CITY OF LANSING, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Lansing, Kansas
Lansing, Kansas

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **City of Lansing, Kansas**, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-Type Activities	Qualified
Each Major Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinions on Governmental Activities and Business-Type Activities
In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and business-type activities of **City of Lansing, Kansas** as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information
In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of **City of Lansing, Kansas**, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified 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 Statements 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 qualified and unmodified audit opinions.

above+beyond
AdamsBrown, LLC

Matter Giving Rise to Qualified Opinion on the Governmental Activities and Business-Type Activities
The financial statements do not include the required annual cost and long-term obligations of the City as required by Governmental Auditing Standards Board Statements Number 75. Accounting principles generally accepted in the United States of America require the financial data for these other postemployment benefits be reported in the financial statements. The amount by which this departure from accounting principles generally accepted in the United States of America would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the financial statements has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of Lansing, Kansas'** basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the "Basis for Qualified and Unmodified Opinions" paragraph, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Adamsbrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

May 19, 2022

As management of the City of Lansing, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lansing for the calendar year ended December 31, 2021.

Financial Highlights

- Assets of the City of Lansing exceeded its liabilities at the close of the most recent calendar year by $20,273,217.
- At the close of the current calendar year, the City of Lansing's governmental funds reported combined ending fund balances of $6,376,109.
- At the end of the current calendar year, the unassigned fund balance for the general fund was $3,323,891.
- The City's total long term-debt decreased by $2,715,487 during the current calendar year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Lansing's basic financial statements. The City of Lansing's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Lansing's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City of Lansing's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lansing is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Government-wide financial statements distinguish functions of the City of Lansing that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the City of Lansing include general government, public safety, public works (roads, utilities and traffic controls), parks and recreation, library and employee benefits. The business-type activities of the City of Lansing include wastewater and solid waste activities. The City of Lansing has no component units, which are entities that are legally separate, but for which the City is financially accountable.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City of Lansing, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Lansing can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the calendar year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental funds financial statements can be found on pages 12 and 14 of this report. The City of Lansing adopts an annual appropriated budget for all governmental funds as required by state statute.

Proprietary funds. The City of Lansing maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Lansing uses enterprise funds to account for its Wastewater and Solid Waste activities. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* available to support the City of Lansing's own programs and therefore are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 19 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lansing, assets exceeded liabilities by $20,273,217 at the close of 2021.

By far, the largest portion of the City of Lansing's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City of Lansing used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Lansing's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF LANSING CONDENSED NET POSITION
December 31, 2021

		Governmental Activities	Business-Type Activities	**Total 2021**	Total 2020
Assets					
Current and Other Assets	$	13,804,239	3,459,448	**17,263,687**	14,796,589
Capital Assets, Net of Depreciation		19,369,801	16,615,150	**35,984,951**	37,901,748
Total Assets		33,174,040	20,074,598	**53,248,638**	52,698,337
Deferred Outflows of Resources		1,064,698	73,113	**1,137,811**	1,339,633
Liabilities					
Current and Other Liabilities		1,276,701	268,004	**1,544,705**	602,859
Long-Term Liabilities		17,006,387	10,222,522	**27,228,909**	31,180,066
Total Liabilities		18,283,088	10,490,526	**28,773,614**	31,782,925
Deferred Inflows of Resources		5,268,232	71,386	**5,339,618**	3,873,013
Net Position					
Net Investment in Capital Assets		7,694,468	6,604,386	**14,298,854**	13,616,282
Restricted for Expendable - Debt Service		135,290	-	**135,290**	91,434
Unrestricted		2,857,660	2,981,413	**5,839,073**	4,674,316
Total Net Position	$	10,687,418	9,585,799	**20,273,217**	18,382,032

A portion of the City of Lansing's net assets $135,290 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets $5,839,073 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current calendar year, the City of Lansing can report positive balances in all three categories of net assets for the government as a whole.

CITY OF LANSING CONDENSED STATEMENT OF ACTIVITIES
December 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Change in Net Position: Governmental Activities	Net (Expenses) Revenues and Change in Net Position: Business-Type Activities	Totals: 2021	Totals: 2020
Governmental Activities							
General Government	$ (2,001,425)	636,999	1,821	(1,362,605)	-	**(1,362,605)**	(233,674)
Public Safety	(2,103,459)	8,730	-	(2,094,729)	-	**(2,094,729)**	(2,112,417)
Public Works	(2,963,174)	92,123	138,051	(2,733,000)	-	**(2,733,000)**	(2,271,725)
Library	(324,260)	4,453	16,882	(302,925)	-	**(302,925)**	(302,553)
Culture and Recreation	(1,212,051)	50,447	-	(1,161,604)	-	**(1,161,604)**	(892,739)
Interest	(390,238)	-	-	(390,238)	-	**(390,238)**	(449,617)
Total Governmental Activities	(8,994,607)	792,752	156,754	(8,045,101)	-	**(8,045,101)**	(6,262,725)
Business-Type Activities							
Sewer Utility	(2,458,196)	3,339,659	-	-	881,463	**881,463**	43,500
Refuse Utility	(559,824)	606,716	-	-	46,892	**46,892**	(121,717)
Total Business-Type Activities	(3,018,020)	3,946,375	-	-	928,355	**928,355**	(78,217)
Total	$ (12,012,627)	4,739,127	156,754	(8,045,101)	928,355	**(7,116,746)**	(6,340,942)
General Revenues and Transfers							
Property Tax				$ 4,379,249	-	**4,379,249**	4,174,186
Sales Tax				3,176,677	-	**3,176,677**	2,810,259
Franchise Tax				680,517	-	**680,517**	654,021
Motor Fuel Tax				489,023	-	**489,023**	460,657
Alcoholic Beverage Tax				53,826	-	**53,826**	48,926
Transient Guest Tax				200,109	-	**200,109**	135,739
Use of Money or Property				122	75	**197**	13,372
Gain (Loss) on Sale of Assets				28,333	-	**28,333**	24,108
Total General Revenues and Transfe				9,007,856	75	**9,007,931**	8,321,268
Change in Net Position				962,755	928,430	**1,891,185**	1,980,326
Net Position - Beginning of Year				9,835,245	8,546,787	**18,382,032**	16,165,586
Prior Period Restatement				(110,582)	110,582	**-**	236,120
Net Position - End of Year				$ 10,687,418	9,585,799	**20,273,217**	18,382,032

As further explained in Note 11, the financial statements have been restated to accurately reflect the General Obligation Bonds for various sewer projects in the Wastewater Fund that was previously recorded in the Bond and Interest Fund.

Financial Analysis of the Government's Funds

As noted earlier, the City of Lansing uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The financial reporting focus of the City of Lansing's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City of Lansing's financing requirements. In particular, *unreserved fund balance* may serve as useful measure of a government's net resources available for spending at the end of the calendar year.

As of the end of the current calendar year, the City of Lansing's governmental funds reported combined ending fund balances of $6,376,109. Of this total amount $3,323,891 constitutes the portion of the fund balance which is available to meet the future financial needs of the City. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been expended.

The general fund is the chief operating fund of the City of Lansing. At the end of the current calendar year, unassigned fund balance of the general fund was $3,323,891. The City of Lansing's general fund balance increased by $313,205 during the current calendar year.

Proprietary funds. The City of Lansing's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The ending net assets for the proprietary funds were $9,585,799, a net increase of $1,039,012.

The unrestricted net assets of the two enterprise funds totaled $2,981,413.

General Fund Budgetary Highlights

The City continues to develop long term strategies to manage debt, while limiting the fiscal burden on the citizens of Lansing. Management is watching the City's debt load to ensure that future revenues will be sufficient to retire the debt without jeopardizing essential City services.

Revenues for the general fund operations were more than estimated by $714,789, and departmental expenditures on the budgetary basis were less than appropriated amounts by $1,014,849.

Transfers out of the general fund totaled $1,035,000 for the year ended December 31, 2021 (see Statement of Revenues, Expenditures and Change in Fund Balances on page 14 of this report).

Revenues from ad valorem taxes represented the largest general fund revenue source with collections totaling $2.37 million or 41% of all general fund revenues. At $2.60 million or 40% of all general fund revenue collected, current year retail sales and use taxes represent the second largest revenue source for the general fund. The Mill Levy increased by .016 mills in 2021, to 41.571 mills.

Enterprise Operations

The City's enterprise operations consist of two separately accounted for operations which are administered by two different departments: Finance and Wastewater. Operating revenues for the City's combined enterprise operations *increased* by $941,206.

Capital Asset and Debt Administration

***Capital assets*.** The City of Lansing's investment in capital assets for its governmental and business type activities as of December 31, 2021 amount to $35,984,951 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park and municipal facilities, roads, highways and sidewalks. The total increase in the City of Lansing's investment in capital assets for the current calendar year was $720,198. Details of the City of Lansing's capital assets are continued in Note 3 to financial statements on page 29.

Long-term debt. At the end of the current calendar year, the City of Lansing had total bonded debt outstanding of $23,933,489, which comprises debt backed by the full faith and credit of the City. (More detailed information about the agency's long-term liabilities is presented in Note 4 to the financial statement on pages 30-31).

The City of Lansing's total debt decreased by 10.19% during the current year.

Economic Factors and Next Year's Budgets and Rates

The local economy of City of Lansing continues to show growth despite the impact of COVID-19. Sales tax revenues continue to increase. The city still endeavors to limit expenditures to ensure long-term financial sustainability. The assessed valuation is estimated to change significantly for 2022. The most recent data indicates that valuations will increase between 11% and 13%.

In adopting the budget for the ensuing calendar year 2022, City officials considered many factors in making judgments and estimates about the finances of the upcoming year. The biggest consideration was still the impact of COVID-19 on revenues such as sales and use tax. The Revenue Neutral Rate (SB 13)

was also a factor in budget preparation. Thus, City officials remained conservative with revenue projections.

Upcoming and current capital projects scheduled are:

- Street, Sidewalk and Drainage Projects
- Construction of a Baseball/Softball Complex at Bernard Park
- K7 & Eisenhower Intersection Improvements
- Development in Towne Centre
- McIntyre Sewer Project

The primary objective of the Council was to continue to provide basic city services to the citizens, while attempting to keep the property tax rate substantially the same. The City's Mill Levy rate of 41.571 in 2021 decreased to 41.027 for 2022.

Requests for Information

This financial report is designed to provide a general overview of the City of Lansing's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Department, 800 1st Terrace, Lansing, Kansas 66043.

Elizabeth Sanford

Elizabeth Sanford
Finance Director
City of Lansing, Kansas

CITY OF LANSING, KANSAS
Statement of Net Position
December 31, 2021
(With Comparative Totals as of December 31, 2020)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		Governmental Activities	Business-Type Activities	Totals 2021	Totals 2020
Assets					
Cash and Cash Equivalents	$	7,357,755	2,825,843	**10,183,598**	8,169,184
Receivables, Net of Allowance		3,959,406	630,806	**4,590,212**	4,341,098
Prepaid Expenses		410,174	2,799	**412,973**	135,541
Assets Held for Sale		2,076,904	-	**2,076,904**	2,150,765
Capital Assets					
Land		1,353,970	19,547	**1,373,517**	1,311,517
Depreciable Buildings, Property and Equipment, Net of Depreciation		18,015,831	16,595,603	**34,611,434**	36,488,485
Construction in Progress		-	-	**-**	35,465
Asset Not in Use		-	-	**-**	66,281
Total Assets		33,174,040	20,074,598	**53,248,638**	52,698,336
Deferred Outflows of Resources					
Pension Plan		1,064,698	73,113	**1,137,811**	1,339,633
Total Assets and Deferred Outflows of Resources		34,238,738	20,147,711	**54,386,449**	54,037,969
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities					
Accounts Payable		169,694	115,156	**284,850**	253,153
Customer Deposits		-	21,150	**21,150**	20,925
Accrued Interest Payable		121,912	98,457	**220,369**	242,619
Salaries and Wages Payable		73,332	33,241	**106,573**	86,161
Deferred Revenue - Grants		911,763	-	**911,763**	-
Noncurrent Liabilities					
Net Pension Liability		3,083,662	211,758	**3,295,420**	4,531,090
Due Within One Year		1,233,750	1,293,819	**2,527,569**	2,692,209
Due in More Than One Year		12,688,975	8,716,945	**21,405,920**	23,956,767
Total Liabilities		18,283,088	10,490,526	**28,773,614**	31,782,924
Deferred Inflows of Resources					
Deferred Receivable - Property Taxes		4,196,436	-	**4,196,436**	3,732,851
Pension Plan		1,039,544	71,386	**1,110,930**	102,535
Early Debt Refunding		32,252	-	**32,252**	37,627
Total Deferred Inflows of Resources		5,268,232	71,386	**5,339,618**	3,873,013
Total Liabilities and Deferred Inflows of Resources		23,551,320	10,561,912	**34,113,232**	35,655,937
NET POSITION					
Net Investment in Capital Assets		7,694,468	6,604,386	**14,298,854**	13,578,656
Restricted for Expendable - Debt Service		135,290	-	**135,290**	91,434
Unrestricted		2,857,660	2,981,413	**5,839,073**	4,711,942
Total Net Position	$	10,687,418	9,585,799	**20,273,217**	18,382,032

Notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Statement of Activities
For the Year Ended December 31, 2020
(With Comparative Totals as of December 31, 2020)

		Program Revenues		Net (Expenses) Revenues and Change in Net Position		Totals	
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2021	2020
Governmental Activities							
General Government	$ (2,001,425)	636,999	1,821	(1,362,605)	-	**(1,362,605)**	(233,674)
Public Safety	(2,103,459)	8,730	-	(2,094,729)	-	**(2,094,729)**	(2,112,417)
Public Works	(2,963,174)	92,123	138,051	(2,733,000)	-	**(2,733,000)**	(2,271,725)
Library	(324,260)	4,453	16,882	(302,925)	-	**(302,925)**	(302,553)
Culture and Recreation	(1,212,051)	50,447	-	(1,161,604)	-	**(1,161,604)**	(892,739)
Interest	(390,238)	-	-	(390,238)	-	**(390,238)**	(449,617)
Total Governmental Activities	(8,994,607)	792,752	156,754	(8,045,101)	-	**(8,045,101)**	(6,262,725)
Business-Type Activities							
Wastewater Utility	(2,458,196)	3,339,659	-	-	881,463	**881,463**	43,500
Solid Waste Utility	(559,824)	606,716	-	-	46,892	**46,892**	(121,717)
Total Business-Type Activities	(3,018,020)	3,946,375	-	-	928,355	**928,355**	(78,217)
Total	$ (12,012,627)	4,739,127	156,754	(8,045,101)	928,355	**(7,116,746)**	(6,340,942)
		General Revenues					
		Property Tax		$ 4,379,249	-	**4,379,249**	4,174,186
		Sales Tax		3,176,677	-	**3,176,677**	2,810,259
		Franchise Tax		680,517	-	**680,517**	654,021
		Motor Fuel Tax		489,023	-	**489,023**	460,657
		Alcoholic Beverage Tax		53,826	-	**53,826**	48,926
		Transient Guest Tax		200,109	-	**200,109**	135,739
		Use of Money or Property		122	75	**197**	13,372
		Miscellaneous		28,333	-	**28,333**	24,108
		Total General Revenues		9,007,856	75	**9,007,931**	8,321,268
		Change in Net Position		962,755	928,430	**1,891,185**	1,980,326
		Net Position - Beginning of Year		9,835,245	8,546,787	**18,382,032**	16,165,586
		Prior Period Restatement		(110,582)	110,582	**-**	236,120
		Net Position - End of Year		$ 10,687,418	9,585,799	**20,273,217**	18,382,032

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Balance Sheet
Governmental Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

		General Fund	Bond and Interest Fund	Capital Improvement Fund	ARPA Fund	Other Governmental Funds	Totals 2021	Totals 2020
ASSETS								
Assets								
Cash and Cash Equivalents	$	3,519,779	372,321	965,724	511,763	1,988,168	**7,357,755**	5,993,544
Property Taxes Receivable		2,744,033	904,041	-	-	311,332	**3,959,406**	3,732,851
Prepaid Expenses		10,174	-	-	400,000	-	**410,174**	130,475
Total Assets	$	6,273,986	1,276,362	965,724	911,763	2,299,500	**11,727,335**	9,856,870
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE								
Liabilities								
Accounts Payable	$	104,017	-	-	-	65,677	**169,694**	202,607
Salaries and Wages Payable		64,428	-	-	-	8,905	**73,333**	54,016
Deferred Revenue - Grants		-	-	-	911,763	-	**911,763**	-
Total Liabilities		168,445	-	-	911,763	74,582	**1,154,790**	256,623
Deferred Inflows of Resources								
Deferred Receivable - Property Taxes		2,744,033	1,141,072	-	-	311,331	**4,196,436**	3,732,851
Total Liabilities and Deferred Inflows of Resources		2,912,478	1,141,072	-	911,763	385,913	**5,351,226**	3,989,474
Fund Balance								
Nonspendable		10,174	-	-	-	-	**10,174**	130,475
Restricted		27,443	135,290	965,724	-	1,812,058	**2,940,515**	1,824,753
Assigned		-	-	-	-	101,529	**101,529**	994,340
Unassigned		3,323,891	-	-	-	-	**3,323,891**	2,917,828
Total Fund Balance		3,361,508	135,290	965,724	-	1,913,587	**6,376,109**	5,867,396
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$	6,273,986	1,276,362	965,724	911,763	2,299,500	**11,727,335**	9,856,870

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Reconciliation of the Statement of Net Position to the
Balance Sheet for Governmental Funds
December 31, 2021

Fund balances of governmental funds from the balance sheet.	$	6,376,109
Amounts reported for governmental activities in the statement of net position differ from the fund balances of governmental funds on the preceding balance sheet as shown in the following reconciliation:		
Capital assets and construction in process, net of depreciation, have not been included as financial resources in governmental fund activity on the balance sheet.		21,446,705
Long-term debt has not been included in the governmental funds activity on the balance sheet.		
General Obligation Bonds		(13,710,564)
Capital Leases		(9,421)
Compensated Absences		(202,740)
Net pension liability has not been included in the governmental fund activity on the balance sheet.		(3,083,662)
Deferred pension contributions and other resulting from the pension liability are recognized as deferred outflows and inflows on the balance sheet.		25,154
Early debt refunding has not been included in the governmental fund activity on the balance sheet.		(32,252)
Accrued interest payable for the current portion of interest due on bonds and capital leases has not been reported in the governmental funds on the balance sheet.		(121,911)
Net position of governmental activities as reported.	$	10,687,418

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	General Fund	Bond and Interest Fund	Capital Improvement Fund	ARPA Fund	Other Governmental Funds	Totals 2021	Totals 2020
Revenues							
Taxes	$ 5,300,470	1,441,838	-	-	1,556,577	**8,298,885**	7,629,767
Intergovernmental	1,821	-	138,051	-	16,882	**156,754**	2,053,924
Licenses, Permits and Franchise Fees	833,046	-	-	-	-	**833,046**	764,893
Fines and Forfeitures	409,697	-	-	-	-	**409,697**	293,848
Interest	33	6	1	-	82	**122**	5,798
Other	34,084	391	91,916	-	224,226	**350,617**	160,149
Total Revenues	6,579,151	1,442,235	229,968	-	1,797,767	**10,049,121**	10,908,379
Expenditures							
General Government	1,901,199	-	-	-	179,281	**2,080,480**	4,171,175
Public Safety	2,067,892	-	-	-	44,333	**2,112,225**	2,166,669
Public Works	628,099	-	1,070,045	-	469,805	**2,167,949**	2,047,263
Culture and Recreation	633,756	-	-	-	611,127	**1,244,883**	971,493
Construction and Engineering	-	-	14,295	-	135,922	**150,217**	1,412,958
Debt Service	-	1,784,654	-	-	-	**1,784,654**	3,036,333
Small Business Grants	-	-	-	-	-	**-**	220,000
Total Expenditures	5,230,946	1,784,654	1,084,340	-	1,440,468	**9,540,408**	14,025,891
Excess (Deficit) of Revenues Over Expenditures	1,348,205	(342,419)	(854,372)	-	357,299	**508,713**	(3,117,512)
Other Financing Sources (Uses)							
Proceeds - General Obligation Bonds	-	-	-	-	-	**-**	1,000,000
Proceeds - Temporary Notes	-	-	-	-	-	**-**	2,210,000
Original Issue Premium	-	-	-	-	-	**-**	62,922
Bond Costs of Issuance	-	-	-	-	-	**-**	(55,262)
Transfers In	-	386,275	840,000	-	195,000	**1,421,275**	1,789,282
Transfers Out	(1,035,000)	-	-	-	(386,275)	**(1,421,275)**	(1,726,782)
Net Other Financing Sources (Uses)	(1,035,000)	386,275	840,000	-	(191,275)	**-**	3,280,160
Net Change in Fund Balance	313,205	43,856	(14,372)	-	166,024	**508,713**	162,648
Fund Balance - Beginning of Year	3,048,303	91,434	980,096	-	1,747,563	**5,867,396**	5,704,748
Fund Balance - End of Year	$ 3,361,508	135,290	965,724	-	1,913,587	**6,376,109**	5,867,396

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
December 31, 2021

Net change in fund balance - total governmental funds	$	508,713
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($1,149,584) and loss on sale of assets ($91,757) and exceeded capital outlays ($210,700) in the current period.		(1,030,641)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Bond repayments were paid ($1,374,553) and capital lease payments were made ($4,208), which are recorded in the governmental funds as receipts and expenditures.		1,378,761
The amortization of bond premiums and discounts affects long-term liabilities on the Statement of Net Position, but does not provide or consume current financial resources of the governmental		53,934
Deferred refunding costs reduce current financial resources of governmental funds, but do not decrease long-term liabilities in the Statement of Net Position.		5,375
An expense is recorded for pension liability when incurred. In the governmental funds, an expense is recorded when the benefits are paid.		15,689
Accrued interest payable decreased from the prior year. This balance is not accounted for in the governmental funds. However, the changes are reflected in the statement of activities.		20,919
An expense is recorded for compensated absences when incurred. In the governmental funds, an expense is recorded when the benefits are paid.		10,005
Change in net position of governmental activities.	$	962,755

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Statement of Net Position
Proprietary Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	Business-Type Activities Enterprise Funds		Totals	
	Wastewater Fund	Solid Waste Fund	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash and Cash Equivalents	$ 2,659,153	166,690	**2,825,843**	2,175,640
Receivables, Net of Allowance	547,202	83,604	**630,806**	608,247
Prepaid Expenses	2,799	-	**2,799**	5,066
Total Current Assets	3,209,154	250,294	**3,459,448**	2,788,953
Noncurrent Assets				
Capital Assets				
Land	19,547	-	**19,547**	19,547
Depreciable Buildings, Property, and Equipment, Net of Depreciation	16,595,603	-	**16,595,603**	17,520,155
Construction in Progress	-	-	**-**	35,465
Total Noncurrent Assets	16,615,150	-	**16,615,150**	17,575,167
Deferred Outflows of Resources				
Pension Plan	73,113	-	**73,113**	89,388
Total Assets and Deferred Outflows of Resources	19,897,417	250,294	**20,147,711**	20,453,508
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities				
Accounts Payable	68,718	46,438	**115,156**	50,545
Salaries and Wages Payable	33,241	-	**33,241**	32,145
Customer Deposits	21,150	-	**21,150**	20,925
Accrued Interest Payable	98,457	-	**98,457**	99,790
Current Portion of General Obligation Bonds Payable	1,293,819	-	**1,293,819**	1,294,067
Total Current Liabilities	1,515,385	46,438	**1,561,823**	1,497,472
Noncurrent Liabilities				
Net Pension Liability	211,758	-	**211,758**	302,341
General Obligation Bonds Payable	8,716,945	-	**8,716,945**	10,100,066
Total Noncurrent Liabilities	8,928,703	-	**8,928,703**	10,402,407
Total Liabilities	10,444,088	46,438	**10,490,526**	11,899,879
Deferred Inflows of Resources				
Pension Plan	71,386	-	**71,386**	6,842
Total Liabilities and Deferred Inflows of Resources	10,515,474	46,438	**10,561,912**	11,906,721
NET POSITION				
Net Position				
Invested in Capital Assets, Net of Related Debt	6,604,386	-	**6,604,386**	6,181,034
Unrestricted	2,777,557	203,856	**2,981,413**	2,365,753
Total Net Position	$ 9,381,943	203,856	**9,585,799**	8,546,787

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Business-Type Activities Enterprise Funds		Totals	
	Wastewater Fund	Solid Waste Fund	2021	2020
Operating Revenue				
Wastewater Service Charges	$ 3,098,623	-	**3,098,623**	2,570,644
Solid Waste Service Charges	-	605,178	**605,178**	429,814
Other Income	241,036	1,538	**242,574**	4,711
Total Operating Revenues	3,339,659	606,716	**3,946,375**	3,005,169
Operating Expenses				
Salaries, Wages, and Benefits	413,832	-	**413,832**	431,178
Purchased Services	213,345	-	**213,345**	258,564
Commodities	27,057	-	**27,057**	36,907
Insurance	39,183	-	**39,183**	31,068
Sewer Maintenance	439,822	-	**439,822**	413,230
Waste Collection	-	559,824	**559,824**	553,826
Depreciation and Amortization	1,018,898	-	**1,018,898**	985,917
Total Operating Expenses	2,152,137	559,824	**2,711,961**	2,710,690
Net Operating Income	1,187,522	46,892	**1,234,414**	294,479
Nonoperating Revenues (Expenses)				
Interest Income	69	6	**75**	7,574
Bond Issuance Costs	-	-	**-**	(52,215)
Bond Interest	(306,059)	-	**(306,059)**	(320,481)
Total Nonoperating Revenues	(305,990)	6	**(305,984)**	(365,122)
Net Income Before Capital Contributions and Transfers	881,532	46,898	**928,430**	(70,643)
Capital Contributions and Transfers				
Transfers Out	-	-	**-**	(62,500)
Contributed Capital	-	-	**-**	2,054,058
Net Capital Contributions and Transfers	-	-	**-**	1,991,558
Change in Net Position	881,532	46,898	**928,430**	1,920,915
Net Position - Beginning of Year	8,389,829	156,958	**8,546,787**	13,202,652
Prior Period Restatement	110,582	-	**110,582**	(6,576,780)
Net Position - End of Year	$ 9,381,943	203,856	**9,585,799**	8,546,787

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Statement of Cash Flows
Proprietary Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	Business-type Activities Enterprise Funds		Totals	
	Wastewater Fund	Solid Waste Fund	2021	2020
Cash Flows From Operating Activities				
Receipts From Customers	$ 3,313,612	610,204	**3,923,816**	3,421,586
Payments to Suppliers	(652,373)	(559,755)	**(1,212,128)**	(1,336,675)
Payments to Employees	(422,500)	-	**(422,500)**	(431,177)
Net Cash Provided by Operating Activities	2,238,739	50,449	**2,289,188**	1,653,734
Cash Flows From Investing Activities				
Interest on Investments and Deposits	69	6	**75**	7,574
Cash Flows From Noncapital Financing Activities				
Transfers to Other Funds	-	-	**-**	(62,500)
Cash Flows From Capital and Related Financing Activities				
Purchase and Construction of Capital Assets	(107,948)	-	**(107,948)**	(388,679)
General Obligation Bond Proceeds	-	-	**-**	3,180,000
Principal Payments - General Obligation Bonds	(1,210,447)	-	**(1,210,447)**	(4,355,000)
Bond Refunding	-	-	**-**	135,599
Interest Payments	(320,665)	-	**(320,665)**	(362,796)
Net Cash Used by Capital and Related Financing Activities	(1,639,060)	-	**(1,639,060)**	(1,790,876)
Net Increase (Decrease) in Cash	599,748	50,455	**650,203**	(192,068)
Cash - Beginning of Year	2,059,405	116,235	**2,175,640**	2,367,708
Cash - End of Year	$ 2,659,153	166,690	**2,825,843**	2,175,640
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities				
Net Operating Income	$ 1,187,522	46,892	**1,234,414**	294,479
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities				
Depreciation and Amortization	1,018,898	-	**1,018,898**	985,917
(Increase) Decrease in Accounts Receivable	(26,046)	3,488	**(22,558)**	450,818
(Increase) Decrease in Prepaid Expenses	2,267	-	**2,267**	(5,065)
(Increase) Decrease in Deferred Outflows	16,275	-	**16,275**	(36,470)
Increase (Decrease) in Accounts Payable	64,541	69	**64,610**	(82,592)
Increase (Decrease) in Accrued Liabilities	1,096	-	**1,096**	(10,307)
Increase (Decrease) in Customer Deposits	225	-	**225**	1,650
Increase (Decrease) in Net Pension Liability	(90,583)	-	**(90,583)**	58,780
Increase (Decrease) in Deferred Inflows	64,544	-	**64,544**	(3,476)
Net Cash Provided by Operating Activities	$ 2,238,739	50,449	**2,289,188**	1,653,734

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Statement of Fiduciary Net Position
Combined Fiduciary Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

		2021	2020
ASSETS			
Cash and Cash Equivalents	$	**35,371**	35,979
LIABILITIES			
Due to Others	$	**17,453**	17,935
Bonds Posted Escrow		**17,918**	18,044
Total Liabilities	$	**35,371**	35,979

CITY OF LANSING, KANSAS
Statement of Changes in Fiduciary Net Position
Combined Fiduciary Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

		2021	2020
Revenues	$	**-**	-
Expenditures		**-**	-
Excess (Deficit) of Revenues Over Expenditures		**-**	-
Net Change in Fund Balance		**-**	-
Fund Balance - Beginning of Year	$	**-**	-

The notes to the financial statements are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of **City of Lansing, Kansas**, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments (GASB 34 Edition), and by the Financial Accounting Standards Board, when applicable. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and eight-member council. The City receives funding from local, state, and federal governmental sources and must comply with the requirements of these funding sources. The financial statements of the City consist of all the funds of the City and governmental entities that are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The City does not have a legally separate component unit.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect certain reported amounts and disclosures that can affect these financial statements. Actual results could differ from those estimates.

Government-Wide and Fund Financial Statements

The government-wide financial statements, (i.e. the statement of net position and the statement of activities) report financial information for the City as a whole excluding fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges for services which report fees, fines and forfeitures, and other charges to users of the City's services, operating grants which finance annual operating activities including investment income, and capital grants which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Governmental fund financial statements distinguish revenues and expenditures from other financing sources and uses. Other financing sources and uses are increases or decreases in the fund balance of a governmental fund that are not considered revenues or expenditures. Only items identified as other financing sources and uses by authoritative standards may be classified as such (e.g. proceeds from the issuance of long-term debt and transfers between funds).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are

charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for custodial funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Special assessments are recognized as revenue when levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements
Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are franchise taxes, special assessments, investment earnings, and certain Federal and State grants and entitlements. Licenses, permits, fees for services, and fines are not susceptible to accrual, because generally they are not measurable until received in cash. While property taxes and special assessments are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year- end, because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by deferred inflows accounts.

The government reports the following major governmental funds:

General Fund – The general fund is the main operating fund of the City. This fund is used to account for all financial resources of the City, except those required to be accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the general fund.

Bond and Interest Fund – The bond and interest fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the bond and interest fund is reserved, to signify that amounts are restricted exclusively for bond and interest expenditures.

Capital Improvement Fund – The capital improvement fund accounts for the financial resources to be used for the acquisition or construction of major capital improvement projects of the City.

ARPA Fund – The ARPA fund accounts for the financial resources to be used for allowable expenditures under the American Rescue Plan Act of 2021.

The government reports the following major proprietary funds:

Wastewater Fund – This fund provides accountability for all phases of operation and maintenance of the City's public sewer system.

Solid Waste Fund – This fund accounts for solid waste operations and maintenance.

The government also reports the following fund types:

Special Revenue Fund – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

Capital Projects Fund – to account for financial resources to be used for the acquisition of major capital facilities and capital assets.

Custodial Fund – to account for assets held by the City either as trustee or agent for others.

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. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

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

3. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

The 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 10 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 the year ended December 31, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbrances outstanding at year end in the governmental funds

are reported as reservations of fund balances and do not constitute liabilities because the commitments will be honored during subsequent years.

A legal operating budget is not required for capital project funds, fiduciary funds and the following special revenue fund: Police Equipment Reserve Fund, Equipment Reserve Fund, and ARPA Fund.

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

Fund		Expenses and Transfers Out Per Fund Statement	Encumbrances	Prepaid Expenses	Expenditures and Transfers Out Per Budget Basis
General Fund	$	6,265,946	27,443	(120,303)	6,173,086

Accounting for Capital Assets and Depreciation
Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of three years. These assets are recorded at historical cost, estimated historical cost if actual cost is not available, or estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Capital assets of proprietary funds are capitalized and depreciated over the remaining useful lives of the related capital asset categories, as applicable.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Office Equipment	5 years
Infrastructure	30 years
Machinery and Equipment	7 to 10 years
Sewer Treatment Plant and Improvements	30 to 40 years

The City reports its infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements, regardless of their amount.

Statement of Cash Flows
For purposes of the statement of cash flows, the City considers all restricted and unrestricted, highly liquid deposits as cash.

Deposits and Investments
The City follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the combining balance sheet.

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 rating of the City's investments is noted below.

As of December 31, 2021, the City had the following investments and maturities.

Investment Type		Fair Value	Investment Maturities (in years) Less than One	Rating
Kansas Municipal Investment Pool	$	2,232,720	2,232,720	N/A

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. The City's allocation of investments as of December 31, 2021, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

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 did not use "peak periods" during 2021. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's and Fiduciary's carrying amount of deposits, including certificates of deposit, was $7,950,878 and $35,371, respectively. The bank balance was $8,204,933. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by FDIC insurance and $7,954,933 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Receivables
The City records utility revenues on a monthly basis. The balance shown as accounts receivable at December 31, 2021 is comprised of accounts considered to be collectible by management. Balances are stated at net of anticipated uncollectible accounts. For the year ended December 31, 2021, allowance for doubtful accounts was estimated at $1,043,662.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state

statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore, are not susceptible to accrual. At December 31, such taxes are recorded as taxes receivable, net of anticipated delinquencies with a corresponding amount recorded as deferred inflows of resources on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes at the end of the year and, further, the amounts are not material in relation to the basic government financial statements.

Recognized state-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year end are not due and receivable until the ensuing year.

Prepaid Expenses
Payments made to vendors for goods or services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

Compensated Absences
The City's policy is a general leave policy of paid time off (PTO). PTO shall be accrued by full-time employees and shall have a maximum amount of PTO accrual based on the chart below. Full-time employees are permitted to carryover 200 hours of PTO. Regular part-time employees shall accrue 1.85 hours per pay period and are permitted to carryover 80 hours. Upon separation from employment with the City, employees who terminate in good standing will be paid for all accrued but unused PTO at their current rate of pay. The City's maximum potential liability under the plan at December 31, 2021 has been estimated at $202,740.

	Per Pay Period (26)		Per Year		*Employees Hired on or after 1/1/2018	
	Hours	Days	Hours	Days	Hours	Days
1st Year (Group 1)	3.08	0.38	80	10.00	*80	*10
2nd - 5th Year (Group 2)	3.69	0.46	96	12.00	*96	*12
6th - 9th Year (Group 3)	5.54	0.69	144	18.00	*144	*18
10th Year & Beyond (Group 4)	7.38 or *6.46	0.92 or *0.81	192	24.00	*168	*21

Deferred Compensation Plan
City employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. The employee is responsible for the amount of deferred compensation to be contributed. The amount selected is invested for the employee. The City is not required to make any contributions. The deferred compensation is not available to employees until termination, retirement, death, or in case of limited specific circumstances.

Other Post Employment Benefits
As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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 City for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

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. However, the cost of this benefit has not been quantified in these financial statements.

Deferred Outflows and Inflows of Resources
In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a collective deferred inflow of resources related to pensions, which is described in more detail in Note 5 – Defined Benefit Pension Plan.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from several sources: long-term accounts and notes receivable, forgivable loans, property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Additionally, the City reports collective deferred inflow of resources related to pensions, which is described in more detail in Note 5 – Defined Benefit Pension Plan. The City also reports deferred charges on refunding which is the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Net Position and Fund Balance
In the government-wide and proprietary fund financial statements net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the governmental fund financial statements, fund balance is comprised of five different classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The fund balance is classified as follows:

- Non-spendable - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.

- Restricted - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.

- Committed - Assets with a purpose formally imposed by resolution by the City Council, binding unless modified or rescinded by the City Council.

- Assigned - Comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (2) a body or official to whom the City Council has delegated the authority to assign amounts to be used for specific purposes as prescribed by the City's fund balance and cash policy.

- Unassigned - All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Adoption of New Governmental Accounting Standards Board Statements
GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Pending Governmental Accounting Standards Board Statements
At December 31, 2021, the Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The Statements that might impact the City are as follows:

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for periods beginning after June 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

GASB Statement No. 91, *Conduit Debt Obligations,* eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by classifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this statement are effective for periods beginning after December 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this Statement are effective for periods beginning after June 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements for this statement are effective for periods beginning after June 15, 2021.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

City of Lansing, Kansas did not remit or provide a certificate to the state fiscal agent stating that funds are on deposit and held in trust for the payment of interest and principal at least 20 days prior to maturity of the bonds, which is a violation of K.S.A. 10-130.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental				
Non-Depreciable Capital Assets				
Land	$ 1,291,970	62,000	-	**1,353,970**
Capital Assets Not in Use	66,281	-	(66,281)	**-**
Total Non-Depreciable Capital Assets	**1,358,251**	**62,000**	**(66,281)**	**1,353,970**
Depreciable Capital Assets				
Buildings, Improvements, and Infrastructure	27,601,357	-	-	**27,601,357**
Vehicles	982,893	98,700	(195,484)	**886,109**
Machinery and Equipment	2,026,914	116,281	(21,750)	**2,121,445**
Total Depreciable Capital Assets	**30,611,164**	**214,981**	**(217,234)**	**30,608,911**
Accumulated Depreciation	(11,642,834)	(1,149,584)	199,338	**(12,593,080)**
Depreciable Capital Assets, Net of Accumulated Depreciation	**18,968,330**	**(934,603)**	**(17,896)**	**18,015,831**
Governmental Activities, Capital Assets Net of Accumulated Depreciation	$ **20,326,581**	**(872,603)**	**(84,177)**	**19,369,801**

	Beginning Balances	Increases	Decreases	Ending Balances
Business-Type Activities				
Non-Depreciable Capital Assets				
Land	$ 19,547	-	-	**19,547**
Construction in Progress	35,465	107,948	(143,413)	**-**
Total Non-Depreciable Capital Assets	**55,012**	**107,948**	**(143,413)**	**19,547**
Depreciable Capital Assets				
Buildings, Improvements, and Infrastructure	31,626,169	143,413	-	**31,769,582**
Furniture and Fixtures	133,203	-	-	**133,203**
Vehicles	263,566	-	-	**263,566**
Machinery and Equipment	653,147	-	-	**653,147**
Total Depreciable Capital Assets	**32,676,085**	**143,413**	**-**	**32,819,498**
Accumulated Depreciation	(15,155,930)	(1,067,965)	-	**(16,223,895)**
Depreciable Capital Assets, Net of Accumulated Depreciation	**17,520,155**	**(924,552)**	**-**	**16,595,603**
Business-Type Activities, Capital Assets Net of Accumulated Depreciation	$ **17,575,167**	**(816,604)**	**(143,413)**	**16,615,150**

NOTE 4 – LONG-TERM DEBT

General Obligation Bonds and Temporary Notes

The City issues General Obligation Bonds (G.O. Bonds) and Temporary Notes to provide funds for the acquisition and construction or improvement of major capital assets. G.O. Bonds and Temporary Notes have been issued and are listed as outstanding by type as follows:

	Date Issued	Due Date	Original Amount	Amount Outstanding	Interest Rate
Governmental Activities					
General Obligation Bonds					
Street and Infrastructure Improvements and Refunding	2015	2030	$ 7,130,000	$ 5,320,000	2.25-4.00%
Street and Infrastructure Improvements and Refunding	2016	2021	1,615,000	-	3.00%
Street Improvements	2018	2038	5,500,000	4,875,000	3.00-4.00%
Street Improvements Refunding	2020	2028	891,029	891,029	1.00-3.00%
Temporary Note					
Towne Centre Land Acquisition	2020	2024	2,210,000	2,210,000	0.30%
Capital Lease - Direct Borrowing					
Computer Equipment	2019	2023	22,800	9,421	7.49%
Business Activities					
General Obligation Bonds					
Street and Infrastructure Improvements and Refunding	2016	2036	6,520,000	5,235,000	3.00%
Sewer Improvements	2019	2039	2,065,000	1,960,000	3.00-4.00%
Sewer Improvements Refunding	2020	2028	2,208,971	2,208,971	1.00-3.00%

The annual requirements to retire G.O. Bonds and Temp Notes as of December 31, 2021 are as follows:

Year	Principal Due	Interest Due	**Total**
2022	$ 2,430,000	653,878	**3,083,878**
2023	2,505,000	570,478	**3,075,478**
2024	4,220,000	484,428	**4,704,428**
2025	1,505,000	414,348	**1,919,348**
2026	1,465,000	371,560	**1,836,560**
2027-2031	5,205,000	1,322,919	**6,527,919**
2032-2036	4,220,000	638,710	**4,858,710**
2037-2039	1,150,000	72,695	**1,222,695**
Total	$ 22,700,000	4,529,016	**27,229,016**

The annual requirements to retire capital leases as of December 31, 2021 are as follows:

Year	Principal Due	Interest Due	**Total**
2022	$ 4,535	730	**5,265**
2023	4,886	379	**5,265**
Total	$ 9,421	1,109	**10,530**

Long-term debt activity for the year ended December 31, 2021 was as follows:

Governmental Activities

	Beginning Balance	Prior Period Restatement	Additions	Reductions	**Ending Balance**	Due Within One Year
General Obligation Bonds	$ 12,350,000	110,582	-	1,374,553	**11,086,029**	1,185,248
Temporary Notes	2,210,000	-	-	-	**2,210,000**	-
Original Issue Premiums	468,469	-	-	53,934	**414,535**	43,968
Capital Leases - Direct Borrowing	13,629	-	-	4,208	**9,421**	4,534
Compensated Absences	212,745	-	-	10,005	**202,740**	-
Total	**$ 15,254,843**	**110,582**	**-**	**1,442,700**	**13,922,725**	**1,233,750**

Business Activities

	Beginning Balance	Prior Period Restatement	Additions	Reductions	**Ending Balance**	Due Within One Year
General Obligation Bonds	$ 10,725,000	(110,582)	-	1,210,447	**9,403,971**	1,244,752
Original Issue Premiums	576,220	-	-	49,067	**527,153**	49,067
Early Debt Refunding	92,913	-	-	13,273	**79,640**	-
Total	**$ 11,394,133**	**(110,582)**	**-**	**1,272,787**	**10,010,764**	**1,293,819**

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Plan Description

City of Lansing, Kansas participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public Employees, which includes
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the Library are included in the Local employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits

Benefits are established by statute and may only be changed by the Legislature. Members with ten or more years of credited service, may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 “points”. Police and firemen’s normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new cash balance retirement plan (KPERS 3) was created for new hires starting after January 1, 2015. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions
Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2021.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for local government employees are both 8.87%. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for police and firemen employees are both 22.80%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2021 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan for the City were $201,266 for local government and $262,227 for police and firemen for the year ended December 31, 2021.

Employer Allocations
Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Fireman
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identity additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2021 were based on the ratio of each employer's contributions to the total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2021.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

Net Pension Liability
Net pension liability activity for the year ended December 31, 2021 was as follows:

	Local Government	Police and Firemen
Net Pension Liability	$1,423,369	$1,872,051
Measurement Date	June 30, 2021	June 30, 2021
Valuation Date	December 31, 2020	December 31, 2020
City's Proportion	0.119%	0.196%
Change in Proportion	0.0018%	-0.0070%

Actuarial Assumptions
The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.50 to 12.00%, including inflation
Investment rate of return net of investment expense, including price inflation	7.25%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the three year period January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of

return for each major asset class of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-Term Target Allocation		Long-Term Expected Real Rate of Return	
U.S. Equities	23.50	%	5.20	%
Non-U.S. Equities	23.50		6.40	
Private Equity	8.00		9.50	
Private Real Estate	11.00		4.45	
Yield Driven	8.00		4.70	
Real Return	11.00		3.25	
Fixed Income	11.00		1.55	
Short-term Investments	4.00		0.25	
Total	100.00	%		

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Local Employees	$2,341,296	$1,423,369	$653,562
Police and Firemen	2,809,762	1,872,051	1,087,647

Pension Expense

For the year ended December 31, 2021, the City recognized pension expense of $441,057, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for local employees and police and firemen:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$	203,901	12,888
Net differences between projected and actual earnings on investments		-	996,567
Changes in assumptions		518,320	-
Changes in proportion		167,713	101,475
City contributions subsequent to measurement date		247,877	-
Total	$	**1,137,811**	**1,110,930**

The $247,877 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2022	$ 48,687
2023	3,133
2024	(54,775)
2025	(236,905)
2026	18,864
Thereafter	-

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas statutes. The City's operating transfers and statutory authority for the year ended December 31, 2021 were as follows:

From Fund	To Fund	Statutory Authority		Amount
General Fund	Consolidated Street and Highway Fund	K.S.A. 12-1,119	$	120,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118		840,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117		75,000
Sales Tax ($.45) Fund	Bond and Interest Fund	K.S.A. 12-197		386,275

NOTE 7 – CONTINGENCIES

City of Lansing, Kansas is party to various legal proceedings, such as foreclosure actions and tax appeals, which normally occur in governmental operations. The legal proceedings are not likely to have a material financial impact on the funds of the City.

City of Lansing, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

NOTE 8 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS

City of Lansing, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Eastern Region Insurance Trust (KERIT), a public entity risk pool currently operating as a common risk management and insurance program for 19 participating members. The agreement to participate provides that KERIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. During 2021, the City contributed $65,332 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERIT management.

The City carries commercial insurance for all other risks of loss including property, general liability, commercial, inland marine, crime, automobile, earthquake, cyber, umbrella, and public official/employment liability coverage. There were no significant reductions in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three calendar years.

NOTE 9 – TAX ABATEMENTS

The Neighborhood Revitalization Rebate Program provides property tax abatements to promote revitalization and development of the **City of Lansing, Kansas** by stimulating new construction and the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents. Abatements are obtained through application by the property owner, including proof that the improvements or construction have been made, and equal 95 percent in the first year of the additional property tax resulting from the increase in assessed value as a result of the improvements or construction. The abatement is on a sliding scale from 95% to 20% over a 10-year process. The amount of the abatement is deducted from the recipient's County property tax bill. The total tax abatements for the year ended December 31, 2021 were $29,180.

NOTE 10 – ENCUMBRANCES

Encumbrances included in fund balances as of December 31, 2021 are reported in the following table:

Fund		Encumbrances
Major Funds		
General Fund	$	27,443
Capital Improvement Fund		33,643
ARPA Fund		400,000
Wastewater Fund		497,939
Nonmajor Governmental Funds		205,912
Total Reporting Entity	$	1,164,937

NOTE 11 – COMPARATIVE DATA AND RECLASSIFICATIONS

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in **City of Lansing, Kansas'** financial position and operations. The comparative totals appear in the government-wide financial statements, fund financial statements, and the

accompanying supplemental financial statements. Certain amounts in the prior year have been reclassified to conform to the presentation of the financial statements in the current year. These reclassifications have no effect on the City's net position.

NOTE 12 – RESTATEMENT OF PRIOR YEARS' FINANCIAL STATEMENTS

General Obligation Bonds should be reflected in the funds in which the debt will be paid. A prior period restatement was needed to accurately reflect the General Obligation Bonds for various sewer projects in the Wastewater Fund that was previously recorded in the Bond and Interest Fund. The net amount of $110,582 is reflected in the governmental activities and $110,582 in the proprietary funds. The prior period restatement to the entity as a whole was $0.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 19, 2022, which is the date the financial statements were available to be issued.

CITY OF LANSING, KANSAS

Required Supplementary Information

CITY OF LANSING, KANSAS
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	2021			
	Original and Final Budget	Actual	Variance Over (Under)	2020 Actual
Revenues				
Property Tax	$ 2,380,937	**2,372,950**	(7,987)	2,238,753
Motor Vehicle Tax	276,428	**308,071**	31,643	303,550
Local Alcoholic Liquor Tax	19,446	**17,942**	(1,504)	16,309
Sales Tax	1,129,000	**1,985,532**	856,532	1,839,359
Compensating Use Tax	854,000	**615,974**	(238,026)	465,355
Franchise Fees	667,450	**680,517**	13,067	654,021
Licenses and Permits	82,000	**152,530**	70,530	110,873
Fines and Forfeitures	353,600	**409,697**	56,097	293,848
Federal Aid	-	**1,821**	1,821	1,615,003
Interest	2,500	**33**	(2,467)	1,968
Other	99,000	**34,083**	(64,917)	38,992
Total Revenues	5,864,361	**6,579,150**	714,789	7,578,031
Expenditures				
General Government				
City Administrator	154,734	**160,075**	5,341	150,794
Administration	832,596	**572,628**	(259,968)	523,765
Municipal Court	204,689	**204,186**	(503)	196,983
Building Maintenance	74,118	**74,584**	466	65,010
Community Development	685,214	**523,500**	(161,714)	461,606
Information Technology	91,500	**81,952**	(9,548)	189,575
Finance Department	287,024	**279,799**	(7,225)	269,175
Public Safety				
Police	2,006,349	**1,952,622**	(53,727)	2,265,922
Emergency Preparedness	3,000	**-**	(3,000)	-
Public Works				
General	261,768	**304,895**	43,127	293,211
Streets	177,775	**180,257**	2,482	330,030
Street Lights	205,000	**170,389**	(34,611)	194,435
Culture and Recreation				
Parks and Recreation	563,520	**517,102**	(46,418)	517,513
Activity Center	134,692	**113,358**	(21,334)	115,750
Community Center	7,806	**2,739**	(5,067)	4,802
Contingency	463,150	**-**	(463,150)	-
Total Expenditures	6,152,935	**5,138,086**	(1,014,849)	5,578,571
Excess Revenues Over (Under) Expenditures	(288,574)	**1,441,064**	1,729,638	1,999,460
Other Financing Sources (Uses)				
Transfers In	75,000	**-**	(75,000)	62,500
Transfers Out	(1,035,000)	**(1,035,000)**	-	(1,194,000)
Net Other Financing Sources (Uses)	(960,000)	**(1,035,000)**	(75,000)	(1,131,500)
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(1,248,574)	**406,064**	1,654,638	867,960
Budgetary Basis Fund Balance - Beginning of Year	1,260,484	**2,917,827**	1,657,343	2,049,867
Budgetary Basis Fund Balance - End of Year	$ 11,910	**3,323,891**	3,311,981	2,917,827
GAAP Adjustments				
Encumbrances		**27,443**		
Prepaid Expenses		**10,174**		
Fund Balance - End of Year	$	**3,361,508**		

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Schedule of Proportionate Share of Collective Net Pension Liability
Kansas Public Employees Retirement System
December 31, 2021

Fiscal Year-End Measurement Date		December 31, 2021 June 30, 2021	December 31, 2020 June 30, 2020	December 31, 2019 June 30, 2019	December 31, 2018 June 30, 2018	December 31, 2017 June 30, 2017	December 31, 2016 June 30, 2016
KPERS							
The City's proportion of the collective net pension liability		0.119%	0.117%	0.118%	0.124%	0.110%	0.110%
The City's proportionate share of the net pension liability	$	1,423,369	2,025,861	1,649,682	1,727,017	1,595,387	1,701,593
The City's covered payroll	$	2,275,094	2,212,814	2,184,288	2,097,324	1,958,228	1,954,711
The City's proportionate share of the collective net pension liability as a percentage of its covered payroll		62.56%	91.55%	75.52%	82.34%	81.47%	87.05%
KP&F							
The City's proportion of the collective net pension liability		0.196%	0.203%	0.197%	0.178%	0.176%	0.182%
The City's proportionate share of the net pension liability	$	1,872,051	2,505,229	1,990,780	1,716,770	1,651,496	1,687,619
The City's covered payroll	$	1,099,025	1,114,203	1,049,088	905,865	880,889	845,319
The City's proportionate share of the collective net pension liability as a percentage of its covered payroll		170.34%	224.84%	189.76%	189.52%	187.48%	199.64%
Plan fiduciary net position as a percentage of the total pension liability		76.40%	66.30%	69.88%	68.88%	67.12%	65.09%

GASB No. 68 requires presentation of ten years. Until a full 10 year trend is compiled, the City will present information for those years for which information is available.

The notes to the financial statements are an integral part of these statements.

CITY OF LANSING, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
December 31, 2021

		2021	2020	2019	2018	2017	2016
KPERS							
Contractually required contribution	$	199,857	193,080	188,581	186,844	172,284	175,942
Contributions in relation to the contractually required contribution		199,857	193,080	188,581	186,844	172,284	175,942
Contribution deficiency (excess)	$	-	-	-	-	-	-
The City's covered payroll	$	2,275,094	2,212,814	2,184,288	2,097,324	1,958,228	1,954,711
Contributions as a percentage of covered payroll		8.78%	8.73%	8.63%	8.91%	8.80%	9.00%
KP&F							
Contractually required contribution	$	245,781	245,882	222,322	177,496	173,590	180,472
Contributions in relation to the contractually required contribution		245,781	245,882	222,322	177,496	173,590	180,472
Contribution deficiency (excess)	$	-	-	-	-	-	-
The City's covered payroll	$	1,099,025	1,114,203	1,049,088	905,865	880,889	845,319
Contributions as a percentage of covered payroll		22.36%	22.07%	21.19%	19.59%	19.71%	21.35%

GASB No. 68 requires presentation of ten years. Until a full 10 year trend is compiled, the City will present information for those years for which information is available.

The notes to the financial statements are an integral part of these statements.

KPERS Pension Plan

Changes in assumptions.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1- year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.25%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.

- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%

CITY OF LANSING, KANSAS

Supplementary Information

CITY OF LANSING, KANSAS
Combining Balance Sheet
Nonmajor Governmental Fund Types
December 31, 2021
(With Comparative Totals as of December 31, 2020)

		Special Revenue Funds	Capital Project Funds	Totals 2021	Totals 2020
ASSETS					
Cash and Cash Equivalents	$	1,886,639	101,529	**1,988,168**	1,772,384
Property Taxes Receivable		311,332	-	**311,332**	301,195
Total Assets	$	2,197,971	101,529	**2,299,500**	2,073,579
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities					
Accounts Payable	$	65,677	-	**65,677**	17,961
Salaries and Wages Payable		8,905	-	**8,905**	6,860
Total Liabilities		74,582	-	**74,582**	24,821
Deferred Inflows of Resources					
Deferred Receivable - Property Taxes		311,331	-	**311,331**	301,195
Total Liabilities and Deferred Inflows of Resources		385,913	-	**385,913**	326,016
Fund Balance					
Restricted		1,812,058	-	**1,812,058**	1,710,996
Assigned		-	101,529	**101,529**	36,567
Total Fund Balance		1,812,058	101,529	**1,913,587**	1,747,563
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$	2,197,971	101,529	**2,299,500**	2,073,579

See independent auditors' report.

CITY OF LANSING, KANSAS
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

	Transient Guest Tax Fund	Mayor's Christmas Fund	Special Alcohol Liquor Fund	Special Parks and Recreation Fund	Sales Tax ($.45) Fund	Park Land Trust Fund	Consolidated Street and Highway Fund	Police Equipment Reserve Fund	Equipment Reserve Fund	Library Fund	Totals 2021	Totals 2020
ASSETS												
Assets												
Cash and Cash Equivalents	$ 235,284	16,756	38,597	181,636	660,514	24	333,009	40,479	208,340	172,000	**1,886,639**	1,720,329
Property Taxes Receivable	-	-	-	-	-	-	-	-	-	311,332	**311,332**	301,195
Total Assets	$ 235,284	16,756	38,597	181,636	660,514	24	333,009	40,479	208,340	483,332	**2,197,971**	2,021,524
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE												
Liabilities												
Accounts Payable	$ -	-	-	-	62,111	-	1,064	-	-	2,502	**65,677**	2,473
Salaries and Wages Payable	-	-	-	-	-	-	4,772	-	-	4,133	**8,905**	6,860
Total Liabilities	-	-	-	-	62,111	-	5,836	-	-	6,635	**74,582**	9,333
Deferred Inflows of Resources												
Deferred Receivable - Property Taxes	-	-	-	-	-	-	-	-	-	311,331	**311,331**	301,195
Total Liabilities and Deferred Inflows of Resources	-	-	-	-	62,111	-	5,836	-	-	317,966	**385,913**	310,528
Fund Balance												
Restricted	235,284	16,756	38,597	181,636	598,403	24	327,173	40,479	208,340	165,366	**1,812,058**	1,710,996
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 235,284	16,756	38,597	181,636	660,514	24	333,009	40,479	208,340	483,332	**2,197,971**	2,021,524

See independent auditors' report.

CITY OF LANSING, KANSAS
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2021
(With Comparative Totals as of December 31, 2020)

		Towne Centre Fund	DeSoto Road Project Fund	Totals 2021	Totals 2020
ASSETS					
Cash and Cash Equivalents	$	94,429	7,100	**101,529**	52,055
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts Payable	$	-	-	**-**	15,488
Fund Balance					
Assigned		94,429	7,100	**101,529**	36,567
Total Liabilities and Fund Balance	$	94,429	7,100	**101,529**	52,055

See independent auditors' report.

CITY OF LANSING, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Fund Types
December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		Special Revenue Funds	Capital Project Funds	Totals 2021	Totals 2020
Revenues					
Taxes	$	1,556,577	-	**1,556,577**	1,375,346
Intergovernmental		16,882	-	**16,882**	227,057
Interest		82	-	**82**	2,542
Other		152,120	72,106	**224,226**	53,801
Total Revenues		1,725,661	72,106	**1,797,767**	1,658,746
Expenditures					
General Government		179,281	-	**179,281**	2,328,305
Public Safety		44,333	-	**44,333**	16,018
Public Works		469,805	-	**469,805**	494,668
Culture and Recreation		611,127	-	**611,127**	334,595
Construction and Engineering		128,778	7,144	**135,922**	1,412,958
Small Business Grants		-	-	**-**	220,000
Total Expenditures		1,433,324	7,144	**1,440,468**	4,806,544
Excess (Deficit) of Revenues Over Expenditures		292,337	64,962	**357,299**	(3,147,798)
Other Financing Sources (Uses)					
Proceeds - General Obligation Bonds		-	-	**-**	2,210,000
Bond Costs of Issuance		-	-	**-**	(36,912)
Transfers In		195,000	-	**195,000**	597,507
Transfers Out		(386,275)	-	**(386,275)**	(532,782)
Net Other Financing Sources (Uses)		(191,275)	-	**(191,275)**	2,237,813
Net Change in Fund Balance		101,062	64,962	**166,024**	(909,985)
Fund Balance - Beginning of Year		1,710,996	36,567	**1,747,563**	2,657,548
Fund Balance - End of Year	$	1,812,058	101,529	**1,913,587**	1,747,563

See independent auditors' report.

CITY OF LANSING, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	Transient Guest Tax Fund	Mayor's Christmas Fund	Special Alcohol Liquor Fund	Special Parks and Recreation Fund	Sales Tax ($.45) Fund	Park Land Trust Fund	Consolidated Street and Highway Fund	Police Equipment Reserve Fund	Equipment Reserve Fund	Library Fund	Totals 2021	Totals 2020
Revenues												
Taxes	$ 200,109	-	17,942	17,942	575,171	-	404,257	-	-	341,156	**1,556,577**	1,375,345
Intergovernmental	-	-	-	-	-	-	-	-	-	16,882	**16,882**	227,057
Interest	1	-	-	32	41	-	6	-	2	-	**82**	2,542
Other	2,021	2,560	80	50,447	-	-	207	34,450	57,902	4,453	**152,120**	53,801
Total Revenues	202,131	2,560	18,022	68,421	575,212	-	404,470	34,450	57,904	362,491	**1,725,661**	1,658,745
Expenditures												
General Government	93,725	2,656	-	-	-	-	-	-	82,900	-	**179,281**	177,540
Public Safety	-	-	32,900	-	-	-	-	11,433	-	-	**44,333**	16,018
Public Works	-	-	-	-	-	-	469,805	-	-	-	**469,805**	494,668
Culture and Recreation	-	-	-	286,867	-	-	-	-	-	324,260	**611,127**	334,595
Construction and Engineering	-	-	-	-	128,778	-	-	-	-	-	**128,778**	39,474
Small Business Grants	-	-	-	-	-	-	-	-	-	-	**-**	220,000
Total Expenditures	93,725	2,656	32,900	286,867	128,778	-	469,805	11,433	82,900	324,260	**1,433,324**	1,282,295
Excess (Deficit) of Revenues Over Expenditures	108,406	(96)	(14,878)	(218,446)	446,434	-	(65,335)	23,017	(24,996)	38,231	**292,337**	376,450
Other Financing Sources (Uses)												
Transfers In	-	-	-	-	-	-	120,000	-	75,000	-	**195,000**	397,507
Transfers Out	-	-	-	-	(386,275)	-	-	-	-	-	**(386,275)**	(532,782)
Total Other Financing Sources	-	-	-	-	(386,275)	-	120,000	-	75,000	-	**(191,275)**	(135,275)
Net Change in Fund Balance	108,406	(96)	(14,878)	(218,446)	60,159	-	54,665	23,017	50,004	38,231	**101,062**	241,175
Fund Balance - Beginning of Year	126,878	16,852	53,475	400,082	538,244	24	272,508	17,462	158,336	127,135	**1,710,996**	1,469,821
Fund Balance - End of Year	$ 235,284	16,756	38,597	181,636	598,403	24	327,173	40,479	208,340	165,366	**1,812,058**	1,710,996

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CITY OF LANSING, KANSAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Project Funds
December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		Towne Centre Fund	DeSoto Road Project Fund	Totals 2021	Totals 2020
Revenues					
Other	$	72,106	-	**72,106**	-
Expenditures					
Construction and Engineering		-	7,144	**7,144**	3,524,248
Excess (Deficit) of Revenues Over Expenditures		72,106	(7,144)	**64,962**	(3,524,248)
Other Financing Sources (Uses)					
Proceeds - Temporary Notes		-	-	**-**	2,210,000
Bond Costs of Issuance		-	-	**-**	(36,912)
Transfers In		-	-	**-**	200,000
Total Other Financing Sources (Uses)		-	-	**-**	2,373,088
Net Change in Fund Balances		72,106	(7,144)	**64,962**	(1,151,160)
Fund Balance - Beginning of Year		22,323	14,244	**36,567**	1,187,727
Fund Balance - End of Year	$	94,429	7,100	**101,529**	36,567

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CITY OF LANSING, KANSAS
Transient Guest Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	2021			
	Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues				
Taxes	$ 70,000	**200,109**	130,109	135,739
Interest	50	**1**	(49)	51
Other	23,000	**2,021**	(20,979)	5,740
Total Revenues	93,050	**202,131**	109,081	141,530
Expenditures				
Contractual	41,447	**23,692**	(17,755)	24,121
Commodities	12,750	**10,846**	(1,904)	16,334
Events	82,060	**59,187**	(22,873)	45,628
Total Expenditures	136,257	**93,725**	(42,532)	86,083
Excess (Deficit) of Revenues Over Expenditures	(43,207)	**108,406**	151,613	55,447
Budgetary Basis Fund Balance - Beginning of Year	43,207	**126,878**	83,671	71,431
Budgetary Basis Fund Balance - End of Year	$ -	**235,284**	235,284	126,878

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CITY OF LANSING, KANSAS
Mayor's Christmas Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	2021			
	Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues				
Other	$ 4,000	**2,560**	(1,440)	2,329
Expenditures				
Personal Services	4,000	**2,656**	(1,344)	1,432
Contingency	15,954	**-**	(15,954)	-
Total Expenditures	19,954	**2,656**	(17,298)	1,432
Excess (Deficit) of Revenues Over Expenditures	(15,954)	**(96)**	15,858	897
Budgetary Basis Fund Balance - Beginning of Year	15,954	**16,852**	898	15,955
Budgetary Basis Fund Balance - End of Year	$ -	**16,756**	16,756	16,852

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CITY OF LANSING, KANSAS
Special Alcohol Liquor Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	2021			
	Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues				
Taxes	$ 19,446	**17,942**	(1,504)	16,309
Interest	35	**-**	(35)	35
Other	-	**80**	80	-
Total Revenues	19,481	**18,022**	(1,459)	16,344
Expenditures				
Contractual	750	**-**	(750)	-
Capital Outlay	43,500	**32,900**	(10,600)	-
Contingency	26,052	**-**	(26,052)	-
Total Expenditures	70,302	**32,900**	(37,402)	-
Excess (Deficit) of Revenues Over Expenditures	(50,821)	**(14,878)**	35,943	16,344
Budgetary Basis Fund Balance - Beginning of Year	50,821	**53,475**	2,654	37,131
Budgetary Basis Fund Balance - End of Year	$ -	**38,597**	38,597	53,475

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CITY OF LANSING, KANSAS
Special Parks and Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	2021			
	Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues				
Taxes	$ 19,446	**17,942**	(1,504)	16,309
Interest	525	**32**	(493)	962
Other	71,585	**50,447**	(21,138)	9,527
Total Revenues	91,556	**68,421**	(23,135)	26,798
Expenditures				
Culture and Recreation	465,007	**286,867**	(178,140)	20,243
Excess (Deficit) of Revenues Over Expenditures	(373,451)	**(218,446)**	155,005	6,555
Other Financing Sources (Uses)				
Transfers In	-	**-**	-	177,507
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(373,451)	**(218,446)**	155,005	184,062
Budgetary Basis Fund Balance - Beginning of Year	373,451	**400,082**	26,631	216,020
Budgetary Basis Fund Balance - End of Year	$ -	**181,636**	181,636	400,082

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CITY OF LANSING, KANSAS
Sales Tax ($.45) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		2021			
		Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues					
Taxes	$	390,000	**575,171**	185,171	505,545
Interest		200	**41**	(159)	711
Total Revenues		390,200	**575,212**	185,012	506,256
Expenditures					
Capital Outlay		333,410	**220,690**	(112,720)	39,473
Excess (Deficit) of Revenues Over Expenditures		56,790	**354,522**	297,732	466,783
Other Financing Uses					
Transfers Out		386,275	**386,275**	-	389,275
Net Change in Fund Balance		(329,485)	**(31,753)**	297,732	77,508
Budgetary Basis Fund Balance - Beginning of Year		329,485	**538,244**	208,759	460,736
Budgetary Basis Fund Balance - End of Year		-	**506,491**	506,491	538,244
GAAP Adjustments					
Encumbrances			**91,912**		
Fund Balance - End of Year	$		**598,403**		

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CITY OF LANSING, KANSAS
Park Land Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		2021			
		Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues	$	-	-	-	-
Expenditures					
Capital Outlay		24	**-**	(24)	-
Excess (Deficit) of Revenues Over Expenditures		(24)	**-**	24	-
Budgetary Basis Fund Balance - Beginning of Year		24	**24**	-	24
Budgetary Basis Fund Balance - End of Year	$	-	**24**	24	24

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CITY OF LANSING, KANSAS
Consolidated Street and Highway Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	2021			
	Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues				
Intergovernmental	$ 297,520	**404,257**	106,737	365,130
Interest	230	**6**	(224)	269
Other	500	**207**	(293)	437
Total Revenues	298,250	**404,470**	106,220	365,836
Expenditures				
Personal Services	303,994	**301,600**	(2,394)	276,859
Contractual	113,500	**71,428**	(42,072)	83,244
Commodities	58,000	**52,665**	(5,335)	66,651
Capital Outlay	65,000	**44,112**	(20,888)	67,913
Contingency	99,422	**-**	(99,422)	-
Total Expenditures	639,916	**469,805**	(170,111)	494,667
Excess (Deficit) of Revenues Over Expenditures	(341,666)	**(65,335)**	276,331	(128,831)
Other Financing Sources				
Transfers In	120,000	**120,000**	-	120,000
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	(221,666)	**54,665**	276,331	(8,831)
Budgetary Basis Fund Balance - Beginning of Year	221,666	**272,508**	50,842	281,339
Budgetary Basis Fund Balance - End of Year	$ -	**327,173**	327,173	272,508

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CITY OF LANSING, KANSAS
Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		2021			
		Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues					
Taxes	$	337,401	**341,156**	3,755	336,313
Intergovernmental		1,700	**16,882**	15,182	7,057
Interest		50	**-**	(50)	61
Other		3,700	**4,453**	753	4,742
Total Revenues		342,851	**362,491**	19,640	348,173
Expenditures					
Personal Services		265,039	**244,692**	(20,347)	245,383
Contractual		9,400	**3,737**	(5,663)	4,177
Commodities		18,840	**16,557**	(2,283)	14,366
Capital Outlay		66,500	**59,274**	(7,226)	50,427
Contingency		37,000	**-**	(37,000)	-
Total Expenditures		396,779	**324,260**	(72,519)	314,353
Excess Revenues Over (Under) Expenditures		(53,928)	**38,231**	92,159	33,820
Budgetary Basis Fund Balance - Beginning of Year		55,434	**127,135**	71,701	93,315
Budgetary Basis Fund Balance - End of Year	$	1,506	**165,366**	163,860	127,135

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CITY OF LANSING, KANSAS
Bond and Interest Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		2021			
		Original and Final Budget	**Actual**	Variance Over (Under)	2020 Actual
Revenues					
Taxes	$	1,173,016	**1,441,838**	268,822	1,391,096
Interest		1,000	**6**	(994)	1,192
Other		257,015	**392**	(256,623)	-
Total Revenues		1,431,031	**1,442,236**	11,205	1,392,288
Expenditures					
Principal - Bonds		2,620,000	**1,374,553**	(1,245,447)	2,575,000
Interest and Commissions		704,990	**410,102**	(294,888)	461,333
Contingency		250,000	**-**	(250,000)	-
Total Expenditures		3,574,990	**1,784,655**	(1,790,335)	3,036,333
Excess Revenues Over (Under) Expenditures		(2,143,959)	**(342,419)**	1,801,540	(1,644,045)
Other Financing Sources (Uses)					
Bond Proceeds		-	**-**	-	1,000,000
Original Issue Premium		-	**-**	-	62,922
Bond Costs of Issuance		-	**-**	-	(18,350)
Transfers In		1,927,373	**386,275**	(1,541,098)	389,275
Net Other Financing Sources (Uses)		1,927,373	**386,275**	(1,541,098)	1,433,847
Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures		(216,586)	**43,856**	260,442	(210,198)
Budgetary Basis Fund Balance - Beginning of Year		221,835	**91,434**	(130,401)	301,632
Budgetary Basis Fund Balance - End of Year	$	5,249	**135,290**	130,041	91,434

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CITY OF LANSING, KANSAS
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		Bonds and Fines Escrow Fund	Hillbrook Subdivision Escrow 04-24 Fund	Totals 2021	Totals 2020
ASSETS					
Cash and Cash Equivalents	$	17,918	17,453	**35,371**	35,979
LIABILITIES					
Liabilities					
Due to Others	$	-	17,453	**17,453**	17,935
Bonds Posted Escrow		17,918	-	**17,918**	18,044
Total Liabilities	$	17,918	17,453	**35,371**	35,979

CITY OF LANSING, KANSAS
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2021
(With Comparative Totals for the Prior Year Ended December 31, 2020)

		Bonds and Fines Escrow Fund	Hillbrook Subdivision Escrow 04-24 Fund	Totals 2021	Totals 2020
Revenues	$	-	-	**-**	-
Expenditures		-	-	**-**	-
Excess (Deficit) of Revenues Over Expenditures		-	-	**-**	-
Fund Balance - Beginning of Year		-	-	**-**	-
Fund Balance - End of Year	$	-	-	**-**	-

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