

**City of Council Grove
Morris County, Kansas**

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

City of Council Grove
Morris County, Kansas

Regulatory Basis Financial Statement
Year Ended December 31, 2021

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Independent Auditors' Report

Mayor and City Council
City of Council Grove, Kansas

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

Adverse and Modified Opinions

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

In my opinion, because of the significance of the matter discussed in the Basis for Adverse and Qualified Opinions section of my report, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Council Grove, Kansas, as of December 31, 2021, or the changes in its financial position or cash flows for the year then ended.

Qualified Opinion on Regulatory Basis of Accounting

In my opinion, except for the effects of the matter described in the Basis for Adverse and Qualified Opinions section of my report, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Council Grove, Kansas, as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Basis for Adverse and Qualified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Council Grove, Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Matter Giving Rise to Basis for Qualified Opinion on the Regulatory Basis of Accounting

The City entered into an arrangement with Morris County that allowed the individual lake leaseholders to pay the City's property taxes on the city lake property directly to the County. The City did not reflect the receipt of these taxes nor the expenditures of these amounts in this financial statement. The effects on the financial statement of this variance have not been determined but is presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibility for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Council Grove's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Council Grove's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Report on Regulatory – Required Supplementary Information

My audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds, and schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



Cindy Jensen, CPA
September 6, 2022

City of Council Grove
Morris County, Kansas

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

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts Payable	Ending Cash Balance
General Fund	\$ 636,815	\$ 0	\$ 1,797,847	\$ 1,903,502	\$ 531,160	\$ 64,249	\$ 595,409
Special Purpose Funds							
.7% Sales Tax Fund	579,787	0	367,965	305,782	\$ 641,970	0	641,970
1% Sales Tax Fund	829,209	0	525,154	352,082	\$ 1,002,281	24,560	1,026,841
Industrial Development	2,398	0	15,285	15,148	\$ 2,535	0	2,535
Library	11,949	0	80,397	79,756	\$ 12,590	0	12,590
Library Benefits	1,666	0	26,628	26,252	\$ 2,042	0	2,042
Special Highway	60,218	0	61,262	16,669	\$ 104,811	0	104,811
Special Recreation	6,329	0	24,902	6,317	\$ 24,914	0	24,914
Employee Benefit	103,406	0	415,921	472,127	\$ 47,200	4,403	51,603
Highway Maintenance	138,788	0	35,875	0	\$ 174,663	0	174,663
Diversion	5,644	0	5,053	1,250	\$ 9,447	0	9,447
Equipment Reserve	92,996	0	106,098	92,433	\$ 106,661	12,250	118,911
Computer/Equipment Res.	9,465	0	25,432	1,624	\$ 33,273	0	33,273
Capital Improvements Res.	618,372	0	250,970	233,789	\$ 635,553	0	635,553
Grants	7,500	0	164,718	7,551	\$ 164,667	0	164,667
Business Fund							
Water	413,869	0	1,025,685	875,664	\$ 563,890	21,134	585,024
Water Maintenance Res	233,031	0	15,000	0	\$ 248,031	0	248,031
Sewer	561,063	0	222,849	175,824	\$ 608,088	6,983	615,071
Sewer Reserve	41,190	0	25,000	0	\$ 66,190	0	66,190
Refuse	16,926	0	156,174	152,260	\$ 20,840	0	20,840
Trust Fund							
Cemetery Endowment	92,745	0	1,900	4,300	\$ 90,345	0	90,345
Related Municipal Entity							
Public Building Comm.	246,500	0	217,800	217,800	\$ 246,500	0	246,500
Total Reporting Entity(Excluding Agency Funds Schedule 3)	<u>\$ 4,709,866</u>	<u>\$ 0</u>	<u>\$ 5,567,915</u>	<u>\$ 4,940,130</u>	<u>\$ 5,337,651</u>	<u>\$ 133,579</u>	<u>\$ 5,471,230</u>

Composition of Cash Balance:

Checking and Money Market Accounts	\$ 4,345,835
Certificates of Deposit	1,254,052
Total Cash Balance	5,599,887
Less: Agency Funds per Schedule 3	(128,657)
Total Reporting Entity(Excluding Agency Funds)	<u>\$ 5,471,230</u>

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

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 1 – Summary of Significant Accounting Principles

Financial Reporting Entity

The City of Council Grove, Kansas (the City) is a governmental entity governed by an elected six-member council and mayor. The City's major operations include public safety (police and fire), streets, sanitation, water, recreation, public improvements, planning and zoning, and general administrative services. The City also operates three business type activities: a water system, a sewer system, and a solid waste collection system (contracted).

This financial statement presents the City of Council Grove (the municipality) and the Council Grove Public Building Commission (PBC). The PBC is a related municipal entity of the City and was organized in June 2012 pursuant to K.S.A 12-1757 et seq. as amended. The Public Building Commission Board is comprised of the City council and mayor.

Regulatory Basis Fund Types

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

General Fund (the chief operating fund) - used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

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

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

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

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

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America
The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures of the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables or any other assets, liabilities or deferred inflows, other than those mentioned above.

The City has approved a resolution that is in compliance-with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

Use of Estimates

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

Budgetary Information

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

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

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

Budgetary Information (Cont)

A legal operating budget is not required for capital project funds, trust funds, and certain other special purpose funds as noted in the presentation of the appropriate Schedule 2.

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

Note 2 – Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

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

K.S.A. 10-130 requires that the City remit payments to the state fiscal agent at least 20 days prior to the day of maturity of bonds or interest due. The City remitted payments within the 20 days prior to the maturity date.

Management is not aware of any other noncompliance with Kansas statutes.

Note 3 – Deposits and Investments

K.S.A. 9-1401 established the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. Deposits were legally secured at December 31, 2021.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 3 – Deposits and Investments (Cont)

At year-end, the carrying amount of the City's deposits was \$5,599,887 and the bank balance was \$5,699,880. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$5,199,880 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City held no investments at December 31, 2021.

Note 4 – Property Taxes

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

Note 5 – Defined Benefit Pension Plan

Plan Description

The City of Council Grove, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which may be found on the website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Ks. 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rate for KPERS 1, KPERS 2, and KPERS 3 to be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City of Council Grove were \$87,164 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$575,619. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 5 – Defined Benefit Pension Plan (Cont)

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

Note 6 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until employment termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts shall be held in trust for the exclusive benefit of participants and their beneficiaries. All such amounts shall not be subject to the claims of the employer's general creditors.

Note 7 – Other Long-Term Obligations from Operations

Compensated Absences

The City's policy regarding vacation and sick leave permit employees to accumulate a maximum of 6.16 hours of vacation pay and 3.69 hours of sick pay per pay period. No more than five days of vacation pay may be carried forward to the next anniversary year. Sick pay compensation at retirement is restricted to a maximum of thirty days and only if the employee worked at least ten years and is at least 55 years old. All accumulated vacation pay is payable upon employment termination. A maximum of seventy-five days of sick pay may be accumulated. Unused sick pay is forfeited upon employment termination other than retirement. Compensated absence payments are made from the fund that corresponds to the employee's duties.

Other Post-Employment Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Death & Disability Other Post Employment Benefits

As provided by K.S. A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

Note 8 – Long-Term Debt

General Obligation Bonds

General obligation bonds, payable from future property tax revenues and special assessments, are serial bonds to be retired through calendar year 2033. At December 31, 2021, the bonds consisted of the following:

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 8 – Long-Term Debt (Cont)

Series 2020

On April 28, 2020, the City refinanced its existing water general obligation and revenue bonds with Series 2020 water general obligation bonds. Semi-annual interest payments are scheduled to begin January 1, 2021. The bonds mature annually starting July 1, 2021 with the last bond maturing on July 1, 2033.

KDOT Loan

The City entered into a loan agreement with the Kansas Department of Transportation as of May 12, 2008 for a curb and gutter project on Washington Street. The City has dedicated sales tax proceeds from the 1% sales tax to finance the repayment, or in absence of sales tax revenues, they agree to levy tax sufficient for repayment. Interest payments are scheduled semi-annually, and principal payments are scheduled annually.

KDHE loan

In 2011, The City completed a project to improve the existing sewage system. The total project cost as \$509,600 and was financed with a loan from the Kansas Department of Health and Environment (KDHE). The loan was funded partially with FFY 2010 federal funds and received principal forgiveness of \$76,440 in 2011 upon completion. One semi-annual payment of \$16,343 was scheduled on March 1, 2012 and thirty-nine semi-annual of \$13,825 beginning on September 1, 2012 were scheduled. The final payment is scheduled to be made on September 1, 2031. Payments on this loan are to be made from revenues of the sewer fund.

Lease Agreements

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of a fire truck on February 9, 2015. Monthly payments of \$2,147 are scheduled for twelve years with a final payment of \$100. The City made the first payment in February 2015. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease were made from the general fund.

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of a skid steer during 2017. A down payment of \$25,000 was made and annual payments of \$2,973 are scheduled for ten years with a final payment of \$100 in 2027. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation,

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of a street sweeper during 2017. A down payment of \$50,000 was made and annual payments of \$29,089 are scheduled for six years with a final payment of \$100 in 2023. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease were made from the equipment reserve fund.

The City entered into a lease agreement with Farmers & Drovers Bank for the purchase of energy improvement equipment on September 9, 2020. Fifteen annual payments of \$98,647 are scheduled beginning September 9, 2021. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the City must return the leased equipment to the lessor. Payments on this lease were made from the general and water funds.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 8 – Long-Term Debt (Cont)

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

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Due January 1	Additions	Reductions/ Payments	Balance Due December 31	Interest Paid
General Obligation Bond									
Series 2020 Water	1.7%-2.6%	4/28/2020	1,360,000	7/1/2033	1,360,000	0	185,000	1,175,000	26,653
KDOT Loan									
Washington Street	3.99%	5/12/2008	703,261	8/1/2027	297,457	0	41,635	255,822	11,868
KDHE Loan									
Sewer Loan #1784-01	2.55%	7/1/2010	509,600	9/1/2031	263,761	0	21,057	242,704	6,592
Capital Leases									
Fire Truck	2.70%	2/9/2015	264,516	2/9/2027	144,484	0	22,138	122,346	3,629
Skid Steer	3.32%	10/1/2017	50,023	10/10/2027	18,380	0	2,362	16,018	611
Street Sweeper	3.32%	6/1/2017	206,003	6/22/2023	81,867	0	26,371	55,496	2,718
Energy Upgrades	2.75%	9/9/2020	1,199,218	9/9/2035	1,199,218	0	65,668	1,133,550	32,979
Related Municipal Entity									
Public Bldg Comm Bds	1.8%-3.25%	6/26/2019	2,465,000	6/1/2033	2,310,000	0	155,000	2,155,000	60,800
Total contractual indebtedness					<u>\$ 5,675,167</u>	<u>\$ 0</u>	<u>\$ 519,231</u>	<u>\$ 5,155,936</u>	<u>\$ 145,850</u>

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 8 – Long-Term Debt (Cont)

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

	2022	2023	2024	2025	2026	2027-2031	2032-2035	Total
Principal								
Series 2020	\$ 190,000	\$ 190,000	\$ 200,000	\$ 145,000	\$ 45,000	\$ 285,000	\$ 120,000	\$ 1,175,000
KDOT	43,296	45,023	46,819	48,688	50,630	21,366	0	255,822
KDHE	21,598	22,152	22,720	23,303	23,901	129,030	0	242,704
Fire Truck	22,743	23,365	24,003	24,659	25,334	2,242	0	122,346
Skid Steer	2,441	2,522	2,606	2,692	2,782	2,975	0	16,018
Street Sweeper	27,246	28,250	0	0	0	0	0	55,496
Energy Upgrades	67,474	69,330	71,236	73,195	75,208	408,225	368,882	1,133,550
2019 Series PBC Bds	155,000	160,000	165,000	170,000	170,000	950,000	385,000	2,155,000
Total Principal	529,798	540,642	532,384	487,537	392,855	1,798,838	873,882	5,155,936
Interest								
Series 2020	23,370	19,855	16,050	12,527	10,499	33,237	3,120	118,658
KDOT	10,207	8,480	6,683	4,815	2,873	852	0	33,910
KDHE	6,052	5,498	4,929	4,346	3,748	9,219	0	33,792
Fire Truck	3,024	2,402	1,763	1,106	433	105	0	8,833
Skid Steer	531	451	367	281	191	99	0	1,920
Street Sweeper	1,842	938	0	0	0	0	0	2,780
Energy Upgrades	31,173	29,317	27,411	25,451	23,439	85,009	25,704	247,504
2019 Series PBC Bds	57,623	54,235	50,577	46,640	42,475	136,969	11,944	400,463
Total Interest	133,822	121,176	107,780	95,166	83,658	265,490	40,768	847,860
Total Principal & Interest	<u>\$ 663,620</u>	<u>\$ 661,818</u>	<u>\$ 640,164</u>	<u>\$ 582,703</u>	<u>\$ 476,513</u>	<u>\$ 2,064,328</u>	<u>\$ 914,650</u>	<u>\$ 6,003,796</u>

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workmen's compensation at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the state to participate in the Kansas Municipal Insurance Trust (KMIT), a public risk pool currently operating as a common risk management and insurance program for its participating members. The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The City, along with other participating entities, contributes annual amounts as determined by KMIT management and underwriters. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and currently holds \$3,000,000 of excess insurance with a specific retention of \$750,000. A member is only responsible for additional contributions to the KMIT trust which relate to claims arising out of occurrences in years in which the City is a member of the trust. As claims arise, they are submitted to and paid by KMIT.

The City continues to carry commercial insurance for other risks of loss including property and liability insurance. There were no significant reductions insurance coverage from coverage in prior years.

The City participates in Federal and State programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. Any disallowed claim resulting from such audit could become a liability of the City. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the City at December 31, 2021.

Note 10 – Utility Deposits

The City requires utility deposits for city water services. Deposits are kept indefinitely until service is disconnected. Interest is paid annually and is credited to the individual's account. Refunds of deposit and interest are the from the water fund.

Note 11 – Contingencies

The City is party to various claims, none of which is expected to have a material financial impact to the City.

Note 12 – Public Building Commission

The City created the Council Grove Public Building Commission (PBC) under K.S.A. 12-1757 during 2012 for the purpose of issuing debt for constructing and equipping a swimming pool. The City council and mayor comprise the PBC board. In 2012, bonds were issued by the PBC in the amount of \$3.135.000.

The City entered into a lease with the PBC to lease land to the PBC. The PBC issued bonds for the swimming pool project and subsequently leased the project to the City. Forty semi-annual payments were scheduled beginning December 1, 2013. The 2012 bonds carried interest rates of .5% to 3.75% depending on the bond maturity date. In June 2019, the City refunded the 2012 bonds by issuing 2019 Series bonds in the amount of \$2,465,000. Twenty-eight semi-annual payments were scheduled beginning December 1, 2019. The 2019 bonds carry interest rates of 1.8% to 3.25% depending on the bond maturity date.

City of Council Grove
Morris County, Kansas

Notes to the Financial Statement
December 31, 2021

Note 13 – Transfers

From	To	Authority	Amount
General	CIP Reserve	12-1,118	\$ 92,000
General	Equipment Reserve	12-1,117	59,000
General	Computer ER	12-1,117	20,000
1% Sales Tax	General	12-197	115,500
Water	Equipment Reserve	12-1,117	22,546
Water	Water Reserve	12-825d	15,000
Water	CIP Reserve	12-1,118	14,000
Sewer	Equipment Reserve	12-1,117	10,000
Sewer	Sewer Reserve	12-825d	25,000
Solid Waste	Computer ER	12-1,117	5,432
Cemetery Care	General	Res 080321-01	4,300

Note 14 – American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed by the President. ARPA is a \$1.9 trillion economic stimulus plan which allocates to the State of Kansas \$5 billion in funds. Included in those funds are \$323,684 of funds available to Council Grove. To date, the City has received the total amount. The City's uses of these funds are currently being planned based on developing federal guidance.

Note 15 – Related Parties

The City purchased a 2018 Chevy Equinox for \$24,495 and a 2014 Ram 2500 truck for \$19,500 during 2021 from Schwerdtfeger Auto Sales. In addition, Schwerdtfeger's were the winning bidder in several purchases of excess city equipment. Purchased were a concession trailer for \$875; 2010 Dodge Charger \$1,100, and a 1979 GMC 7000 truck \$1,100. Schwerdtfeger Auto is owned by the mayor's spouse.

Note 16 – Subsequent Events

The City is currently negotiating with lake leaseholders regarding a lease modification that potentially would include the purchase of lots, annexation, and the extension of water and sewer services. To date, no agreements or amendments have occurred.

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

**Regulatory – Required
Supplementary Information**

City of Council Grove
Morris County, Kansas

Schedule 1

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

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 2,016,433	\$ 0	\$ 2,016,433	\$ 1,903,502	\$ (112,931)
Special Purpose Funds					
.7% Sales Tax Fund	305,771	10,000	315,771	305,782	(9,989)
1% Sales Tax Fund	1,105,310	0	1,105,310	352,082	(753,228)
Industrial Development	16,640	0	16,640	15,148	(1,492)
Library	83,718	0	83,718	79,756	(3,962)
Library Benefits	26,252	0	26,252	26,252	0
Special Highway	284,312	0	284,312	16,669	(267,643)
Special Recreation	35,198	0	35,198	6,317	(28,881)
Employee Benefits	517,100	0	517,100	472,127	(44,973)
Highway Maintenance	35,800	0	35,800	0	(35,800)
Diversion	4,211	0	4,211	1,250	(2,961)
Business Funds					
Water	936,387	0	936,387	875,664	(60,723)
Sewer	211,350	0	211,350	175,824	(35,526)
Solid Waste	155,000	0	155,000	152,260	(2,740)

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 534,750	\$ 515,138	\$ 19,612
Franchise Fees	124,351	130,000	(5,649)
County Sales Tax	224,881	156,000	68,881
Liquor Tax	7,468	4,664	2,804
Fees & fines	254,386	219,150	35,236
Use of Money & Property	445,752	445,300	452
Other	86,459	42,100	44,359
Transfers In	119,800	115,500	4,300
Total Receipts	<u>1,797,847</u>	<u>1,627,852</u>	<u>169,995</u>
Expenditures			
Administrative	349,503	417,179	(67,676)
Police	455,533	451,300	4,233
Streets/Public Works	261,505	329,300	(67,795)
Swimming Pool	132,207	125,000	7,207
City Parks	99,989	77,900	22,089
Cemetery Care	52,194	53,450	(1,256)
Fire	91,336	99,184	(7,848)
Municipal Court	29,291	28,550	741
Recreation	144,597	152,000	(7,403)
City Lake	116,347	106,570	9,777
Transfers out	171,000	176,000	(5,000)
Total Expenditures	<u>1,903,502</u>	<u>2,016,433</u>	<u>(112,931)</u>
Receipts Over (Under) Expenditures	(105,655)	<u>\$ (388,581)</u>	<u>\$ 282,926</u>
Unencumbered Cash, January 1	<u>636,815</u>		
Unencumbered Cash, December 31	<u>\$ 531,160</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

.7% SALES TAX FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 367,965	\$ 280,000	\$ 87,965
Other	0	0	0
Total Receipts	<u>367,965</u>	<u>280,000</u>	<u>87,965</u>
Expenditures			
Pool lease payments/debt	217,800	305,771	(87,971)
Intake payments	84,763	0	84,763
Other	3,219	10,000	(6,781)
Total Expenditures	<u>305,782</u>	<u>315,771</u>	<u>(9,989)</u>
Receipts Over (Under) Expenditures	62,183	<u><u>\$ (35,771)</u></u>	<u><u>\$ 97,954</u></u>
Unencumbered Cash, January 1	<u>579,787</u>		
Unencumbered Cash, December 31	<u><u>\$ 641,970</u></u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

1% SALES TAX FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 525,154	\$ 400,000	\$ 125,154
Other reimbursements	0	0	0
Total Receipts	<u>525,154</u>	<u>400,000</u>	<u>125,154</u>
Expenditures			
Washington Street	53,503	53,503	0
Infrastructure	67,618	100,000	(32,382)
Grants	115,048	59,759	55,289
Recreation reimbursement	0	115,500	(115,500)
Transfer to employee benefits	0	0	0
Transfer to general-recreation	115,500	0	115,500
Other	413	776,548	(776,135)
Total Expenditures	<u>352,082</u>	<u>1,105,310</u>	<u>(753,228)</u>
Receipts Over (Under) Expenditures	173,072	<u>\$ (705,310)</u>	<u>\$ 878,382</u>
Unencumbered Cash, January 1	<u>829,209</u>		
Unencumbered Cash, December 31	<u>\$ 1,002,281</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

INDUSTRIAL DEVELOPMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 15,285	\$ 15,148	\$ 137
Other	0	0	0
Total Receipts	<u>15,285</u>	<u>15,148</u>	<u>137</u>
Expenditures			
Industrial Development	15,148	16,640	(1,492)
Other	0	0	0
Total Expenditures	<u>15,148</u>	<u>16,640</u>	<u>(1,492)</u>
Receipts Over (Under) Expenditures	137	<u><u>\$ (1,492)</u></u>	<u><u>\$ 1,629</u></u>
Unencumbered Cash, January 1	<u>2,398</u>		
Unencumbered Cash, December 31	<u><u>\$ 2,535</u></u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

LIBRARY

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 80,397	\$ 79,756	\$ 641
Other	0	0	0
Total Receipts	<u>80,397</u>	<u>79,756</u>	<u>641</u>
Expenditures			
Library Appropriation	79,756	83,718	(3,962)
Other	0	0	0
Total Expenditures	<u>79,756</u>	<u>83,718</u>	<u>(3,962)</u>
Receipts Over (Under) Expenditures	641	<u>\$ (3,962)</u>	<u>\$ 4,603</u>
Unencumbered Cash, January 1	<u>11,949</u>		
Unencumbered Cash, December 31	<u>\$ 12,590</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

LIBRARY BENEFITS

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 26,628	\$ 26,252	\$ 376
Other	0	0	0
Total Receipts	<u>26,628</u>	<u>26,252</u>	<u>376</u>
Expenditures			
Library appropriation	26,252	26,252	0
Other	0	0	0
Total Expenditures	<u>26,252</u>	<u>26,252</u>	<u>0</u>
Receipts Over (Under) Expenditures	376	<u>\$ 0</u>	<u>\$ 376</u>
Unencumbered Cash, January 1	<u>1,666</u>		
Unencumbered Cash, December 31	<u>\$ 2,042</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

SPECIAL HIGHWAY

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 61,262	\$ 46,360	\$ 14,902
Other	0	0	0
Total Receipts	<u>61,262</u>	<u>46,360</u>	<u>14,902</u>
Expenditures			
Street repairs and maintenance	<u>16,669</u>	<u>284,312</u>	<u>(267,643)</u>
Receipts Over (Under) Expenditures	44,593	<u><u>\$ (237,952)</u></u>	<u><u>\$ 282,545</u></u>
Unencumbered Cash, January 1	<u>60,218</u>		
Unencumbered Cash, December 31	<u><u>\$ 104,811</u></u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

SPECIAL RECREATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Liquor Tax	\$ 7,468	\$ 4,664	\$ 2,804
Other donations, etc	17,434	15,000	2,434
Total Receipts	<u>24,902</u>	<u>19,664</u>	<u>5,238</u>
Expenditures			
Parks & recreation	6,317	35,198	(28,881)
Adjustment for budget credits	0	0	0
Total Expenditures	<u>6,317</u>	<u>35,198</u>	<u>(28,881)</u>
Receipts Over (Under) Expenditures	18,585	<u>\$ (15,534)</u>	<u>\$ 34,119</u>
Unencumbered Cash, January 1	<u>6,329</u>		
Unencumbered Cash, December 31	<u>\$ 24,914</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2I

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

EMPLOYEE BENEFITS

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Morris County	\$ 372,257	\$ 384,912	\$ (12,655)
Transfers in	0	88,850	(88,850)
Other	43,664	0	43,664
Total Receipts	<u>415,921</u>	<u>473,762</u>	<u>(57,841)</u>
Expenditures			
Health & Dental	320,407	341,000	(20,593)
Social Security & Medicare	66,679	84,000	(17,321)
KPERS	67,604	89,000	(21,396)
Firemen's relief	846	1,500	(654)
Other	16,591	1,600	14,991
Total Expenditures	<u>472,127</u>	<u>517,100</u>	<u>(44,973)</u>
Receipts Over (Under) Expenditures	(56,206)	<u>\$ (43,338)</u>	<u>\$ (12,868)</u>
Unencumbered Cash, January 1	103,406		
Cancelled encumbrances	<u>0</u>		
Unencumbered Cash, December 31	<u>\$ 47,200</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

HIGHWAY MAINTENANCE

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State of Kansas	\$ 35,875	\$ 35,800	\$ 75
Other	0	0	0
Total Receipts	<u>35,875</u>	<u>35,800</u>	<u>75</u>
Expenditures			
Highway improvements	0	35,800	(35,800)
Other	0	0	0
Total Expenditures	<u>0</u>	<u>35,800</u>	<u>(35,800)</u>
Receipts Over (Under) Expenditures	35,875	<u>\$ 0</u>	<u>\$ 35,875</u>
Unencumbered Cash, January 1	<u>138,788</u>		
Unencumbered Cash, December 31	<u>\$ 174,663</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2K

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

DIVERSION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Diversion fees	\$ 5,053	\$ 1,000	\$ 4,053
Other Receipts	0	0	0
Total Receipts	<u>5,053</u>	<u>1,000</u>	<u>4,053</u>
Expenditures			
Law expenditures	<u>1,250</u>	<u>4,211</u>	<u>(2,961)</u>
Receipts Over (Under) Expenditures	3,803	<u>\$ (3,211)</u>	<u>\$ 7,014</u>
Unencumbered Cash, January 1	<u>5,644</u>		
Unencumbered Cash, December 31	<u>\$ 9,447</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2L

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

EQUIPMENT RESERVE

	Current Year Actual
Receipts	
Transfers in	\$ 91,546
Other Receipts	14,552
Total Receipts	<u>106,098</u>
Expenditures	
Equipment	92,433
Other	<u>0</u>
Total Expenditures	<u>92,433</u>
Receipts Over (Under) Expenditures	13,665
Unencumbered Cash, January 1	<u>92,996</u>
Unencumbered Cash, December 31	<u><u>\$ 106,661</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2M

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

COMPUTER/EQUIPMENT RESERVE

	Current Year Actual
Receipts	
Transfer in	\$ 25,432
Other	0
Total Receipts	<u>25,432</u>
Expenditures	
Equipment	1,624
Other	0
Total Expenditures	<u>1,624</u>
Receipts Over (Under) Expenditures	23,808
Unencumbered Cash, January 1	<u>9,465</u>
Unencumbered Cash, December 31	<u><u>\$ 33,273</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2N

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

CAPITAL IMPROVEMENT RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 106,000
Other reimbursements	144,970
Total Receipts	<u>250,970</u>
Expenditures	
Capital improvements	233,789
Other	0
Total Expenditures	<u>233,789</u>
Receipts Over (Under) Expenditures	17,181
Unencumbered Cash, January 1	<u>618,372</u>
Unencumbered Cash, December 31	<u><u>\$ 635,553</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 20

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

GRANTS

	Current Year Actual
Receipts	
ARPA grant	\$ 161,842
CARES grant	2,000
Other grants	876
Total Receipts	<u>164,718</u>
Expenditures	
Grant projects	5,551
CARES program	2,000
Total Expenditures	<u>7,551</u>
Receipts Over (Under) Expenditures	157,167
Unencumbered Cash, January 1	<u>7,500</u>
Unencumbered Cash, December 31	<u><u>\$ 164,667</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2P

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

WATER

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Charges for Services	\$ 955,216	\$ 940,000	\$ 15,216
Transfer in	0	0	0
Other Receipts	70,469	0	70,469
Total Receipts	<u>1,025,685</u>	<u>940,000</u>	<u>85,685</u>
Expenditures			
Production			
Personal Service	93,516	121,500	(27,984)
Contractual	147,769	125,800	21,969
Commodities	146,757	133,500	13,257
Capital Outlay	33,851	1,000	32,851
Distribution			
Personal Service	98,405	115,200	(16,795)
Contractual	15,281	21,950	(6,669)
Commodities	7,246	10,150	(2,904)
Capital Outlay	59,865	85,000	(25,135)
Commercial/Administrative			
Personal Service	27,871	30,000	(2,129)
Contractual	41,343	16,100	25,243
Commodities	7,489	26,500	(19,011)
Capital Outlay	17,835		17,835
Other			0
Debt Service	126,890	131,140	(4,250)
Transfers out	51,546	118,547	(67,001)
Adjustment for budget credits	0	0	0
Total Expenditures	<u>875,664</u>	<u>936,387</u>	<u>(60,723)</u>
Receipts Over (Under) Expenditures	150,021	<u>\$ 3,613</u>	<u>\$ 146,408</u>
Unencumbered Cash, January 1	<u>413,869</u>		
Unencumbered Cash, December 31	<u>\$ 563,890</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2Q

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

WATER MAINTENANCE RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 15,000
Other	0
Total Receipts	<u>15,000</u>
Expenditures	
Water system maintenance	0
Other	0
Total Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	15,000
Unencumbered Cash, January 1	<u>233,031</u>
Unencumbered Cash, December 31	<u><u>\$ 248,031</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2R

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

SEWER

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Charges for Services	\$ 220,073	\$ 232,000	\$ (11,927)
Other Receipts	2,776	0	2,776
Total Receipts	<u>222,849</u>	<u>232,000</u>	<u>(9,151)</u>
Expenditures			
Personal Service	48,670	51,500	(2,830)
Contractual	29,307	41,100	(11,793)
Commodities	32,958	26,700	6,258
Capital Outlay	2,239	12,000	(9,761)
Principal and interest	27,650	28,050	(400)
Transfers out	35,000	52,000	(17,000)
Total Expenditures	<u>175,824</u>	<u>211,350</u>	<u>(35,526)</u>
Receipts Over (Under) Expenditures	47,025	<u>\$ 20,650</u>	<u>\$ 26,375</u>
Unencumbered Cash, January 1	<u>561,063</u>		
Unencumbered Cash, December 31	<u>\$ 608,088</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2S

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

SEWER RESERVE

	Current Year Actual
Receipts	
Transfer In	\$ 25,000
Other	0
Total Receipts	<u>25,000</u>
Expenditures	
Sewer system maintenance	0
Other	0
Total Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	25,000
Unencumbered Cash, January 1	<u>41,190</u>
Unencumbered Cash, December 31	<u><u>\$ 66,190</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2T

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

REFUSE

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Charges for Services	\$ 156,174	\$ 155,000	\$ 1,174
Other Receipts	0	0	0
Total Receipts	<u>156,174</u>	<u>155,000</u>	<u>1,174</u>
Expenditures			
Contractual	146,828	155,000	(8,172)
Transfer to Computer Equip Fund	5,432	0	5,432
Total Expenditures	<u>152,260</u>	<u>155,000</u>	<u>(2,740)</u>
Receipts Over (Under) Expenditures	3,914	<u>\$ 0</u>	<u>\$ 3,914</u>
Unencumbered Cash, January 1	<u>16,926</u>		
Unencumbered Cash, December 31	<u>\$ 20,840</u>		

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 2U

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

CEMETERY ENDOWMENT

	Current Year Actual
Receipts	
Lots and care	\$ 1,900
Other	0
Total Receipts	<u>1,900</u>
Expenditures	
Cemetery care	0
Transfer out	<u>4,300</u>
Total Expenditures	<u>4,300</u>
Receipts Over (Under) Expenditures	(2,400)
Unencumbered Cash, January 1	<u>92,745</u>
Unencumbered Cash, December 31	<u><u>\$ 90,345</u></u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 3

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

AGENCY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Lake tax refunds	\$ 131,815	\$ 0	\$ 3,158	\$ 128,657
Other	0	0	0	0
Total	<u>\$ 131,815</u>	<u>\$ 0</u>	<u>\$ 3,158</u>	<u>\$ 128,657</u>

See accompanying auditor's report.

City of Council Grove
Morris County, Kansas

Schedule 4

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

RELATED MUNICIPAL ENTITY
PUBLIC BUILDING COMMISSION

	Pool P&I Reserve	Pool Bond Reserve	Total
Receipts			
Lease payments from City	\$ 217,800	\$ 0	\$ 217,800
Bonds refinanced	0	0	0
Total Receipts	<u>217,800</u>	<u>0</u>	<u>217,800</u>
Expenditures			
Pool principal and interest	215,800	0	215,800
Fees	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Expenditures	<u>217,800</u>	<u>0</u>	<u>217,800</u>
Receipts Over (Under) Expenditures	0	0	0
Unencumbered Cash, January 1	<u>0</u>	<u>246,500</u>	<u>246,500</u>
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 246,500</u>	<u>\$ 246,500</u>

See accompanying auditor's report.