CITY OF NESS CITY, KANSAS

FINANCIAL STATEMENT

WITH

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITOR'S REPORT

December 31, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

CITY OF NESS CITY
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July 29, 2022

Mayor and Council Members
City of Ness City, Kansas

Independent Auditor's Report

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and KMAAG. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to the 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 on the basis of the financial reporting provisions of the KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 financial statement that is free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF NESS CITY, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2021

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	$ 400,533	$ -	$ 1,219,719	$ 1,080,100	$ 540,152	$ 10,150	$ 550,302
Special Purpose Funds							
Special Highway Fund	24,908	-	37,932	57,408	5,432	-	5,432
Special Parks and Recreation Fund	26,459	-	6,462	-	32,921	-	32,921
Industrial Development Fund	18,520	-	15	-	18,535	-	18,535
Library Fund	4,537	-	84,094	84,145	4,486	-	4,486
Library Employee Benefit Fund	571	-	48,874	48,878	567	-	567
Guest Tax Fund	49,937	-	4,883	2,549	52,271	-	52,271
Capital Improvement Fund	1,135,340	-	415,000	128,470	1,421,870	-	1,421,870
Equipment Reserve Fund	221,624	-	149,000	15,902	354,722	-	354,722
ARPA Fund	-	-	99,425	-	99,425	-	99,425
Capital Project Fund							
Airport Improvements Fund	36,623	-	134,745	154,085	17,283	1,595	18,878
Business Funds							
Water Utility Fund	388,028	-	415,943	487,079	316,892	8,575	325,467
Sewer Utility Fund	123,125	-	144,826	160,597	107,354	20,419	127,773
Solid Waste Disposal Fund	173,696	-	132,820	118,860	187,656	-	187,656
Subtotal Primary Government	$ 2,603,901	$ -	$ 2,893,738	$ 2,338,073	$ 3,159,566	$ 40,739	$ 3,200,305
Related Municipal Entity							
Ness City Public Library	$ 179,807	$ -	$ 165,780	$ 153,996	$ 191,591	$ -	$ 191,591
Total Financial Reporting Entity	$ 2,783,708	$ -	$ 3,059,518	$ 2,492,069	$ 3,351,157	$ 40,739	$ 3,391,896

Composition of Cash:	
Checking Accounts	$ 2,187,031
Certificates of Deposit	1,013,274
Subtotal Primary Government	$ 3,200,305
Related Municipal Entity	191,591
Total Primary Government	$ 3,391,896

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

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

Note 1: Summary of Significant Accounting Policies

The City of Ness City, Kansas (the City) is a municipal corporation governed by an elected five-member council. The accounting policies of the City conform to the cash-basis and budget laws of Kansas (regulatory basis). The following is a summary of the more significant policies.

Municipal Financial Reporting Entity

The municipal financial reporting entity is comprised of the primary government and the one related municipal entity, the Ness City Public Library. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entities Ness City Airport Authority and Ness City Cemetery District.

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

General Fund - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

Capital Projects Fund - Capital projects fund is used to account for capital projects.

Business Funds - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

Basis of Accounting

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 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 revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

If the City 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 City did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. 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 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 regulatory basis of accounting, in which revenues 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and airport improvement fund.

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

Note 2: Deposits and Investments

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

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

Note 2: Deposits and Investments (Continued)

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 coverage is 50%. The City does not utilize "peak periods". All deposits were legally secured at December 31, 2021.

As of December 31, 2021, the City's carrying amount of the deposits was $3,200,305 and the bank balance was $3,292,673. The bank balance was held by one bank, in checking, money market and certificates of deposit. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Note 3: Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1st of each year. The county treasurer is the tax collection agent for all taxing entities within the county. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20th of the ensuing year. State statutes prohibit the county treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 4: Defined Benefit Pension Plan

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 8.87% for fiscal year ended December 31, 2021. Contributions to the pension plan from the City were $31,210 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 $216,988. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report, including all actuarial assumption 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 5: Interfund Transfers

Transfers for the year ended December 31, 2021 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-1, 117	$ 415,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1, 117	149,000
Sewer Utility Fund	Sewer Replacement Fund	K.S.A. 12-825d	2,500
Water Utility Fund	Water Reserve Fund	K.S.A. 12-825d	18,000
Capital Improvement Fund	Airport Runway	Per Council	50,000
Total Transfers			$ 634,500

Note 6: Long-Term Debt

The City has the following types of long-term debt:

KDHE Revolving Loan

The City entered into a $1,150,000 revolving loan agreement on November 18, 2004 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance Public Water Supply System Project #2416. The City will use proceeds generated by the operation of the facility for loan repayment, which began February 1, 2007.

Lease Obligations

The City has entered into lease agreements for equipment. The leases contain a fiscal funding clause.

General Obligation Bonds

The City has one outstanding general obligation bond.

Note 7: Debt Restrictions and Covenants

KDHE Public Water Supply Loan

The City entered into a loan agreement with the Kansas Department of Health and Environment to fund the improvements to the public water supply system in the amount of $1,150,000. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with the requirement as of December 31, 2021 as it is providing dedicated funds through water rates and fees charged.

Note 8: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no decreases in insurance coverage from the prior year.

Note 9: Compliance with Finance-Related Legal and Contractual Provisions

There were no budget or cash violations during 2021.

Note 10: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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.

Note 11: Related Party Transactions

During 2021, the City entered into arms length transactions with council member Travis Snyder. The City paid $515 for services provided by Yesterday's Body Shop, owned by Travis Snyder.

Note 12: Capital Projects

At year end, capital project authorizations compared with cash disbursements and accounts payable from inception are as follows:

	Project Authorizations	Expenditures To Date
Airport Runway Connector	$ 2,970,096	$ 1,676,640

Note 13: COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

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

Note 14: Changes in Long-Term Debt

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
2015 Series	2.50 - 4.50%	7/1/2015	$ 85,000	10/01/35	$ 71,000	$ -	$ 4,000	$ (4,000)	$ 67,000	$ 2,605
KDHE Loan										
Public Water Supply System Project	3.66%	11/18/04	1,150,000	8/1/26	406,572	-	61,770	(61,770)	344,802	14,320
TOTAL LONG-TERM DEBT					$ 477,572	$ -	$ 65,770	$ (65,770)	$ 411,802	$ 16,925

Note 15: Maturity of Long-Term Debt

PRINCIPAL	2022	2023	2024	2025	2026	2027-2031	2032-2036	Total
General Obligation Bond	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 4,000	$ 24,000	$ 23,000	$ 67,000
KDHE Loan	64,051	66,417	68,870	71,414	74,050	-	-	344,802
Total Principal	$ 68,051	$ 70,417	$ 72,870	$ 75,414	$ 78,050	$ 24,000	$ 23,000	$ 411,802
INTEREST								
General Obligation Bond	$ 2,505	$ 2,405	$ 2,305	$ 2,205	$ 2,065	$ 8,015	$ 2,655	$ 22,155
KDHE Loan	12,038	9,673	7,220	4,677	2,039	-	-	35,647
Total Interest	$ 14,543	$ 12,078	$ 9,525	$ 6,882	$ 4,104	$ 8,015	$ 2,655	$ 57,802
TOTAL PRINCIPAL AND INTEREST	$ 82,594	$ 82,495	$ 82,395	$ 82,296	$ 82,154	$ 32,015	$ 25,655	$ 469,604

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

CITY OF NESS CITY, KANSAS
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

Fund	Certified Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Funds			
General Fund	$ 1,340,500	$ 1,080,100	$ (260,400)
Special Purpose Funds			
Special Highway Fund	58,000	57,408	(592)
Special Parks and Recreation Fund	19,000	-	(19,000)
Industrial Development Fund	18,501	-	(18,501)
Library Fund	89,500	84,145	(5,355)
Library Employee Benefit Fund	50,000	48,878	(1,122)
Guest Tax Fund	43,000	2,549	(40,451)
Business Funds			
Water Utility Fund	555,000	487,079	(67,921)
Sewer Utility Fund	232,500	160,597	(71,903)
Solid Waste Disposal Fund	143,000	118,860	(24,140)
TOTAL	$ 2,549,001	$ 2,039,616	$ (509,385)

CITY OF NESS CITY, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes			
Ad Valorem	$ 436,856	$ 464,853	$ (27,997)
Delinquent	18,332	-	18,332
Motor Vehicle	97,671	94,997	2,674
Intangible	15,119	11,746	3,373
Total Taxes	$ 567,978	$ 571,596	$ (3,618)
Intergovernmental			
Local City Sales Tax	$ 478,298	$ 400,000	$ 78,298
Local Alcoholic Liquor Tax	6,462	2,000	4,462
Connecting Links	8,534	5,000	3,534
Total Intergovernmental	$ 493,294	$ 407,000	$ 86,294
Licenses			
Franchise Fees	$ 114,911	$ 90,000	$ 24,911
Licenses and Permits	4,504	5,000	(496)
Total Licenses and Permits	$ 119,415	$ 95,000	$ 24,415
Fines and Forfeitures			
Fines	$ 1,708	$ 5,000	$ (3,292)
Use of Money and Property			
Interest	$ 3,191	$ 5,000	$ (1,809)
Miscellaneous			
Swimming Pool	$ 1,868.00	$ 2,500	$ (632)
Recycling Revenue	5,002	2,500	2,502
Community Building Donations	5,400	1,500	3,900
Other	21,863	5,000	16,863
Transfers In	-	50,000	(50,000)
Total Miscellaneous	$ 34,133	$ 61,500	$ (27,367)
Total Receipts	$ 1,219,719	$ 1,145,096	$ 74,623

(continued)

CITY OF NESS CITY, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Expenditures			
General and Administrative			
Personnel Services	$ 88,239	$ 100,000	$ (11,761)
Contractual Services	26,407	40,000	(13,593)
Commodities	38,594	35,000	3,594
Capital Outlay	118	10,000	(9,882)
Total General and Administrative	$ 153,358	$ 185,000	$ (31,642)
Street Department			
Personnel Services	$ 60,333	$ 70,000	$ (9,667)
Contractual Services	8,786	50,000	(41,214)
Commodities	119,775	135,000	(15,225)
Capital Outlay	-	65,000	(65,000)
Total Street Department	$ 188,894	$ 320,000	$ (131,106)
Employee Benefits			
Health Insurance	$ 32,021	$ 45,000	$ (12,979)
Social Security	13,829	20,000	(6,171)
KPERS	13,466	20,000	(6,534)
Unemployment	348	1,500	(1,152)
Total Employee Benefits	$ 59,664	$ 86,500	$ (26,836)
Street Lighting			
Contractual Services	$ 23,438	$ 27,000	$ (3,562)
Swimming Pool			
Personnel Services	$ 11,731	$ 20,000	$ (8,269)
Contractual Services	-	5,000	(5,000)
Commodities	7,054	20,000	(12,946)
Total Swimming Pool	$ 18,785	$ 45,000	$ (26,215)
Park Improvement			
Personnel Services	$ -	$ 2,500	$ (2,500)
Contractual Services	4,656	2,500	2,156
Commodities	7,855	5,000	2,855
Capital Outlay	13,369	2,000	11,369
Total Park Improvement	$ 25,880	$ 12,000	$ 13,880
Recycling			
Personnel Services	$ 22,422	$ 8,000	$ 14,422
Contractual Services	-	15,000	(15,000)
Commodities	5,351	10,000	(4,649)
Capital Outlay	-	15,000	(15,000)
Total Recycling	$ 27,773	$ 48,000	$ (20,227)

(continued)

CITY OF NESS CITY, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Expenditures (Continued)			
Community Building			
Contractual Services	$ 5,531	$ 6,000	$ (469)
Commodities	7,134	14,000	(6,866)
Capital Outlay	-	30,000	(30,000)
Total Community Building	$ 12,665	$ 50,000	$ (37,335)
Appropriations			
Airport	$ 3,000	$ 3,000	$ -
Debt Payments	$ 2,643	$ -	$ 2,643
Transfers Out	$ 564,000	$ 564,000	$ -
Total Expenditures	$ 1,080,100	$ 1,340,500	$ (260,400)
Receipts Over (Under) Expenditures	$ 139,619		
Unencumbered Cash - Beginning	400,533		
Unencumbered Cash - Ending	$ 540,152		

CITY OF NESS CITY, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental			
State Gasoline Tax	$ 37,932	$ 30,470	$ 7,462
Expenditures			
Personnel Services	$ -	$ 5,000	$ (5,000)
Contractual Services	10,007	31,000	(20,993)
Commodities	47,401	22,000	25,401
Total Expenditures	$ 57,408	$ 58,000	$ (592)
Receipts Over (Under) Expenditures	$ (19,476)		
Unencumbered Cash - Beginning	24,908		
Unencumbered Cash - Ending	$ 5,432		

CITY OF NESS CITY, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Intergovernmental			
Local Alcoholic Liquor Tax	$ 6,462	$ 4,500	$ 1,962
EXPENDITURES			
Culture and Recreation	$ -	$ 19,000	$ (19,000)
Receipts Over (Under) Expenditures	$ 6,462		
Unencumbered Cash - Beginning	26,459		
Unencumbered Cash - Ending	$ 32,921		

CITY OF NESS CITY, KANSAS
INDUSTRIAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes			
Delinquent	$ 15	$ -	$ 15
Expenditures			
Industrial Development	$ -	$ 18,501	$ (18,501)
Receipts Over (Under) Expenditures	$ 15		
Unencumbered Cash - Beginning	18,520		
Unencumbered Cash - Ending	$ 18,535		

CITY OF NESS CITY, KANSAS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes			
Ad Valorem	$ 64,988	$ 69,156	$ (4,168)
Delinquent	2,900	-	2,900
Motor Vehicle	16,206	15,807	399
Total Receipts	$ 84,094	$ 84,963	$ (869)
Expenditures			
Appropriations	$ 84,145	$ 89,500	$ (5,355)
Receipts Over (Under) Expenditures	$ (51)		
Unencumbered Cash - Beginning	4,537		
Unencumbered Cash - Ending	$ 4,486		

CITY OF NESS CITY, KANSAS
LIBRARY EMPLOYEE BENEFIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes			
Ad Valorem	$ 38,227	$ 40,680	$ (2,453)
Delinquent	1,616	-	1,616
Motor Vehicle	9,031	8,808	223
Total Receipts	$ 48,874	$ 49,488	$ (614)
Expenditures			
Appropriations	$ 48,878	$ 50,000	$ (1,122)
Receipts Over (Under) Expenditures	$ (4)		
Unencumbered Cash - Beginning	571		
Unencumbered Cash - Ending	$ 567		

CITY OF NESS CITY, KANSAS
GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Taxes			
Guest Tax	$ 4,883	$ 10,000	$ (5,117)
Expenditures			
Convention and Tourism	$ 2,149	$ 43,000	$ (40,851)
Contractual	400	-	400
Total Expenditures	$ 2,549	$ 43,000	$ (40,451)
Receipts Over (Under) Expenditures	$ 2,334		
Unencumbered Cash - Beginning	49,937		
Unencumbered Cash - Ending	$ 52,271		

CITY OF NESS CITY, KANSAS
WATER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Water Sales	$ 387,558	$ 380,000	$ 7,558
Interest	4,416	7,500	(3,084)
Late Charges	5,969	5,000	969
Transfer In	18,000	18,000	-
Total Cash Receipts	$ 415,943	$ 410,500	$ 5,443
EXPENDITURES			
Personnel Services	$ 161,886	$ 55,000	$ 106,886
Contractual	65,646	350,000	(284,354)
Commodities	159,286	-	159,286
Capital Outlay	1,223	-	1,223
Sales Tax	4,948	-	4,948
Debt Service	76,090	82,000	(5,910)
Transfers Out	18,000	68,000	(50,000)
Total Expenditures	$ 487,079	$ 555,000	$ (67,921)
Receipts Over (Under) Expenditures	$ (71,136)		
Unencumbered Cash - Beginning	388,028		
Unencumbered Cash - Ending	$ 316,892		

CITY OF NESS CITY, KANSAS
SEWER UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
Sewer Service Charges	$ 107,461	$ 105,000	$ 2,461
Interest	759	1,500	(741)
Commercial Utility	34,106	40,000	(5,894)
Transfers In	2,500	2,000	500
Total Receipts	$ 144,826	$ 148,500	$ (3,674)
EXPENDITURES			
Personal Services	$ 55,499	$ 65,000	$ (9,501)
Contractual Services	17,626	25,000	(7,374)
Commodities	27,954	60,000	(32,046)
Capital Outlay	21,692	45,000	(23,308)
Employee Benefits	31,361	35,000	(3,639)
Debt Service	3,965	-	3,965
Transfers Out	2,500	2,500	-
Total Expenditures	$ 160,597	$ 232,500	$ (71,903)
Receipts Over (Under) Expenditures	$ (15,771)		
Unencumbered Cash - Beginning	123,125		
Unencumbered Cash - Ending	$ 107,354		

CITY OF NESS CITY, KANSAS
SOLID WASTE DISPOSAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts			
User Fees	$ 132,820	$ 125,000	$ 7,820
Expenditures			
Contractual Services	$ 118,860	$ 140,000	$ (21,140)
Commodities	-	2,000	(2,000)
Capital Outlay	-	1,000	(1,000)
Total Expenditures	$ 118,860	$ 143,000	$ (24,140)
Receipts Over (Under) Expenditures	$ 13,960		
Unencumbered Cash - Beginning	173,696		
Unencumbered Cash - Ending	$ 187,656		

CITY OF NESS CITY, KANSAS
CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021

Receipts		
Transfers In	$	415,000
Expenditures		
Capital Outlay	$	78,470
Transfer Out		50,000
Total Expenditures	$	128,470
Receipts Over (Under) Expenditures	$	286,530
Unencumbered Cash - Beginning		1,135,340
Unencumbered Cash - Ending	$	1,421,870

CITY OF NESS CITY, KANSAS
AIRPORT IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021

Receipts		
Federal Aid	$	84,745
Transfers In		50,000
	$	134,745
Expenditures		
Fees - Professional Services	$	115,835
Contractual		38,250
Total Expenditures	$	154,085
Receipts Over (Under) Expenditures	$	(19,340)
Unencumbered Cash - Beginning		36,623
Unencumbered Cash - Ending	$	17,283

CITY OF NESS CITY, KANSAS
EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021

Receipts	
Transfers In	$ 149,000
Expenditures	
Capital Outlay	$ 15,902
Receipts Over (Under) Expenditures	$ 133,098
Unencumbered Cash - Beginning	221,624
Unencumbered Cash - Ending	$ 354,722

CITY OF NESS CITY, KANSAS
ARPA FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021

Receipts		
Federal Aid	$	99,425
Expenditures		
Transfers Out	$	-
Receipts Over (Under) Expenditures	$	99,425
Unencumbered Cash - Beginning		-
Unencumbered Cash - Ending	$	99,425

CITY OF NESS CITY, KANSAS
RELATED MUNICIPAL ENTITY
NESS CITY PUBLIC LIBRARY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021

Receipts		
Intergovernmental	$	23,467
Interest		171
Miscellaneous		2,563
Appropriations		139,579
Total Receipts	$	165,780
Expenditures		
Personnel Services	$	119,629
Contractual Services		1,798
Commodities		32,569
Total Expenditures	$	153,996
Receipts Over (Under) Expenditures	$	11,784
Unencumbered Cash - Beginning		179,807
Unencumbered Cash - Ending	$	191,591