 Pete	1,358	1,103	843	578	308	54	0	4,244
Total Interest	<u>19,589</u>	<u>18,017</u>	<u>16,409</u>	<u>14,765</u>	<u>13,155</u>	<u>43,507</u>	<u>8,286</u>	<u>133,728</u>
Total Principal & Interest	<u>\$ 90,317</u>	<u>\$ 90,317</u>	<u>\$ 90,318</u>	<u>\$ 89,214</u>	<u>\$ 88,108</u>	<u>\$ 370,547</u>	<u>\$ 216,781</u>	<u>\$ 1,035,602</u>

Note 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. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions insurance coverage from coverage in prior years.

City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 7 – Other Long-Term Obligations from Operations

Compensated Absences

The City employees earn and accumulate up to 5 days of vacation during the first year of employment; earn 10 days and accumulate 15 days up to 7 years of employment; and earn 15 days and accumulate 15 days thereafter. Employees having accumulated more vacation days before the August 2, 1993 adoption of this policy are allowed to carry forward those days under the prior policy. The City's full-time employees earn up to 12 days per year of sick time and part-time employees earn up to 6 days per year. No employee may accumulate more than 100 days of sick leave and no sick pay is paid upon separation of service. Compensated absence payments are made from the fund that corresponds to the employee's duties.

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 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.

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.

Note 8 – Defined Benefit Pension Plan

Plan Description

The City of Cottonwood Falls, 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 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 may be found on the website at [www.kpers.org](http://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 KPERS 1, KPERS 2, or a KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 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 rate for KPERS 1, KPERS 2, and KPERS 3 to 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

City of Cottonwood Falls  
Chase County, Kansas

Notes to the Financial Statement  
December 31, 2021

Note 8 – Defined Benefit Pension Plan (Cont.)

Contributions (Cont)

Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City of Cottonwood Falls were \$22,387 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 \$133,171. 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 these financial statements.

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

Note 9 – Public Wholesale Water Supply District #26

Public Wholesale Water Supply District No. 26 was formed on May 31, 2011 for the purpose of providing water to its members. Members of the District are: The City of Cottonwood Falls, the City of Strong City, and the Chase County Rural Water District No. The City's minimum commitment is 2,425,000 gallons per month. The contract extends 40 years from the date of initial delivery of water which was in March 2016.

The City entered into a contract with PWWSD#26 to provide water system operator services. The City of Cottonwood Falls will operate the plant when Strong City personnel are absent and shall alternate holiday and weekend duties with Strong City personnel. PWWSD#26 agrees to reimburse the City based on the hourly rate of the employee, including leave, benefits, and employer payroll taxes plus an additional 10%. The term of the agreement is for one year and continues indefinitely until either party gives written notice.

The City entered into a contract with PWWSD#26 to lease the City's existing water wells and water rights. PWWSD#26 will pay the City \$100 annually for a term of 40 years or as long as the lessee produces potable water in sufficient quantities, whichever occurs first.

Note 10 – American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed by the President. ARPA is a \$1.9 trillion economic stimulus plan which allocates to the State of Kansas \$5 billion in funds. Included in those funds are \$130,771 of funds available to Cottonwood Falls. To date, the City has received all funds. The City's uses of these funds are currently being planned based on federal guidance.

Note 11- Street project

In 2021, the City began a street project with an estimated cost of \$998,500. They have received a Kansas Department of Commerce CDBG grant of \$499,125 and the remaining will be financed with a USDA-RD loan. As of December 31, 2021, the City had expended \$56,660 on the project.

**Regulatory – Required  
Supplementary Information**

City of Cottonwood Falls  
Chase County, Kansas

Schedule 1

Summary of Expenditures-Actual and Budget  
Regulatory Basis  
Budgeted Funds Only  
For the Year Ended December 31, 2021

<u>FUNDS</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Fund	\$ 800,252	\$ 0	\$ 800,252	\$ 441,732	\$ (358,520)
Special Purpose Funds					
Sales Tax	392,388	0	392,388	123,708	(268,680)
Special Highway	50,496	0	50,496	3,202	(47,294)
Special Parks & Recreation	5,590	0	5,590	0	(5,590)
Business Funds					
Sewer	126,993	0	126,993	42,745	(84,248)
Solid Waste	320,848	0	320,848	195,565	(125,283)
Water	609,522	0	609,522	340,956	(268,566)

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

GENERAL FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Chase County	\$ 350,142	\$ 347,167	\$ 343,222	\$ 3,945
Liquor Tax	874	2,482	0	2,482
Community Building Rent	1,650	5,598	3,500	2,098
Court Fees	600	0	300	(300)
Franchise Fees	36,732	39,764	40,500	(736)
Interest on Idle Funds	1,280	562	900	(338)
Licenses & Permits	930	516	2,178	(1,662)
Municipal Building Rental	5,172	4,310	5,600	(1,290)
Park Rental	4,421	7,170	4,800	2,370
Street	550	432	0	432
Fireworks	4,522	5,261	3,000	2,261
Swimming Pool	10,423	18,768	17,500	1,268
Misc Reimbursements & Other	31,362	21,021	13,912	7,109
Transfers In	0	0	0	0
Total Receipts	448,658	453,051	435,412	17,639
Expenditures				
General Government	193,457	202,411	550,952	(348,541)
Streets	72,552	68,838	60,000	8,838
Airport	4,399	5,052	4,100	952
Pool	26,401	37,822	46,000	(8,178)
Parks	33,498	36,556	35,000	1,556
Public Safety	28,335	24,387	27,000	(2,613)
Employee Benefits	37,910	42,834	39,000	3,834
Law Enforcement	0	333	6,000	(5,667)
Housing Authority	9,600	9,625	9,600	25
Industrial Development	6,000	6,000	6,000	0
Dump	4,139	3,864	5,300	(1,436)
Fireworks	4,000	4,010	4,300	(290)
Transfers out	0	0	7,000	(7,000)
Total Expenditures	420,291	441,732	800,252	(358,520)
Receipts Over (Under) Expenditures	28,367	11,319	\$ (364,840)	\$ 376,159
Unencumbered Cash, January 1	288,531	316,898		
Unencumbered Cash, December 31	\$ 316,898	\$ 328,217		

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

SALES TAX FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Sales Tax	\$ 194,775	\$ 250,829	\$ 161,000	\$ 89,829
Other reimbursements	0	14,549	0	14,549
Total Receipts	<u>194,775</u>	<u>265,378</u>	<u>161,000</u>	<u>104,378</u>
Expenditures				
Beautification, Econ Dev & Streets	8,910	123,708	392,388	(268,680)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	<u>8,910</u>	<u>123,708</u>	<u>392,388</u>	<u>(268,680)</u>
Receipts Over (Under) Expenditures	185,865	141,670	<u>\$ (231,388)</u>	<u>\$ 373,058</u>
Unencumbered Cash, January 1	<u>280,948</u>	<u>466,813</u>		
Unencumbered Cash, December 31	<u>\$ 466,813</u>	<u>\$ 608,483</u>		

See accompanying auditor's report.



City of Cottonwood Falls  
Chase County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

SPECIAL HIGHWAY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas Gas Tax	\$ 22,371	\$ 18,824	\$ 19,780	\$ (956)
Other Receipts	175	5,954	0	5,954
Total Receipts	<u>22,546</u>	<u>24,778</u>	<u>19,780</u>	<u>4,998</u>
Expenditures				
Highway maintenance	10,679	3,202	50,496	(47,294)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	<u>10,679</u>	<u>3,202</u>	<u>50,496</u>	<u>(47,294)</u>
Receipts Over (Under) Expenditures	11,867	21,576	<u>\$ (30,716)</u>	<u>\$ 52,292</u>
Unencumbered Cash, January 1	<u>22,436</u>	<u>34,303</u>		
Unencumbered Cash, December 31	<u>\$ 34,303</u>	<u>\$ 55,879</u>		

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

SPECIAL PARKS AND RECREATION

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Liquor Tax	\$ 983	\$ 2,482	\$ 1,278	\$ 1,204
Other Receipts	0	0	0	0
Total Receipts	<u>983</u>	<u>2,482</u>	<u>1,278</u>	<u>1,204</u>
Expenditures				
Parks & Recreation	0	0	5,590	(5,590)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>5,590</u>	<u>(5,590)</u>
Receipts Over (Under) Expenditures	983	2,482	<u>\$ (4,312)</u>	<u>\$ 6,794</u>
Unencumbered Cash, January 1	<u>6,146</u>	<u>7,129</u>		
Unencumbered Cash, December 31	<u>\$ 7,129</u>	<u>\$ 9,611</u>		

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

MUNICIPAL EQUIPMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous Receipts	\$ 0	\$ 0
Transfers In	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Equipment	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>2,561</u>	<u>2,561</u>
Unencumbered Cash, December 31	<u>\$ 2,561</u>	<u>\$ 2,561</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

CAPITAL IMPROVEMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Grant Proceeds	\$ 0	\$ 0
Loan Proceeds	0	0
Transfers	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Capital Improvements	0	0
Reimburse water fund for project expenditures	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>0</u>	<u>0</u>
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

SWOPE PARK EQUIPMENT

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 0	\$ 0
Other	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Park equipment	0	0
Other	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>7,251</u>	<u>7,251</u>
Unencumbered Cash, December 31	<u>\$ 7,251</u>	<u>\$ 7,251</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

STREETSCAPE

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 800	\$ 0
Other	0	0
Total Receipts	<u>800</u>	<u>0</u>
Expenditures		
Contractual	0	600
Commodities	0	0
Total Expenditures	<u>0</u>	<u>600</u>
Receipts Over (Under) Expenditures	800	(600)
Unencumbered Cash, January 1	<u>1,204</u>	<u>2,004</u>
Unencumbered Cash, December 31	<u>\$ 2,004</u>	<u>\$ 1,404</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2I

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

COMMUNITY BUILDING EQUIPMENT

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous	\$ 0	\$ 0
Other Receipts	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Equipment	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>85</u>	<u>85</u>
Unencumbered Cash, December 31	<u>\$ 85</u>	<u>\$ 85</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

VETERANS MEMORIAL

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 305	\$ 695
Other Receipts	590	835
Total Receipts	<u>895</u>	<u>1,530</u>
Expenditures		
Contractual	250	250
Commodities	368	1,219
Total Expenditures	<u>618</u>	<u>1,469</u>
Receipts Over (Under) Expenditures	277	61
Unencumbered Cash, January 1	<u>3,931</u>	<u>4,208</u>
Unencumbered Cash, December 31	<u>\$ 4,208</u>	<u>\$ 4,269</u>

See accompanying auditor's report.



City of Cottonwood Falls  
Chase County, Kansas

Schedule 2K

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

COTTONWOOD FALLS VOLUNTEERS

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 0	\$ 0
Other	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Contractual	0	0
Other	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>80</u>	<u>80</u>
Unencumbered Cash, December 31	<u><u>\$ 80</u></u>	<u><u>\$ 80</u></u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2L

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

POOL RENOVATION

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 0	\$ 0
Expenditures		
Capital Outlay	0	0
Other	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>5,000</u>	<u>5,000</u>
Unencumbered Cash, December 31	<u>\$ 5,000</u>	<u>\$ 5,000</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2M

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

BILL NORTH COURTYARD

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 0	\$ 0
Other receipts	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Commodities	0	0
Contractual	<u>8</u>	<u>0</u>
Total Expenditures	<u>8</u>	<u>0</u>
Receipts Over (Under) Expenditures	(8)	0
Unencumbered Cash, January 1	<u>15</u>	<u>7</u>
Unencumbered Cash, December 31	<u><u>\$ 7</u></u>	<u><u>\$ 7</u></u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2N

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

CHASE DISC GOLF

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 0	\$ 300
Other receipts	485	62
Total Receipts	<u>485</u>	<u>362</u>
Expenditures		
Commodities	37	0
Contractual	0	0
Capital Outlay	0	0
Total Expenditures	<u>37</u>	<u>0</u>
Receipts Over (Under) Expenditures	448	362
Unencumbered Cash, January 1	<u>766</u>	<u>1,214</u>
Unencumbered Cash, December 31	<u>\$ 1,214</u>	<u>\$ 1,576</u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 20

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

CHRISTMAS LIGHTS

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 0	\$ 0
Other	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Commodities	0	0
Contractual	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>81</u>	<u>81</u>
Unencumbered Cash, December 31	<u><u>\$ 81</u></u>	<u><u>\$ 81</u></u>

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2P

Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

ARPA

	Prior Year Actual	Current Year Actual
Receipts		
Grants	\$ 0	\$ 65,385
Other	0	0
Total Receipts	0	65,385
Expenditures		
ARPA program	0	0
Other	0	0
Total Expenditures	0	0
Receipts Over (Under) Expenditures	0	65,385
Unencumbered Cash, January 1	0	0
Unencumbered Cash, December 31	\$ 0	\$ 65,385

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2Q

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

SEWER

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 53,730	\$ 56,272	\$ 62,975	\$ (6,703)
Other Receipts	495	0	0	0
Total Receipts	<u>54,225</u>	<u>56,272</u>	<u>62,975</u>	<u>(6,703)</u>
Expenditures				
Personal Service	18,379	16,791	19,900	(3,109)
Contractual	24,969	13,487	14,000	(513)
Commodities	10,273	12,246	6,250	5,996
Capital Outlay	0	221	86,843	(86,622)
Total Expenditures	<u>53,621</u>	<u>42,745</u>	<u>126,993</u>	<u>(84,248)</u>
Receipts Over (Under) Expenditures	604	13,527	<u>\$ (64,018)</u>	<u>\$ 77,545</u>
Unencumbered Cash, January 1	<u>43,253</u>	<u>43,857</u>		
Unencumbered Cash, December 31	<u>\$ 43,857</u>	<u>\$ 57,384</u>		

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 2R

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

SOLID WASTE

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 154,340	\$ 158,426	\$ 156,000	\$ 2,426
Other Receipts	0	6,959	0	6,959
Total Receipts	<u>154,340</u>	<u>165,385</u>	<u>156,000</u>	<u>9,385</u>
Expenditures				
Personal Service	61,454	74,268	71,600	2,668
Contractual	41,634	47,137	44,000	3,137
Commodities	14,691	6,656	11,000	(4,344)
Capital Outlay	8,112	67,504	194,248	(126,744)
Total Expenditures	<u>125,891</u>	<u>195,565</u>	<u>320,848</u>	<u>(125,283)</u>
Receipts Over (Under) Expenditures	28,449	(30,180)	<u>\$ (164,848)</u>	<u>\$ 134,668</u>
Unencumbered Cash, January 1	<u>131,965</u>	<u>160,414</u>		
Unencumbered Cash, December 31	<u>\$ 160,414</u>	<u>\$ 130,234</u>		

See accompanying auditor's report.



City of Cottonwood Falls  
Chase County, Kansas

Schedule 2S

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2021  
With Comparative Actual Totals for the Prior Year Ended December 31, 2020

WATER

	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 310,396	\$ 306,578	\$ 341,072	\$ (34,494)
Other Receipts	7,389	4,267	4,830	(563)
Total Receipts	<u>317,785</u>	<u>310,845</u>	<u>345,902</u>	<u>(35,057)</u>
Expenditures				
Personal Service	64,538	65,541	63,000	2,541
Contractual	8,461	10,477	9,000	1,477
Commodities	21,118	17,196	21,000	(3,804)
Water purchased	170,379	175,205	157,000	18,205
Capital Outlay	0	277	287,261	(286,984)
Loan payments	72,260	72,260	72,261	(1)
Total Expenditures	<u>336,756</u>	<u>340,956</u>	<u>609,522</u>	<u>(268,566)</u>
Receipts Over (Under) Expenditures	(18,971)	(30,111)	<u>\$ (263,620)</u>	<u>\$ 233,509</u>
Unencumbered Cash, January 1	<u>270,463</u>	<u>251,492</u>		
Unencumbered Cash, December 31	<u>\$ 251,492</u>	<u>\$ 221,381</u>		

See accompanying auditor's report.

City of Cottonwood Falls  
Chase County, Kansas

Schedule 3

Schedule of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended December 31, 2021

AGENCY FUNDS

Fund	Cash Balance Beginning	Cash Receipts	Cash Disbursements	Cash Balance End
Customer Deposits	\$ 1,050	\$ 0	\$ 0	\$ 1,050
Payroll Clearing	452	113,633	113,212	873
Sales Tax Clearing	646	3,040	2,935	751
Total	<u>\$ 2,148</u>	<u>\$ 116,673</u>	<u>\$ 116,147</u>	<u>\$ 2,674</u>

See accompanying auditor's report.