

CITY OF HOLTON, KANSAS

Financial Statements for the
Year December 31, 2021
And Independent Auditors' Report

CITY OF HOLTON, KANSAS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Holton, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Holton, Kansas (City), 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 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 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, 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. General Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City 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'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 statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards 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, including omissions, 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 statements.

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 statements, 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 statements.
- 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'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

Other Matters

Regulatory-Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1-2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are

required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Additional Supplementary Information

The supplemental schedules on pages 47 thru 49 are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statement on these schedules, and we do not express an opinion on these schedules.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated August 18, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and or accompanying report are not present herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/offices/oar/municipal-services. 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 purposes of additional analysis and is 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 sfinancial statement. The 2020 comparative information was 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 our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Michael D. Peroo, CPA, PA

Olathe, Kansas

September 1, 2022

Michael D. Peroo, CPA

Michael D. Peroo, CPA, PA

In Charge of and Actively
Engaged on this Audit

CITY OF HOLTON, KANSAS

SUMMARY OF CASH RECEIPTS AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Cash Expenditures	Ending Unencumbered Cash Balance
General Fund	$ 318,184	$ 1,977,115	$ 1,810,098	$ 485,201
Special Revenue Funds:				
Library Fund	405	154,849	154,849	405
Industrial Development Fund	91,032	54	1,817	89,269
Liability Insurance Fund	555	38,837	35,560	3,832
Special Parks and Recreation Fund	41,065	41,444	38,692	43,817
Special Highway Fund	459,653	387,690	378,257	469,086
Alcoholism Prevention Fund	454	-	-	454
Police Seizure Fund	5,239	7,333	2,008	10,564
2013 Special Sales Tax	1,218,840	589,274	83,460	1,724,654
ARPA Fund	-	244,785	-	244,785
Enterprise Funds:				
Electric Fund	1,033,606	5,248,762	5,144,471	1,137,897
Water Fund	839,850	1,171,502	1,090,822	920,530
Sewer Fund	336,217	943,377	1,030,489	249,105
Trash Fund	27,294	215,855	210,796	32,353
Utility Deposit Fund	81,396	34,302	31,629	84,069
Capital Project Funds:				
Capital Improvement Fund	1,140,209	270,441	27,534	1,383,116
Equipment Reserve Fund	558,514	542,150	11,550	1,089,114
Trust and Agency Funds:				
Insurance Fund	-	841,289	842,202	(913)
Municipal Court Fund	3,007	32,051	29,713	5,345
Money Market Interest	14,069	16,454	27,000	3,523
Moderate Income Housing Grant Fund	-	278,484	278,484	-
Lieap Fund	7,742	32,541	11,552	28,731
Chevis Fund	718	-	-	718
Clock Fund	123	2	-	125
Donation Fund	111,992	12,901	19,230	105,663
Dog Park Fund	15,100	-	-	15,100
Debt Service Funds:				
2004 Principal & Interest Fund	13,364	-	13,364	-
2009 Principal & Interest Fund	4,060	-	4,060	-
Water Bond Reserve	37,500	-	-	37,500
Bond and Interest Fund	37,901	516	38,417	-
Total Reporting Entity	$ 6,398,089	$ 13,082,008	$ 11,316,054	$ 8,164,043
Less transfers		484,440	484,440	
Net Receipts and Expenditures		12,597,568	10,831,614	

COMPOSITION OF CASH:	
Petty Cash	$ 400
Holton National Bank - Operating Account	6,021,235
Denison State Bank - Checking and Money Market Accounts	1,167,403
Farmer's State Bank - Checking and Money Market Accounts	359,447
Holton National Bank - Certificates of Deposit	315,558
Farmer's State Bank - Certificates of Deposit	150,000
Denison State Bank - Certificates of Deposit	150,000
Total Cash and Certificates of Deposits	$ 8,164,043

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation - Fund Accounting - The accounts of the City of Holton, Kansas (City) are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2021.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Capital project funds – to account for major capital expenditures not financed by other funds.

Debt service funds – to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

b. Basis of Accounting - These financial statements are presented on a basis of accounting that demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred.

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.

c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation that shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General

fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. 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.

2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.

3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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.

The statute permits 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 statements 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 cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

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.

e. Component units -

The component units are reported separately to emphasize that they are legally separate from the City. The City is not aware of any component units at December 31, 2021.

f. Comparative Amounts -

The amounts shown for the year ended December 31, 2020 in the accompanying financial statements are included to provide a basis for comparison with 2021 and are not intended to present all information necessary for a fair presentation in accordance with the cash basis and budget laws of the State of Kansas.

2. TAXES

The City collects the following taxes from the city, state and county:

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following May 10.

Motor Vehicle Taxes – Since 1981, most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles from 30% to 20% of market value.

Sales Tax – On January 1, 1995, the City under Ordinance No. 1296, levied a City-wide retailers' sales tax at the rate of .25%. The tax will be used for the improvement and maintenance of the public streets.

On December 2, 2013, the City approved Ordinance No. 13-007 authorizing an additional 1/2% sales tax to go into effect April 1, 2014 and terminate December 31, 2023. The sales tax is to be used for infrastructure and debt relief.

In 2021 and 2020, the City received the following from city, county and state taxes:

	2021	2020
Property Taxes	$ 1,405,663	$ 1,343,210
Motor Vehicle Taxes	155,073	146,316
State Highway Aid	93,053	84,004
Sales Taxes	1,352,745	1,239,623
Local Alcohol Taxes	15,507	9,419
	$ 3,022,041	$ 2,822,572

The assessed valuation in 2021 and 2020 was $23,337,547 and $22,418,995 respectively, which were used to determine the mill levy for 2021 and 2020.

The mill levy was 60.257 and 60.257 for 2021 and 2020 for the following funds:

	2021	2020
General	52.685	53.399
Library	6.000	5.952
Liability Insurance	1.572	0.906
	60.257	60.257

3. DEPOSITS

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 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%. The City has no designated "peak periods."

At year-end, the carrying amount of the City's cash balance was $8,164,043 and the bank balances were $8,458,139. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

The following represents information regarding certificates of deposit at December 31, 2021:

Under K.S.A. 12-1675, the City is limited to investment of idle funds. Certificates of deposit are considered low risk.

	Maturity Date	Interest Rate	Amount
Holton National Bank	9/29/2022	0.20%	25,000
Holton National Bank	9/1/2022	0.20%	15,000
Holton National Bank	11/9/2022	0.20%	100,000
Holton National Bank	12/4/2022	0.30%	50,058
Holton National Bank	7/5/2022	0.30%	30,000
Holton National Bank	11/30/2022	0.30%	500
Holton National Bank	1/23/2023	0.35%	45,000
Holton National Bank	5/6/2022	0.40%	50,000
Total			315,558
Denison State Bank	7/7/2022	0.25%	75,000
Denison State Bank	1/9/2022	0.30%	25,000
Denison State Bank	8/28/2022	0.30%	50,000
Total			150,000
Farmers State Bank	3/30/2023	0.45%	100,000
Farmers State Bank	9/30/2022	0.35%	50,000
Total			150,000
			$ 615,558

4. UTILITIES

The City provides water, electrical, sewer, and solid waste. The City reads the meters at various times of the month, and they mail their utility bills on the 1st of each month. The utility bills are due on the 20th of the month. Payments received after the due dates are subject to a late charge of 10% or no less than $2.50. Late notices are mailed on the 22nd of the month.

The City requires that, at the time of making application for utility service, the property owner or customer shall make a cash deposit in the amount set by the governing body to secure payment of accrued bills or bills due on discontinuance of service.

Cash deposits for the indicated utility services shall be in the following amounts:

- Water service - $50.00
- Electric service - $150.00

The deposit made shall be kept by the city clerk in a separate account and deposited in a fund designated for utility deposits. Interest shall be payable at the rate determined by the state corporation commission and credited to the customer's account January 1st of each calendar year.

Utility Rates for residential and commercial users are as follows:

Water:	Inside	Outside	
Minimum			
5/8 inch meter	$ 31.00	$ 46.00	Includes 1,000 gallons
3/4 inch meter	$ 31.00	$ 46.00	
1 inch meter	$ 42.00	$ 57.00	
1 1/2 inch meter	$ 58.00		
2 inch meter	$ 74.00	$ 89.00	
3 inch meter	$ 90.00		
4 inch meter	$ 116.00	$ 131.00	
6 inch meter and above	$ 152.00	$ 167.00	
Rate per next 1,000 gallons	$ 4.30	$ 5.70	
Rate per next 8,000 gallons	$ 3.90		
Rate per next 5,000 gallons	$ 3.50		
Rate per next 985,000 gallons	$ 3.30		
Over 1,000,000 gallons	$ 3.20		

Sewer:		
Minimum	$ 31.73	Includes 1,000 gallons
Rate per 1,000 gallons	$ 5.75	Residential

Electric: Residential Rate			
Minimum	$ 7.00	$ 9.00	Residential
Minimum	$ 5.00	$ 6.00	Small Business Rate
Minimum	$ 15.00	$ 22.00	Medium Business Rate
Minimum	$ 18.00	$ 22.00	Large Business Rate
Energy Charge	$0.08495	$0.08755	Residential

Trash:	
Residential	$ 13.24
Senior Citizen rate	$ 10.61

The following represents the date of the last rate change for the following utilities:

Water	1/1/2013
Electric	4/20/2009
Trash	7/1/2006
Sewer	1/1/2013

5. LONG-TERM DEBT

The City's long-term debt is comprised of general obligation bonds, loans from the state and revenue bonds to finance the costs related to certain improvements of the City and are backed by the full faith and credit of the City at large and the City's inherent power to levy general ad valorem taxes and increase utility rates.

Changes in Long-Term Debt:

	Payable at 12/31/2020	Advances	Payments	Payable at 12/31/2021
Sewer Loan Fund	$ 2,092,917	$	$ 357,524	$ 1,735,393
	$ 2,092,917	$	$ 357,524	$ 1,735,393
Interest Payments:				
Sewer Loan Fund			$ 55,114	
			$ 55,114	
Total Debt Service:				
Sewer Loan Fund			$ 412,639	
			$ 412,639	

Sewer Loan Fund

In 2007, the City entered into a loan agreement with Kansas Department of Health and Environment (KDHE) under the Kansas Water Pollution Control Fund in an amount not to exceed $5,500,000 ($1,735,393 outstanding at December 31, 2021) at a gross interest rate of 2.75%.

Principal and interest payments of long-term debt are as follows:

Kansas Water Pollution Control Loan Fund

Year Ending	Principal	Interest	Total
2022	$ 364,698	$ 47,941	$ 412,639
2023	377,500	35,139	412,639
2024	390,751	21,888	412,639
2025	404,468	8,171	412,639
2026	197,976	3,611	201,587
	$ 1,735,393	$ 116,750	$ 1,852,143

6. CONTRACTS

The City was awarded a $390,000 Moderate Income Housing Grant (Grant) from Kansas Housing Resources Corporation on behalf of Parkview Estates and HHP Holton Banner I, LLC (Developers) to be utilized for a down payment to develop free lots for Banner Oaks Subdivision.

In 2002, the City entered into an agreement with Public Wholesale Water Supply District 18, Jackson County, Kansas (District) to buy water in quantities as may be required by the City. The City then entered into an amended agreement for no less than 5 years with the District in July 2007. The District has constructed a water treatment facility for the use of its members. The City has agreed to provide personnel to serve in the capacity as General Manager and Operations Manager for the District. The City has also agreed to dedicate two (2) full time water treatment operators to operate the facility. The District has agreed to pay the annual cost of $120,000 paid in monthly installments of $10,000, due to the City on the 15th of each month plus any other reimbursements. The City pays the District a monthly base rate of $25,000 plus $1.54 per 1,000 gallons. The City purchased 147,945,000 and 136,454,000 gallons in 2021 and 2020, respectively.

In 1985, the City entered into an agreement with Western Resources, Inc. (formerly the Kansas Power and Light Company) to purchase all the electric power and energy required by the City to supplement the City's needs to the extent not supplied from the City's self-owned generation. This contract is for 20 years from June 1, 1998, and for one-year periods thereafter, unless notice of termination is given in writing from one party to the other at least two years prior to the end of the primary twenty-year term. In December 2013, the City switched to Kansas Municipal Energy Agency to purchase their power.

In June 2003, the City entered into an agreement with Waste Management, Inc. for the purpose of solid waste collection. The contract is for a period of 3 years, after that time period the agreement maybe renewed on a year to year basis. Parties shall notify the other party within 30 days of the annual anniversary date of the agreement to change the terms of the agreement.

7. PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial 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 contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% and 8.61% for the fiscal year ended December 31, 2021 and 2020, respectively.

The payroll for the employees covered by the System for 2021 and 2020 was $2,219,933 and $2,207,647, respectively and the City's total payroll for 2021 and 2020 was $2,353,899 and $2,298,691, respectively.

The contribution requirement for the year ended December 31, 2021 and 2020 was $330,104 and $322,537 which consisted of $133,196 and $132,459 from the employee, respectively, and $196,908 and $190,078 from the City, respectively. The City also contributed $11,076 for insurance.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was $1,384,377. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

8. COMPENSATED ABSENCES FOR EMPLOYEES

Vacation is accrued based on the years of services as follow:

Years of Service	0-5 Years	5- and less than 10	10 less than 15	15 years and over
Hours Accrued Per Month	8	10	12	14
Maximum Accrued Hours	96	120	144	168

The City's personnel employed on a full-time basis (40 hours per week) are eligible for paid vacation. Vacation leave earned by an employee is credited to the employee on the first day of the following pay period. The maximum accumulation of vacation leave shall be enforced on the last day of the payroll period for the month of an employee's hire date anniversary. Each employee who exceeds the maximum accumulation of vacation leave permitted for the length of service at the end of the payroll period for the month of their anniversary shall forfeit the excess vacation leave credits. The forfeited vacation may be restored with the written approval from the City Manager. Such forfeited leave may be restored if the employee was prevented from using such leave because of unavoidable circumstances. Any restored leave must be used by the end of the payroll period three months from the employee's anniversary date.

The City also has available sick time for all full-time employees. Each employee will accrue at the rate of eight hours for each month of service, with a maximum accumulation of 960 hours (120 days). In case of dismissal, retirement, or resignation; employee unused sick leave will not be paid.

9. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Equipment Reserve	K.S.A 12-825d	$ 181,500
Water	Equipment Reserve	K.S.A 12-825d	40,000
Sewer	Equipment Reserve	K.S.A 12-825d	20,000
Trash	Equipment Reserve	K.S.A 12-825d	45,000
Special Street	Equipment Reserve	K.S.A 12-825d	100,000
Special Parks	Equipment Reserve	K.S.A 12-825d	20,000
Money Market	General	K.S.A. 12-6a16	27,000
Bond & Interest	General	K.S.A. 12-6a16	38,420
2004 Bond & Interest	Electric	K.S.A. 12-825d	12,520
			$ 484,440

10. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, electricity, sanitation, and trash to customers located in Jackson County in Kansas. The City grants credit to those customers and requires no collateral.

11. RELATED PARTY TRANSACTIONS

In 2021 there were no material transactions with related parties.

12. CAPITAL PROJECTS

There were no capital projects in 2021.

Although not part of a capital project, the City made expenditures on the following large items in 2021:

Project	Capital Improvement	Electric	2013 Special Sales Tax
Fire Department Roof	$ 19,684	$	$
SCADA Upgrade			10,487
New Pump System			34,490
Circuit Breakers		16,000	
Skid Steer Loader		67,353	240,349
Totals	$ 19,684	$ 83,353	$ 285,326

13. ADEQUACY OF UTILITY RATES

To determine whether the City was charging adequate rates for water, electric, sewer and trash we calculated the operating ratio. The target minimum for this ratio is 1.20. The City uses these ratios to facilitate management in measuring the adequacy of the rates. There is no penalty for falling below these benchmarks.

The Operating Ratio for the following funds is as follows:

	Water	Electric	Sewer	Trash
Operating Revenues	$ 1,171,502	$ 5,248,760	$ 943,377	$ 215,855
Operating Expenses	$ 1,070,822	$ 5,144,471	$ 552,850	$ 165,796
Operating Ratio	1.09	1.02	1.71	1.30

14. COMPLIANCE WITH KANSAS LAW

Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. Actual expenditures compared to budgeted expenditures are included within this report

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 interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations, except for the Library fund, Trash fund and Liability Insurance fund for which actual disbursements exceeded the budgeted amounts. Also, the City reports bank balances not actual cash balances in their treasury report, and the quarterly treasury reports were published more than 30 days after the end of the quarter.

15. INVESTMENT IN WHOLESALE DISTRICT

Under Governmental Accounting Standard No. 14 Financial Reporting Entity, which establishes the standards for defining and reporting on the financial reporting participation in a joint venture, the City has not recorded their interest in the Public Wholesale District No. 18 under the equity method of accounting, which is required under Generally Accepted Accounting Principles. Under the equity method of accounting, all payments to Public Wholesale District No. 18 increase their investment distributions, reduces the investment and the earnings or losses increase or decrease the investment respectively.

16. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the City has evaluated events and transactions for potential recognition or disclosure through September 1, 2022**,** the date the financial statements were available to be issued. There are no events or transactions that require adjustment to or disclosure in these financial statements.

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CITY OF HOLTON, KANSAS

SCHEDULE 1

SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	Total Expenditures	Total Budget	Variance Favorable (Unfavorable)
General Fund	$ 1,810,098	$ 2,039,605	$ 229,507
Special Revenue Funds:			
Library Fund	154,849	153,524	(1,325)
Liability Insurance Fund	35,560	39,221	3,661
Special Parks and Recreation Fund	38,692	76,000	37,308
Special Highway Fund	378,257	393,000	14,743
Enterprise Funds:			
Electric Fund	5,144,471	5,396,658	252,187
Water Fund	1,090,822	1,160,871	70,049
Sewage Disposal Fund	1,030,489	1,054,125	23,636
Trash Fund	210,796	200,000	(10,796)
Capital Project Fund:			
Capital Improvement Fund	27,534	750,000	722,466
Debt Service Funds:			
Bond and Interest Fund	38,417	33,907	(4,510)
Total Budgeted Funds	9,959,984	$ 11,296,911	$ 1,336,927

CITY OF HOLTON, KANSAS

SCHEDULE 2A

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Ad Valorem Tax	$ 1,189,983	$ 1,229,227	$ 1,229,543	$ (316)
Motor Vehicle Tax	125,856	137,454	121,156	16,298
Sales Tax	313,896	344,633	280,000	64,633
Local Alcoholic Tax	4,710	7,754	3,898	3,856
Franchise Fees	72,287	87,571	80,000	7,571
License Permits and Fees	22,201	19,658	12,000	7,658
Fees from Fines	13,110	19,836	10,000	9,836
Swimming Pool Fees		25,948	20,000	5,948
Lake Fees	21,984	16,203	12,000	4,203
Miscellaneous	7,498	20,696	10,000	10,696
Transfer		65,420		65,420
Interest on Idle Funds	6,057	2,715	6,000	(3,285)
Total Cash Receipts	1,777,582	1,977,115	$ 1,784,597	$ 192,515
CASH EXPENDITURES:				
General Administration	41,345	42,886	$ 47,205	$ 4,319
Police Department	618,661	600,070	664,600	64,530
Street Department	341,909	344,324	402,500	58,176
Fire Department	279,717	371,254	480,300	109,046
Parks Department	369,358	451,564	445,000	(6,564)
Total Cash Expenditures	1,650,990	1,810,098	$ 2,039,605	$ 229,508
Receipts over Expenditures	126,592	167,017		
CASH, BEGINNING BALANCE	191,592	318,184		
CASH, ENDING BALANCE	$ 318,184	$ 485,201		

CITY OF HOLTON, KANSAS

SCHEDULE 2B

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Ad Valorem Tax	$ 132,606	$ 139,512	$ 140,019	$ (507)
Motor Vehicle Tax	14,392	15,337	13,504	1,833
Reimbursements				
Total Cash Receipts	146,998	154,849	$ 153,523	$ 1,326
CASH EXPENDITURES:				
Personal Services			$	$
Contractual Services				
Appropriations	146,998	154,849	$ 153,524	$ (1,325)
Total Cash Expenditures	146,998	154,849	$ 153,524	$ (1,325)
Receipts over expenditures	-	-		
CASH, BEGINNING BALANCE	405	405		
CASH, ENDING BALANCE	$ 405	$ 405		

CITY OF HOLTON, KANSAS

SCHEDULE 2C

INDUSTRIAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Ad Valorem Tax	$ 31	$ 54
Motor Vehicle Tax		
Other Revenue		
Transfer		
Total Cash Receipts	31	54
CASH EXPENDITURES:		
Contractual Services		
Capital Outlay	1,824	1,817
Total Cash Expenditures	1,824	1,817
Receipts under Expenditures	(1,793)	(1,763)
CASH, BEGINNING BALANCE	92,825	91,032
CASH, ENDING BALANCE	$ 91,032	$ 89,269

CITY OF HOLTON, KANSAS

SCHEDULE 2D

LIABILITY INSURANCE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Ad Valorem Tax	$ 20,228	$ 36,494	$ 36,680	$ (186)
Motor Vehicle Tax	2,412	2,343	2,056	287
Miscellaneous				
Delinquent Tax				
Total Cash Receipts	22,640	38,837	$ 38,736	$ 100
CASH EXPENDITURES:				
Contractual Services	24,848	35,560	$ 39,221	$ 3,661
Total Cash Expenditures	24,848	35,560	$ 39,221	$ 3,661
Receipts over (over) Expenditures	(2,208)	3,277		
CASH, BEGINNING BALANCE	2,763	555		
CASH, ENDING BALANCE	$ 555	$ 3,832		

CITY OF HOLTON, KANSAS

SCHEDULE 2E
(continued)

SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorably (Unfavorably)
CASH RECEIPTS:				
Program Fees	$ 7,375	$ 25,008	$ 30,000	$ (4,992)
Donations and Other	2,045	1,560	2,000	(440)
Liquor Tax	4,710	7,754	3,898	3,856
Miscellaneous	9,467	7,122	7,000	122
Total Cash Receipts	23,597	41,444	$ 42,898	$ (1,454)
CASH EXPENDITURES:				
Personnel Costs	3,680	8,430	$ 30,000	$ 21,570
Contractual Services	189	1,240	1,000	(240)
Commodities	4,106	9,022	15,000	5,978
Capital Outlay	29,008		30,000	30,000
Transfer		20,000		(20,000)
Total Cash Expenditures	36,983	38,692	$ 76,000	$ 37,308
Receipts over (under) Expenditures	(13,386)	2,752		
CASH, BEGINNING BALANCE	54,451	41,065		
CASH, ENDING BALANCE	$ 41,065	$ 43,817		

CITY OF HOLTON, KANSAS

SCHEDULE 2F

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURE - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
State Gas Tax	84,004	$ 93,053	$ 73,820	$ 19,233
Local Sales Tax	267,175	294,637	235,000	59,637
Reimbursement	3,994			
Total Cash Receipts	355,173	387,690	$ 308,820	$ 78,870
CASH EXPENDITURES:				
Transfer		100,000	$	$ (100,000)
Personnel Services	139,027	149,131	145,000	(4,131)
Contractual Services			10,000	10,000
Commodity Expense	112,666	124,741	238,000	113,259
Capital Outlay		4,385		(4,385)
Total Cash Expenditures	251,693	378,257	$ 393,000	$ 14,742
Receipts over Expenditures	103,480	9,433		
CASH, BEGINNING BALANCE	356,173	459,653		
CASH, ENDING BALANCE	$ 459,653	$ 469,086		

CITY OF HOLTON, KANSAS

SCHEDULE 2G

ALCOHOLISM PREVENTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Revenue	$	$
Total Cash Receipts		
CASH EXPENDITURES:		
Expense		
Total Cash Expenditures		
Receipts over Expenditures		
CASH, BEGINNING BALANCE	454	454
CASH, ENDING BALANCE	$ 454	$ 454

CITY OF HOLTON, KANSAS

SCHEDULE 2H

POLICE SEIZURE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Seizure Income	$ 525	$ 7,333
Total Cash Receipts	525	7,333
CASH EXPENDITURES:		
Professional Services	10	
Capital Outlay		2,008
Total Expenditures	10	2,008
Receipts over Expenditures	515	5,325
CASH, BEGINNING BALANCE	4,724	5,239
CASH, ENDING BALANCE	$ 5,239	$ 10,564

CITY OF HOLTON, KANSAS

SCHEDULE 2I

2013 SPECIAL SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021

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

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Special Sales Tax	$ 534,350	$ 589,274
Total Cash Receipts	534,350	589,274
CASH EXPENDITURES:		
Debt Service		
Capital Outlay	267,193	43,561
Professional fees		7,500
Contractual services	73,562	32,399
Total Cash Expenditures	340,755	83,460
Receipts over Expenditures	193,595	505,814
CASH, BEGINNING BALANCE	1,025,245	1,218,840
CASH, ENDING BALANCE	$ 1,218,840	$ 1,724,654

CITY OF HOLTON, KANSAS

SCHEDULE 2J

ARPA FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Grant Income	$	$ 244,785
Total Cash Receipts		244,785
CASH EXPENDITURES:		
Capital Outlay		
Total Cash Expenditures		
Receipts over Expenditures		244,785
CASH, BEGINNING BALANCE		
CASH, ENDING BALANCE	$	$ 244,785

CITY OF HOLTON, KANSAS

SCHEDULE 2K

ELECTRIC FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Sales and Charges	$ 3,456,351	$ 3,558,536	$ 3,600,000	$ (41,464)
Fuel Cost	1,177,929	1,562,194	1,357,200	204,994
Light Rental	33,480	33,998	33,000	998
Reimbursed Expenses	12,916	17,080	14,000	3,080
Penalties and Other	55,014	64,432	50,000	14,432
Transfer from Other Funds		12,522		12,522
Total Cash Receipts	4,735,690	5,248,762	$ 5,054,200	$ 194,560
CASH EXPENDITURES:				
Administration				
Personal Services	286,942	292,156	$ 298,495	$ 6,339
Contractual Services	47,677	41,218	50,500	9,282
Commodities	7,803	10,965	15,000	4,035
Capital Outlay and Sales Tax	112,951	114,193	133,000	18,807
Miscellaneous	653	149		(149)
Transfer				
Production				
Personal Services	472,012	449,371	523,067	73,696
Contractual Services	2,484,387	3,199,130	2,785,000	(414,130)
Commodities	202,621	343,732	287,500	(56,232)
Capital Outlay	27,182	16,000	52,500	36,500
Transfer	195,400		200,000	200,000
Debt Service				
Distribution				
Personal Services	418,288	447,445	475,096	27,651
Contractual Services	35,798	36,107	94,000	57,893
Commodities	118,229	126,652	182,500	55,848
Capital Outlay		67,353	150,000	82,647
Transfer			150,000	150,000
Total Cash Expenditures	4,409,943	5,144,471	$ 5,396,658	$ 252,187
Receipts over Expenditures	325,747	104,291		
CASH, BEGINNING BALANCE	707,859	1,033,606		
CASH, ENDING BALANCE	$ 1,033,606	$ 1,137,897		

CITY OF HOLTON, KANSAS

SCHEDULE 2L

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Water Sales and Other Charges	$ 968,120	$ 1,004,236	$ 1,000,000	$ 4,236
PWWSD Contract	159,250	147,000	147,000	-
Farm Income	3,572	3,572	1,700	1,872
Miscellaneous Income	1,177	16,694	2,000	14,694
Transfers from Other Funds				
Total Cash Receipts	1,132,119	1,171,502	$ 1,150,700	$ 20,802
CASH EXPENDITURES:				
Administration				
Personal Services	71,255	74,168	$ 79,578	$ 5,410
Contractual Services	4,954	5,457	8,000	2,543
Commodities	58		1,500	1,500
Capital Outlay			5,000	5,000
Production				
Personal Services	139,871	149,359	148,233	(1,126)
Contractual Services	539,848	558,483	610,700	52,217
Commodities	28,890	22,912	34,500	11,588
Capital Outlay		2,281	40,000	37,719
Miscellaneous	8,959	9,090		(9,090)
Transfer		20,000		(20,000)
Distribution				
Personal Services	148,835	158,873	137,960	(20,913)
Contractual Services	25,886	25,042	28,900	3,858
Commodities	37,205	45,157	46,500	1,343
Capital Outlay			20,000	20,000
Transfer		20,000		(20,000)
Total Cash Expenditures	1,005,761	1,090,822	$ 1,160,871	$ 70,049
Receipts over Expenditures	126,358	80,680		
CASH, BEGINNING BALANCE	713,492	839,850		
CASH, ENDING BALANCE	$ 839,850	$ 920,530		

CITY OF HOLTON, KANSAS

SCHEDULE 2M

SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Sewer Charges	$ 904,704	$ 927,745	$ 920,000	$ 7,745
Miscellaneous Income	1,431	15,632		15,632
Transfers from Other Funds		-		
Total Cash Receipts	906,135	943,377	$ 920,000	$ 23,377
CASH EXPENDITURES:				
Administration				
Personal Services	61,553	64,888	$ 62,716	$ (2,172)
Treatment				
Personal Services	147,274	153,018	139,267	(13,751)
Contractual Services	113,537	101,545	121,900	20,355
Commodities	25,575	29,161	41,000	11,839
Debt Service	412,639	412,639	412,639	-
Capital Outlay	11,425	1,416	30,000	28,585
Transfer		20,000		(20,000)
Collection				
Personal Services	167,967	179,006	158,403	(20,603)
Contractual Services	41,972	3,963	15,700	11,737
Commodities	13,100	16,282	22,500	6,218
Capital Outlay		3,571	50,000	46,429
Transfer		45,000		(45,000)
Total Cash Expenditures	995,042	1,030,489	$ 1,054,125	$ 23,636
Receipts over (under) Expenditures	(88,907)	(87,112)		
CASH, BEGINNING BALANCE	425,124	336,217		
CASH, ENDING BALANCE	$ 336,217	$ 249,105		

CITY OF HOLTON, KANSAS

SCHEDULE 2N

TRASH FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Collection Fees	$ 204,183	$ 215,855	$ 204,000	$ 11,855
Total Cash Receipts	204,183	215,855	$ 204,000	$ 11,855
CASH EXPENDITURES:				
Contractual Services	188,347	165,796	$ 200,000	$ 34,204
Transfers Out		45,000		(45,000)
Total Cash Expenditures	188,347	210,796	$ 200,000	$ (10,796)
Receipts over (under) Expenditures	15,836	5,059		
CASH, BEGINNING BALANCE	11,458	27,294		
CASH, ENDING BALANCE	$ 27,294	$ 32,353		

CITY OF HOLTON, KANSAS

SCHEDULE 2O

UTILITY DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021

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

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Utility Deposits	$ 38,098	$ 34,302
Total Cash Receipts	38,098	34,302
CASH EXPENDITURES:		
Refunds	32,084	31,629
Total Cash Expenditures	32,084	31,629
Receipts over (under) Expenditures	6,014	2,673
CASH, BEGINNING BALANCE	75,382	81,396
CASH, ENDING BALANCE	$ 81,396	$ 84,069

CITY OF HOLTON, KANSAS

SCHEDULE 2P

CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Local Sales Tax and Jackson County	$	$	$ 287,000	$ (287,000)
Other Income	238,811	270,441		270,441
Transfer	2,400			
Total Cash Receipts	241,211	270,441	$ 287,000	$ (16,559)
CASH EXPENDITURES:				
Capital Outlay	36,583	27,534	$ 750,000	$ 722,466
Total Cash Expenditures	36,583	27,534	$ 750,000	$ 722,466
Receipts over (under) Expenditures	204,628	242,907		
CASH, BEGINNING BALANCE	935,581	1,140,209		
CASH, ENDING BALANCE	$ 1,140,209	$ 1,383,116		

CITY OF HOLTON, KANSAS

SCHEDULE 2Q

EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Other Revenue	$ 26,485	$ 1,089
Sales Tax	124,201	134,561
Transfer from other funds		406,500
Total Cash Receipts	150,686	542,150
CASH EXPENDITURES:		
Capital Outlay	195,383	11,550
Total Cash Expenditures	195,383	11,550
Receipts under Expenditures	(44,697)	530,600
CASH, BEGINNING BALANCE	603,211	558,514
CASH, ENDING BALANCE	$ 558,514	$ 1,089,114

CITY OF HOLTON, KANSAS

SCHEDULE 2R

INSURANCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Receipts for Premiums	$ 834,725	$ 841,289
Transfer	1,059	-
Total Cash Receipts	835,784	841,289
CASH EXPENDITURES:		
Contractual	836,317	842,202
Total Cash Expenditures	836,317	842,202
Receipts over (under) Expenditures	(533)	(913)
CASH, BEGINNING BALANCE	533	-
CASH, ENDING BALANCE	$ -	$ (913)

CITY OF HOLTON, KANSAS

SCHEDULE 2S

MUNICIPAL COURT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Fees	$ 16,712	$ 32,051
Total Cash Receipts	16,712	32,051
CASH EXPENDITURES:		
Bond refund and Other	169	(1)
Restitution	500	1,382
State Fines & Fees	4,739	7,948
Local Fines & Fees	14,766	20,384
Total Cash Expenditures	20,174	29,713
Receipts under Expenditures	(3,462)	2,338
CASH, BEGINNING BALANCE	6,469	3,007
CASH, ENDING BALANCE	$ 3,007	$ 5,345

CITY OF HOLTON, KANSAS

SCHEDULE 2T

MONEY MARKET FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Interest on Idle Funds	$ 10,756	$ 16,454
Total Cash Receipts	10,756	16,454
CASH EXPENDITURES:		
Transfer to Other Funds	1,059	27,000
Total Cash Expenditures	1,059	27,000
Receipts over Expenditures	9,697	(10,546)
CASH, BEGINNING BALANCE	4,372	14,069
CASH, ENDING BALANCE	$ 14,069	$ 3,523

CITY OF HOLTON, KANSAS

SCHEDULE 2U

MODERATE INCOME HOUSING GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Grant received	$	$ 278,484
Total Cash Receipts	-	278,484
CASH EXPENDITURES:		
Payments to developers		278,484
Total Cash Expenditures	-	278,484
Receipts over Expenditures	-	-
CASH, BEGINNING BALANCE		-
CASH, ENDING BALANCE	$ -	$ -

CITY OF HOLTON, KANSAS

SCHEDULE 2V

LIHEAP FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Interest and Transfer	$ 16,100	$ 32,541
Total Cash Receipts	16,100	32,541
CASH EXPENDITURES:		
Contractual Services	13,309	11,552
Total Cash Expenditures	13,309	11,552
Receipts over (under) Expenditures	2,791	20,989
CASH, BEGINNING BALANCE	4,951	7,742
CASH, ENDING BALANCE	$ 7,742	$ 28,731

CITY OF HOLTON, KANSAS

SCHEDULE 2W

CHEVIS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Miscellaneous Income	$	$
Total Cash Receipts		
CASH EXPENDITURES:		
Other		
Total Cash Disbursements		
Receipts over Expenditures		
CASH, BEGINNING BALANCE	718	718
CASH, ENDING BALANCE	$ 718	$ 718

CITY OF HOLTON, KANSAS

SCHEDULE 2X

CLOCK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Interest	$	$ 2
Total Cash Receipts		2
CASH EXPENDITURES:		
Transfer		
Total Cash Expenditures		
Receipts over Expenditures		2
CASH, BEGINNING BALANCE	123	123
CASH, ENDING BALANCE	$ 123	$ 125

CITY OF HOLTON, KANSAS

SCHEDULE 2Y

DONATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Donations	$ 22,047	$ 12,901
Total Cash Receipts	22,047	12,901
CASH EXPENDITURES:		
Expenditures	16,137	19,230
Total Cash Expenditures	16,137	19,230
Receipts over Expenditures	5,910	(6,329)
CASH, BEGINNING BALANCE	106,082	111,992
CASH, ENDING BALANCE	$ 111,992	$ 105,663

CITY OF HOLTON, KANSAS

SCHEDULE 2Z

DOG PARK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Bequest	$ -	$ -
Total Cash Receipts	-	-
CASH EXPENDITURES:		
Expenditures		-
Total Cash Expenditures	-	-
Receipts under Expenditures	-	-
CASH, BEGINNING BALANCE	15,100	15,100
CASH, ENDING BALANCE	$ 15,100	$ 15,100

CITY OF HOLTON, KANSAS

SCHEDULE 2AA

2004 PRINCIPAL & INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Transfer from Electric Fund	$ 193,000	$
Total Cash Receipts	193,000	
CASH EXPENDITURES:		
Transfer out	$	$ 12,522
Debt Service	270,300	842
Total Cash Expenditures	270,300	13,364
Receipts under Expenditures	(77,300)	(13,364)
CASH, BEGINNING BALANCE	90,664	13,364
CASH, ENDING BALANCE	$ 13,364	$ (0)

CITY OF HOLTON, KANSAS

SCHEDULE 2BB

2009 PRINCIPAL & INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Transfer from the Electric Fund	$	$
Total Cash Receipts		
CASH EXPENDITURES:		
Transfer to General	$	$ 4,060
Total Cash Expenditures		4,060
Receipts over Expenditures		(4,060)
CASH, BEGINNING BALANCE	4,060	4,060
CASH, ENDING BALANCE	$ 4,060	$

CITY OF HOLTON, KANSAS

SCHEDULE 2CC

WATER BOND RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
CASH RECEIPTS:		
Transfer	$	$
Total Cash Receipts	-	-
CASH EXPENDITURES:		
Other		
Total Cash Expenditures	-	-
Receipts over Expenditures	-	-
CASH, BEGINNING BALANCE	37,500	37,500
CASH, ENDING BALANCE	$ 37,500	$ 37,500

CITY OF HOLTON, KANSAS

SCHEDULE 2DD

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET - REGULATORY BASIS
YEAR ENDING DECEMBER 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Ad Valorem Tax	$ 363	$ 378	$	$ 378
Motor Vehicle Tax	3,625	138		138
Total Cash Receipts	3,988	516	$	$ 516
CASH EXPENDITURES:				
Transfer to General Fund		38,417	$ 33,907	$ (4,510)
Total Cash Expenditures	-	38,417	$ 33,907	$ (4,510)
Receipts over Expenditures	3,988	(37,901)		
CASH, BEGINNING BALANCE	33,913	37,901		
CASH, ENDING BALANCE	$ 37,901	$ -		

SCHEDULE OF INSURANCE
YEAR ENDED DECEMBER 31, 2021

Policy Type	Expiration Date	Company	Annual Premium	Amount of Coverage	Description
General Liability	4/1/2022	Employers Mutual Casualty Company (EMCC)	$16,325	2,000,000	Aggregate limit
				500,000	Property damage limit
				1,000,000	Personal injury limit
				1,000,000	Advertising injury limit
				10,000	Medical expense
Commercial Property	4/1/2022	EMCC	$51,156	17,136,363	Building and personal property
Linebacker Coverage	4/1/2022	EMCC	$3,800	1,000,000	Each loss
				2,000,000	Aggregate
Crime	4/1/2022	EMCC	$219	10,000	Employee theft per loss
				10,000	Theft of money
				10,000	Outside the premises
Inland Marine	4/1/2022	EMMC	$3,334	559,328	Equipment
Workers' Compensation	4/1/2022	EMCC	$30,338	500,000	Bodily injury by accident
				500,000	Bodily injury by each employee
				500,000	Bodily injury by policy limit
Business Auto	4/1/2022	EMCC	$27,578	1,000,000	Liability
				1,000,000	Uninsured motorists
Data Compromise	4/1/2022	EMCC	$660	50,000	Aggregate
Law Enforcement	4/1/2022	EMCC	$4,475	1,000,000	Each loss
				2,000,000	Aggregate
				5,000	Medical Expense
				5,000	Deductible
Umbrella	4/1/2022	EMCC	$7,887	1,000,000	Liability each loss
				1,000,000	Personal & Advertising Injury
				1,000,000	Aggregate
Commercial Output	4/1/2022	EMCC	$47,281	37,586,804	Building and equipment
				50,000	Business personal property
				5,000	Deductible

CITY OF HOLTON, KANSAS

SUPPLEMENTAL

SCHEDULE OF UTILITY STATISTICS
YEARS ENDED DECEMBER 31, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 AND 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
WATER										
Gallons of water sold	152,175,179	147,321,470	125,090,600	135,447,700	137,518,600	162,783,902	147,594,880	142,300,680	144,092,600	153,035,610
Number of customers	1,544	1,529	1,505	1,544	1,556	1,551	1,535	1548	1556	1558
Average gallons sold per customer per month	8,213	8,029	6,926	7,310	7,365	8,746	8,013	7,660	7,717	8,185
Gallons of water produced and purchased	177,298,000	173,109,000	145,181,000	157,455,000	168,141,000	192,005,000	181,391,000	163,550,000	167,172,000	174,414,000
Water Loss %	14.17%	14.90%	13.84%	13.98%	18.21%	15.22%	18.63%	12.99%	13.81%	12.26%
ELECTRICITY										
Kilowatts of electricity sold	44,537,107	43,441,497	43,960,089	45,008,058	47,678,008	43,446,314	50,413,494	46,948,425	45,922,578	45,818,474
Number of customers	2,424	2,423	2,398	2,428	2,467	2,480	2,460	2,476	2487	2487
Average kilowatts sold per customer per month	1,531	1,494	1,528	1,545	1,611	1,460	1,708	1,580	1,539	1,535

CITY OF HOLTON, KANSAS

SUPPLEMENTAL

SCHEDULE OF OTHER STATISTICS
YEARS ENDED DECEMBER 31, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 AND 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,343	3,343
Valuations	20,105,760	19,870,078	19,610,068	19,655,233	19,601,196	19,556,913	20,929,211	21,346,738	22,418,995	23,337,547
Mill Levy - Total	54.324	54.324	54.306	54.363	54.517	58,132	60.748	60.745	60.257	60.257
Total Receipts	$11,197,722	$12,001,599	$12,070,345	$11,654,615	$12,200,423	$12,009,002	$11,873,913	11,284,903	11,170,946	12,597,565
Total Expenditures	$11,183,980	$11,574,635	$11,731,463	$12,039,130	$12,031,956	$11,509,686	$11,075,679	10,904,797	10,278,081	10,831,611
Receipts Per Capita	$3,364	$3,605	$3,626	$3,501	$3,665	$3,607	$3,567	$3,390	$3,342	$3,768
Disbursements Per Capita	$3,360	$3,477	$3,524	$3,616	$3,614	$3,457	$3,327	$3,276	$3,075	$3,240
Bond Indebtedness	$8,359,745	$ 2,720,000	$ 2,140,000	$ 1,825,000	$ 1,475,000	$ 1,110,000	$ 745,000	$ 265,000	$0	$0
Bond Indebtedness Per Capita	$2,511	$817	$643	$548	$443	$333	$224	$80	$0	$0