CITY OF HERINGTON, KANSAS

DECEMBER 31, 2021

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VOGEL PIERCE FARIS
Chartered

CITY OF HERINGTON, KANSAS

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Commission
City of Herington, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Herington, 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 matters discussed in the "Basis for Adverse and Unmodified Opinions on U.S. Generally Accepted Accounting Principles" 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 the Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. 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 *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.

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Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the regulatory basis reporting provisions in the *Kansas Municipal Audit and Accounting Guide*, as described in Note 1—Summary of Significant Accounting Policies, 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 preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditors' 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 generally accepted auditing standards (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 generally accepted auditing standards, 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 receipts, expenditures, and unencumbered cash balances – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the schedule of receipts and expenditures – regulatory basis – related municipal entity (Schedules 1 through 3, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions in *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and the supplementary information 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 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—Summary of Significant Accounting Policies.



Certified Public Accountants

Hutchinson, Kansas
July 22, 2022

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	$ 201,239	$ 1,601,038	$ 1,730,451	$ 71,826	$ -	$ 71,826
SPECIAL PURPOSE FUNDS						
Library	-	78,394	78,394	-	-	-
Employee Benefits	178,393	316,860	412,686	82,567	-	82,567
Special Highway	58,946	65,430	104,744	19,632	-	19,632
Park, Recreation, and Improvements	3,194	2,306	4,870	630	-	630
Guest Tax	12,140	11,709	13,000	10,849	-	10,849
2010 Sales Tax	138,363	-	-	138,363	-	138,363
2006 Sales Tax	291,729	175,717	137,680	329,766	-	329,766
Hospital	-	104,452	104,452	-	-	-
Storm Water Drainage	184,046	56,509	180,127	60,428	-	60,428
Police Diversion	(1,665)	2,456	2,995	(2,204)	-	(2,204)
Capital Improvement	51,344	31	-	51,375	-	51,375
Donations	88,769	-	3,817	84,952	-	84,952
Equipment Reserve	124,836	277	15,929	109,184	-	109,184
Hilltop Deposits	981	11	-	992	19,698	20,690
UPTICC Grant	-	25,000	25,000	-	-	-
KMEA Prepayments	-	129,404	-	129,404	-	129,404
COVID/SPARK	(2,225)	1,381	169	(1,013)	-	(1,013)
American Rescue Plan	-	173,059	-	173,059	-	173,059
BOND AND INTEREST FUND						
Bond and Interest	8,055	186,305	183,104	11,256	-	11,256
TRUST FUND						
Cemetery Perpetual	144,441	3,993	1,748	146,686	-	146,686
BUSINESS FUNDS						
Airport	209,353	107,651	81,727	235,277	-	235,277
Water	484,872	3,280,846	3,037,401	728,317	-	728,317
Light	1,075,523	3,075,946	2,607,632	1,543,837	-	1,543,837
Sewer	154,201	929,141	860,368	222,974	-	222,974
Solid Waste	14,206	219,923	216,022	18,107	-	18,107
TOTAL PRIMARY GOVERNMENT	3,420,741	10,547,839	9,802,316	4,166,264	19,698	4,185,962
RELATED MUNICIPAL ENTITIES						
Herington Public Library	200,322	90,251	85,122	205,451	-	205,451
TOTAL REPORTING ENTITIES	$ 3,621,063	$ 10,638,090	$ 9,887,438	$ 4,371,715	$ 19,698	$ 4,391,413

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

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2021

COMPOSITION OF CASH		
Checking accounts		
Central National Bank	$	3,343,135
Certificates of deposit and savings accounts		
Central National Bank		527,997
First National Bank of Hope		300,000
Cash and cash items		14,830
Related municipal entity		
Herington Public Library		205,451
TOTAL REPORTING ENTITIES	$	4,391,413

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

CITY OF HERINGTON, KANSAS
Herington, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2021

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Herington, Kansas (the City) is a municipal corporation governed by an elected mayor and five-member commission. The financial statement presents the City (the municipality) and certain related municipal entities, described below, which are included in the City's reporting entity because of their operational or financial relationship with the City. Related municipal entities are entities for which the City is considered to be financially accountable. The blended related municipal entity, although a legally separate entity is, in substance, part of the City's operations. Data from this related municipal entity is combined with data from the City. The discretely presented related municipal entities are reported in a separate line in the financial statement to emphasize that it is legally separate from the City.

Discretely Presented Related Municipal Entity

The Herington Public Library (the Library) is governed by a board, which is appointed by the City. The Library is not a separate taxing entity under Kansas statutes, and the City levies taxes for the Library operation, which represents a significant portion of its total revenues. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City.

Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or objectives in accordance with special regulations, restrictions, or limitations.

Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

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

General Fund

To account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds

To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are intended for specified purposes.

Bond and Interest Fund

To account for the accumulation of resources for the payment of interest and principal on long-term debt.

Business Funds

Funds financed in whole or in part by fees charged to users of the goods and services.

Trust Funds

Funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America

The regulatory basis of accounting provisions in the Kansas Municipal Audit and Accounting Guide (KMAAG) 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 reporting the changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts 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. 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 municipality to use the regulatory basis of accounting.

Compensated Absences

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 60 days' vacation and 120 days sick leave. Policies prohibit payment of vacation time in lieu of time off and all accumulated vacation pay is payable upon employment termination. Retiring employees, who are age 62, or with twenty years' service with the City, or that are KPERS eligible, are paid for accumulated sick leave at the ratio of one day per four days of accrued sick leave.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds or from other City funds.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

Interest Income

Unless specifically designated, all investment income is credited to the General Fund.

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

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 budget for the succeeding calendar year on or before August 1 of each year.
2. Publication of proposed budget on or before August 5 of each year.
3. Public hearing on or before August 15 of each year, but at least ten days after publication of notice of hearing.
4. Adoption of final budget on or before August 25 of each year.

If the City is holding a revenue rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing as a part of the process for adoption of the 2022 budget.

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 amended budgets for the year ended December 31, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

Original appropriations are modified by supplemental appropriations and transfers among budget categories. The City Commission approves all significant changes.

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, Hilltop Deposits Fund, Donations Fund, and COVID/SPARK Fund.

Taxes levied to finance the budget become a lien against all property November 1. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. These taxes are made available to the City after January 1 and are distributed by the County Treasurer generally in the months of January and June. Delinquent tax collections are distributed throughout the year.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Management was not aware of any material statutory violations.

NOTE 3—DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the summary statement of receipts, expenditures, and unencumbered cash. In addition, investments are held separately by some of the City's Funds. The cash balances of certain funds are restricted as to their use.

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 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 Federal Deposit Insurance Corporation (FDIC) insurance 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 (KMIP). The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by FDIC 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.

Deposits

At year end, the carrying amount of the City's deposits were $4,171,132. The bank balance was $4,413,317. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $750,000 was covered by FDIC insurance and $3,663,317 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

At year end, the carrying amount of the Herington Public Library's deposits were $205,451 and the bank balance was $207,841. The differences between the carrying amounts and the bank balances are outstanding checks and deposits in transit. The bank balances of the Herington Public Library were entirely covered by FDIC insurance.

NOTE 4—LONG-TERM DEBT

Terms for long-term debt for the City for the year ended December 31, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Interest Due	Principal Due	Amount of Issue	Date of Final Maturity
General Obligation Bonds						
Series 2014	1.00% to 2.80%	08/28/14	03-01,09-01	03-01	$ 945,000	03/01/25
Series 2017	3.00%	09/20/17	04-01,10-01	10-01	725,000	10/01/28
Capital leases						
Excavator	3.25%	03/23/17	03-23	03-23	44,300	03/23/23
Asphalt zipper	3.59%	05/26/17	05-26	05-26	105,290	05/26/22
WatchGuard camera system	3.65%	12/04/18	02-07	02-07	52,104	02/07/23
Street sweeper	4.52%	06/01/19	12-01	12-01	185,000	12/01/25
Fire equipment	3.19%	08/15/21	08-15	08-15	242,649	08/15/31
Other debt						
KWPCRF no. c20 1203-01	2.58%	09/12/03	03-01,09-01	03-01,09-01	605,000	09/01/25
KPWSLF no. 2357	3.68%	03/01/04	02-01,08-01	02-01,08-01	1,206,038	08/01/25

In January 2018, the City approved financing for construction of a water treatment facility through the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund (loan no. 2927). The total financing available for this project is $3,409,000, with an interest rate of 2.14% and potential loan forgiveness of 30.00% one year after completion of the project if certain conditions are met. The City will drawdown funds to pay project costs as the project progresses. At December 31, 2021, total drawdowns received, less principal repayments, were $3,408,600.

In November 2020, the City approved financing for construction of a waste water treatment facility through the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Loan Fund (loan no. C20 2040 01). The total financing available for this project is $946,000, with an interest rate of 1.34%. The City will drawdown funds to pay project costs as the project progresses. At December 31, 2021, total drawdowns received, less principal repayments, were $645,963.

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2014	$ 495,000	$ -	$ 95,000	$ 400,000	$ 11,604
Series 2017	550,000	-	60,000	490,000	16,500
Capital leases					
Excavator	23,212	-	7,491	15,721	754
Asphalt zipper	44,363	-	21,789	22,574	1,596
WatchGuard camera system	39,770	-	12,784	26,986	1,452
Street sweeper	134,916	-	24,652	110,264	6,099
Fire equipment	-	242,649	-	242,649	-
Other debt					
KWPCRF no. C20 1203-01	166,701	-	35,245	131,456	4,470
KWPCRF no. C20 2040-01	-	645,963	-	645,963	2,448
KPWSLF no. 2357	463,223	-	70,340	392,883	16,405
KPWSLF no. 2927	906,149	2,502,651	200	3,408,600	8,290
Total bonded indebtedness	$ 2,823,334	$ 3,391,263	$ 327,501	$ 5,887,096	$ 69,618

Current maturities of long-term debt and interest, excluding KWPCRF no. C20 2040-01 and KPWSLF no. 2927, for the next five years and in five-year increments through maturity are as follows:

	Principal		
	General Obligation Bonds	Capital Leases	Other Debt
2022	$ 160,000	$ 91,575	$ 109,202
2023	165,000	71,612	112,944
2024	170,000	51,842	116,817
2025	175,000	53,871	100,967
2026	70,000	25,232	84,409
2027-2031	150,000	124,062	-
	$ 890,000	$ 418,194	$ 524,339

	Interest		
	General Obligation Bonds	Capital Leases	Other Debt
2022	$ 24,261	$ 15,043	$ 17,258
2023	19,890	11,620	13,516
2024	15,140	8,908	9,644
2025	10,170	6,879	5,636
2026	6,600	4,768	2,337
2027-2031	6,750	11,687	-
	$ 82,811	$ 58,905	$ 48,391

NOTE 5—TRANSFERS

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

Amount	From Fund	To Fund	Statutory Authority
$ 111,000	Light	Bond and Interest	K.S.A. 12-825d
25,000	General	UPTICC Grant	Budgetary

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 substantially all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 7—DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of 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 and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in the Comprehensive Annual Financial Report, which can be found on KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the Kansas Public Employees Retirement System (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 establishes the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, or KPERS 3 members. K.S.A. 74-4975 establishes the Kansas Police and Firemen's Retirement System (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, KPERS 3, and KP&F be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate was 8.87% for KPERS and 22.80% for KP&F for the year ended December 31, 2021. Contributions to the pension plan from the City were $98,427 for KPERS and $85,985 for KP&F for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, KPERS has determined the City's proportionate share of the collective net pension liability was $611,162 for KPERS and $703,984 for KP&F. The net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and nonemployer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under KMAAG does not recognize long-term debt, this liability is not reported in the financial statement.

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 publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 8—OTHER LONG-TERM OBLIGATIONS

Other Post-Employment Benefits – Group Health Insurance

As provided by K.S.A. 12-5040, the County 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 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 government under this program.

Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in KPERS receive long-term disability 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 was set at 1% for the year ended December 31, 2021.

NOTE 9—RISK MANAGEMENT

The City is subject to certain risks such as 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 third parties. There have been no significant reductions in insurance coverage from the prior year and there have been no settled claims in excess of insurance coverage for the prior three years.

NOTE 10—LEASES

The City leases airport land to others through operating leases, the majority of which are cancelable. Future minimum rentals receivable under noncancellable operating leases at December 31, 2021, are as follows:

Year Ending	Amount
2022	$ 54,251
2023	17,521
2024	17,689
2025	17,699
2026	9,153
Later years	85,956
	$ 202,269

NOTE 11—CAPITAL PROJECTS

At year end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

Project	Project Authorization	Expenditures through 12/31/21
Water treatment facility	$ 3,409,000	$ 3,222,070
Waste water treatment facility	946,000	644,612

NOTE 12—CONTINGENCIES

The City is involved in litigation and regulatory issues arising out of the normal course of business. Management believes that these matters will be resolved without materially affecting the City's future financial position.

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUND	$ 1,867,231	$ -	$ 1,867,231	$ 1,730,451	$ (136,780)
SPECIAL PURPOSE FUNDS					
Library	77,706	-	77,706	78,394	688
Employee Benefits	411,600	4,288	415,888	412,686	(3,202)
Special Highway	102,308	-	102,308	104,744	2,436
Park, Recreation, and Improvements	4,500	-	4,500	4,870	370
Guest Tax	28,139	-	28,139	13,000	(15,139)
2010 Sales Tax	224,765	-	224,765	-	(224,765)
2006 Sales Tax	264,853	-	264,853	137,680	(127,173)
Hospital	213,600	-	213,600	104,452	(109,148)
Storm Water Drainage	171,925	-	171,925	180,127	8,202
Police Diversion	12,134	-	12,134	2,995	(9,139)
Capital Improvement	51,149	-	51,149	-	(51,149)
BOND AND INTEREST FUND					
Bond and Interest	188,104	-	188,104	183,104	(5,000)
BUSINESS FUNDS					
Airport	524,967	-	524,967	81,727	(443,240)
Water	1,163,941	2,502,651	3,666,592	3,037,401	(629,191)
Light	4,278,345	-	4,278,345	2,607,632	(1,670,713)
Sewer	426,844	648,859	1,075,703	860,368	(215,335)
Solid Waste	269,103	-	269,103	216,022	(53,081)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Taxes			
Ad valorem property tax	$ 454,514	$ 462,518	$ (8,004)
Delinquent tax collections	19,124		19,124
Motor vehicle tax	57,621	42,971	14,650
Recreational vehicle tax	1,140	659	481
16/20M truck tax	1,359	1,550	(191)
Commercial vehicle tax	-	1,865	(1,865)
Watercraft tax	-	89	(89)
Neighborhood revitalization rebate	-	(4,465)	4,465
Special assessments	1,913	2,000	(87)
Local sales tax	338,060	280,000	58,060
Compensating use tax	101,133	55,000	46,133
Liquor tax	2,306	132	2,174
Total Taxes	977,170	842,319	134,851
Intergovernmental			
Highway connecting links	15,329	9,200	6,129
Rural fire contracts	2,505	36,500	(33,995)
Total Intergovernmental	17,834	45,700	(27,866)
Licenses, Fees, and Permits			
Utility franchise tax	79,844	75,000	4,844
New lake licenses	8,616	-	8,616
Miscellaneous permits and licenses	13,774	12,900	874
Total Licenses, Fees, and Permits	102,234	87,900	14,334
Charges for Services			
Cemetery	6,150	2,500	3,650
Swimming pool	20,208	18,500	1,708
Total Charges for Services	26,358	21,000	5,358
Rental income			
Homestead rents	179,947	191,160	(11,213)
Community building rent	7,960	-	7,960
Farmland	6,152	-	6,152
Miscellaneous	397	17,000	(16,603)
Total Rental Income	194,456	208,160	(13,704)
Fines, Forfeitures, and Penalties	24,229	50,500	(26,271)
Interest on Idle Funds	8,958	15,000	(6,042)
Hilltop			
Bus	19,916	155,000	(135,084)
Building rent	69,059	-	69,059
Reimbursed expenses	31,153	-	31,153
Miscellaneous	954	-	954
Total Hilltop	121,082	155,000	(33,918)
Other Receipts			
Reimbursed expenses	119,998	-	119,998
Grants	3,830	-	3,830
Sale of surplus property	1,000	-	1,000
Transfer from:			
2006 Sales Tax Fund	-	125,000	(125,000)
2010 Sales Tax Fund	-	224,765	(224,765)
Miscellaneous	3,889	15,000	(11,111)
Total Other Receipts	128,717	364,765	(236,048)
TOTAL RECEIPTS	1,601,038	$ 1,790,344	$ (189,306)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
EXPENDITURES			
General Administration			
Personal services	$ 23,910	$ 22,000	$ 1,910
Contractual services	52,483	52,000	483
Commodities	13,652	15,000	(1,348)
Capital outlay	15,022	30,000	(14,978)
Miscellaneous	720	300	420
Transfer to - UPTICC Grant	25,000	-	25,000
Total departmental	130,787	119,300	11,487
Police			
Personal services	357,755	415,000	(57,245)
Contractual services	48,212	34,950	13,262
Commodities	64,357	57,500	6,857
Total departmental	470,324	507,450	(37,126)
Fire			
Personal services	114,370	141,000	(26,630)
Contractual services	39,386	43,925	(4,539)
Commodities	73,370	71,400	1,970
Capital outlay	20,701	10,000	10,701
Transfer to - Equipment Reserve Fund	-	5,000	(5,000)
Total departmental	247,827	271,325	(23,498)
Street			
Personal services	147,234	167,000	(19,766)
Contractual services	59,752	38,210	21,542
Commodities	79,275	68,100	11,175
Street improvements	30,888	30,000	888
Lease payments	-	23,386	(23,386)
Capital outlay	27,386	4,000	23,386
Transfer to - Equipment Reserve Fund	-	20,000	(20,000)
Total departmental	344,535	350,696	(6,161)
Park, Cemetery, and Lake			
Personal services	27,918	28,000	(82)
Contractual services	5,742	4,300	1,442
Commodities	7,029	4,700	2,329
Total departmental	40,689	37,000	3,689
Pool			
Personal services	28,939	37,000	(8,061)
Contractual services	2,088	3,000	(912)
Commodities	29,165	40,625	(11,460)
Total departmental	60,192	80,625	(20,433)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
EXPENDITURES (continued)			
Municipal Court			
Personal services	$ 28,966	$ 67,000	$ (38,034)
Contractual services	9,413	8,750	663
Commodities	512	3,000	(2,488)
Refunds and state assessments	3,620	-	3,620
Total departmental	42,511	78,750	(36,239)
Lakes			
Personal services	37,021	32,750	4,271
Contractual services	20,275	16,260	4,015
Commodities	62,429	21,100	41,329
Capital outlay	4,800	4,800	-
Other expense	9,475	8,000	1,475
Total departmental	134,000	82,910	51,090
Community Building			
Contractual services	16,312	19,200	(2,888)
Commodities	4,811	13,450	(8,639)
Capital outlay	-	1,000	(1,000)
Total departmental	21,123	33,650	(12,527)
Homestead Village			
Personal services	18,494	21,800	(3,306)
Contractual services	21,090	31,800	(10,710)
Commodities	3,025	13,050	(10,025)
Capital outlay	-	15,000	(15,000)
Total departmental	42,609	81,650	(39,041)
Hilltop			
Personal services	113,405	115,900	(2,495)
Contractual services	63,169	64,075	(906)
Commodities	13,339	31,600	(18,261)
Capital outlay	3,660	10,000	(6,340)
Other expense	2,281	2,300	(19)
Total departmental	195,854	223,875	(28,021)
TOTAL EXPENDITURES	1,730,451	$ 1,867,231	$ (136,780)
RECEIPTS OVER (UNDER) EXPENDITURES	(129,413)		
UNENCUMBERED CASH, BEGINNING	201,239		
UNENCUMBERED CASH, ENDING	$ 71,826		

CITY OF HERINGTON, KANSAS
Herington, Kansas

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 64,442	$ 65,495	$ (1,053)
Delinquent tax collections	3,104	-	3,104
Motor vehicle tax	10,418	7,979	2,439
Recreational vehicle tax	205	122	83
16/20M truck tax	225	288	(63)
Commercial vehicle tax	-	347	(347)
Watercraft tax	-	16	(16)
Neighborhood revitalization rebate	-	(713)	713
TOTAL RECEIPTS	78,394	$ 73,534	$ 4,860
EXPENDITURES			
Appropriations to library	78,394	$ 77,706	$ 688
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	-		
UNENCUMBERED CASH, ENDING	$ -		

CITY OF HERINGTON, KANSAS
Herington, Kansas

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 242,870	$ 246,778	$ (3,908)
Delinquent tax collections	13,244	-	13,244
Motor vehicle tax	42,247	31,219	11,028
Recreational vehicle tax	839	478	361
16/20M truck tax	1,049	1,126	(77)
Commercial vehicle tax	-	1,356	(1,356)
Watercraft tax	-	64	(64)
Neighborhood revitalization rebate	-	(2,595)	2,595
Reimbursed expenses	4,288	-	4,288
Miscellaneous	12,323	-	12,323
TOTAL RECEIPTS	316,860	$ 278,426	$ 38,434
EXPENDITURES			
Health insurance	195,767	$ 172,000	$ 23,767
Social Security	66,824	68,000	(1,176)
Workers' compensation	18,586	28,000	(9,414)
KPERS	38,569	30,100	8,469
KP&F retirement	85,985	111,000	(25,015)
Unemployment insurance	3,275	2,500	775
Other benefits	3,680	-	3,680
TOTAL EXPENDITURES	412,686	411,600	1,086
Adjustment for qualifying budget credits	-	4,288	(4,288)
TOTALS FOR COMPARISON	412,686	$ 415,888	$ (3,202)
RECEIPTS OVER (UNDER) EXPENDITURES	(95,826)		
UNENCUMBERED CASH, BEGINNING	178,393		
UNENCUMBERED CASH, ENDING	$ 82,567		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State of Kansas - fuel taxes	$ 65,430	$ 52,710	$ 12,720
Reimbursed expenses	-	-	-
TOTAL RECEIPTS	65,430	$ 52,710	$ 12,720
EXPENDITURES			
Contractual services	1,459	$ 1,800	$ (341)
Commodities	36,793	37,700	(907)
Lease payment - excavator	16,492	8,246	8,246
Capital outlay	50,000	50,000	-
Cash forward	-	4,562	(4,562)
TOTAL EXPENDITURES	104,744	$ 102,308	$ 2,436
RECEIPTS OVER (UNDER) EXPENDITURES	(39,314)		
UNENCUMBERED CASH, BEGINNING	58,946		
UNENCUMBERED CASH, ENDING	$ 19,632		

CITY OF HERINGTON, KANSAS
Herington, Kansas

PARK, RECREATION, AND IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Liquor enforcement tax	$ 2,306	$ 2,500	$ (194)
EXPENDITURES			
Capital outlay	4,870	$ 4,500	$ 370
RECEIPTS OVER (UNDER) EXPENDITURES	(2,564)		
UNENCUMBERED CASH, BEGINNING	3,194		
UNENCUMBERED CASH, ENDING	$ 630		

CITY OF HERINGTON, KANSAS
Herington, Kansas

GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Transient guest tax	$ 11,709	$ 15,500	$ (3,791)
EXPENDITURES			
Contractual services	13,000	$ 12,000	$ 1,000
Reserve for future period	-	16,139	(16,139)
TOTAL EXPENDITURES	13,000	$ 28,139	$ (15,139)
RECEIPTS OVER (UNDER) EXPENDITURES	(1,291)		
UNENCUMBERED CASH, BEGINNING	12,140		
UNENCUMBERED CASH, ENDING	$ 10,849		

CITY OF HERINGTON, KANSAS
Herington, Kansas

2010 SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS	$ -	$ -	$ -
EXPENDITURES			
Capital outlay	-	$ 224,765	$ (224,765)
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	138,363		
UNENCUMBERED CASH, ENDING	$ 138,363		

CITY OF HERINGTON, KANSAS
Herington, Kansas

2006 SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local sales tax	$ 125,902	$ 100,000	$ 25,902
Compensating use tax	49,815	25,000	24,815
TOTAL RECEIPTS	175,717	$ 125,000	$ 50,717
EXPENDITURES			
Transfer to - General Fund	-	$ 125,000	$ (125,000)
Reserve for future period	137,680	139,853	(2,173)
TOTAL EXPENDITURES	137,680	$ 264,853	$ (127,173)
RECEIPTS OVER (UNDER) EXPENDITURES	38,037		
UNENCUMBERED CASH, BEGINNING	291,729		
UNENCUMBERED CASH, ENDING	$ 329,766		

CITY OF HERINGTON, KANSAS
Herington, Kansas

HOSPITAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 4,952	$ 5,032	$ (80)
Delinquent tax collections	192	-	192
Motor vehicle tax	410	570	(160)
Recreational vehicle tax	10	9	1
16/20M truck tax	158	21	137
Commercial vehicle tax	-	25	(25)
Watercraft tax	-	1	(1)
Neighborhood revitalization rebate	-	(48)	48
Local sales tax	74,971	160,990	(86,019)
Compensating use tax	23,759	47,000	(23,241)
TOTAL RECEIPTS	104,452	$ 213,600	$ (109,148)
EXPENDITURES			
Appropriation to hospital	104,452	$ 213,600	$ (109,148)
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	-		
UNENCUMBERED CASH, ENDING	$ -		

CITY OF HERINGTON, KANSAS
Herington, Kansas

STORM WATER DRAINAGE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Storm water drainage fee	$ 48,795	$ 50,000	$ (1,205)
Delinquent collections	7,654	6,000	1,654
Reimbursed expense	60	-	60
TOTAL RECEIPTS	56,509	$ 56,000	$ 509
EXPENDITURES			
Personal services	17,426	$ 40,000	$ (22,574)
Commodities	1,986	30,750	(28,764)
Drainage improvements	160,715	101,175	59,540
TOTAL EXPENDITURES	180,127	$ 171,925	$ 8,202
RECEIPTS OVER (UNDER) EXPENDITURES	(123,618)		
UNENCUMBERED CASH, BEGINNING	184,046		
UNENCUMBERED CASH, ENDING	$ 60,428		

CITY OF HERINGTON, KANSAS
Herington, Kansas

POLICE DIVERSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Diversion fees	$ 2,456	$ 10,000	$ (7,544)
EXPENDITURES			
Training	-	$ 4,000	$ (4,000)
Equipment	2,995	6,000	(3,005)
Reserve for future period	-	2,134	(2,134)
TOTAL EXPENDITURES	2,995	$ 12,134	$ (9,139)
RECEIPTS OVER (UNDER) EXPENDITURES	(539)		
UNENCUMBERED CASH, BEGINNING	(1,665)		
UNENCUMBERED CASH, ENDING	$ (2,204)		

CITY OF HERINGTON, KANSAS
Herington, Kansas

CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest income	$ 31	$ -	$ 31
EXPENDITURES			
Capital improvements	-	$ 51,149	$ (51,149)
RECEIPTS OVER (UNDER) EXPENDITURES	31		
UNENCUMBERED CASH, BEGINNING	51,344		
UNENCUMBERED CASH, ENDING	$ 51,375		

CITY OF HERINGTON, KANSAS
Herington, Kansas

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 61,397	$ 62,365	$ (968)
Delinquent tax collections	2,498	-	2,498
Motor vehicle tax	10,938	8,241	2,697
Recreational vehicle tax	217	126	91
16/20M truck tax	255	297	(42)
Commercial vehicle tax	-	358	(358)
Watercraft tax	-	17	(17)
Neighborhood revitalization rebate	-	(685)	685
Transfer from - Light Fund	111,000	111,000	-
TOTAL RECEIPTS	186,305	$ 181,719	$ 4,586
EXPENDITURES			
Bonds			
Principal	155,000	$ 155,000	$ -
Interest	28,104	28,104	-
Cash basis reserve	-	5,000	(5,000)
TOTAL EXPENDITURES	183,104	$ 188,104	$ (5,000)
RECEIPTS OVER (UNDER) EXPENDITURES	3,201		
UNENCUMBERED CASH, BEGINNING	8,055		
UNENCUMBERED CASH, ENDING	$ 11,256		

CITY OF HERINGTON, KANSAS
Herington, Kansas

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Rental income	$ 87,547	$ 90,000	$ (2,453)
Reimbursed expenses	19,998	135,000	(115,002)
Interest income	106	3,500	(3,394)
TOTAL RECEIPTS	107,651	$ 228,500	$ (120,849)
EXPENDITURES			
Personal services	6,192	$ 16,000	$ (9,808)
Contractual services	50,928	111,500	(60,572)
Commodities	20,450	33,000	(12,550)
Airport improvements	4,157	364,467	(360,310)
TOTAL EXPENDITURES	81,727	$ 524,967	$ (443,240)
RECEIPTS OVER (UNDER) EXPENDITURES	25,924		
UNENCUMBERED CASH, BEGINNING	209,353		
UNENCUMBERED CASH, ENDING	$ 235,277		

CITY OF HERINGTON, KANSAS
Herington, Kansas

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 768,216	$ 832,000	$ (63,784)
Other charges	5,850	5,500	350
Loan proceeds - Kansas Public Water Supply Loan	2,502,651	-	2,502,651
Reimbursed expenses	143	8,500	(8,357)
Miscellaneous	3,986	-	3,986
TOTAL RECEIPTS	3,280,846	$ 846,000	$ 2,434,846
EXPENDITURES			
Production			
Personal services	85,258	$ 112,000	$ (26,742)
Contractual services	10,365	20,500	(10,135)
Commodities	115,343	115,800	(457)
Capital outlay	10,097	60,000	(49,903)
Total Production	221,063	308,300	(87,237)
Transmission and Distribution			
Personal services	142,629	135,000	7,629
Contractual services	10,333	20,650	(10,317)
Commodities	69,787	98,200	(28,413)
Capital outlay	97,554	120,000	(22,446)
Total Transmission and Distribution	320,303	373,850	(53,547)
General and Administrative			
Personal services	23,064	88,800	(65,736)
Contractual services	20,698	24,950	(4,252)
Commodities	2,766	4,100	(1,334)
Total General and Administrative	46,528	117,850	(71,322)
Other			
Water treatment plant	2,315,721	-	2,315,721
Sales tax	16,624	13,419	3,205
Water protection fee	4,770	4,200	570
Workers' compensation	4,027	15,000	(10,973)
Unemployment compensation	670	-	670
KDHE loan payments	107,695	216,746	(109,051)
Reserve for future period	-	114,576	(114,576)
Total Other	2,449,507	363,941	2,085,566
TOTAL EXPENDITURES	3,037,401	1,163,941	1,873,460
Adjustment for qualifying budget credits	-	2,502,651	(2,502,651)
TOTALS FOR COMPARISON	3,037,401	$ 3,666,592	$ (629,191)
RECEIPTS OVER (UNDER) EXPENDITURES	243,445		
UNENCUMBERED CASH, BEGINNING	484,872		
UNENCUMBERED CASH, ENDING	$ 728,317		

CITY OF HERINGTON, KANSAS
Herington, Kansas

LIGHT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 3,026,175	$ 2,948,606	$ 77,569
Other charges	7,835	26,000	(18,165)
Franchises, licenses, and permits	19,387	-	19,387
Reimbursed expenses	10,403	12,000	(1,597)
Grants	-	705,600	(705,600)
Miscellaneous	12,146	12,750	(604)
TOTAL RECEIPTS	3,075,946	$ 3,704,956	$ (629,010)
EXPENDITURES			
Production			
Contractual services	1,474,807	$ 1,790,170	$ (315,363)
Commodities	24,354	14,450	9,904
Capital outlay	1,952	900,400	(898,448)
Total Production	1,501,113	2,705,020	(1,203,907)
Transmission and Distribution			
Personal services	186,714	269,201	(82,487)
Contractual services	24,742	45,400	(20,658)
Commodities	174,878	153,751	21,127
Capital outlay	279	65,000	(64,721)
Other expenses	13,494	41,572	(28,078)
Total Transmission and Distribution	400,107	574,924	(174,817)
General and Administrative			
Personal services	375,930	418,445	(42,515)
Contractual services	89,753	92,175	(2,422)
Commodities	13,542	18,200	(4,658)
Other expenses	13,288	7,500	5,788
Total General and Administrative	492,513	536,320	(43,807)
Other			
Payroll expenses	8,859	5,200	3,659
Sales tax	94,040	125,000	(30,960)
Transfer to - Bond and Interest Fund	111,000	111,000	-
Other	-	20,000	(20,000)
Reserve for future period	-	200,881	(200,881)
Total Other	213,899	462,081	(248,182)
TOTAL EXPENDITURES	2,607,632	$ 4,278,345	$ (1,670,713)
RECEIPTS OVER (UNDER) EXPENDITURES	468,314		
UNENCUMBERED CASH, BEGINNING	1,075,523		
UNENCUMBERED CASH, ENDING	$ 1,543,837		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 278,434	$ 322,400	$ (43,966)
Loan proceeds - wastewater treatment plant	643,515	-	643,515
Reimbursed expenses	5,344	-	5,344
Miscellaneous	1,848	1,500	348
TOTAL RECEIPTS	929,141	$ 323,900	$ 605,241
EXPENDITURES			
Operations			
Personal services	79,379	$ 72,076	$ 7,303
Contractual services	42,060	45,474	(3,414)
Commodities	28,089	11,702	16,387
Capital outlay	26,513	25,027	1,486
KDHE loan repayment	39,715	39,715	-
Debt service	-	25,000	(25,000)
Wastewater treatment plant	644,612	-	644,612
Transfer to - Equipment Reserve Fund	-	25,000	(25,000)
Reserve for future period	-	182,850	(182,850)
TOTAL EXPENDITURES	860,368	426,844	433,524
Adjustment for qualifying budget credits	-	648,859	(648,859)
TOTALS FOR COMPARISON	860,368	$ 1,075,703	$ (215,335)
RECEIPTS OVER (UNDER) EXPENDITURES	68,773		
UNENCUMBERED CASH, BEGINNING	154,201		
UNENCUMBERED CASH, ENDING	$ 222,974		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SOLID WASTE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 219,923	$ 240,000	$ (20,077)
EXPENDITURES			
Operations			
Contractual services	216,022	$ 225,000	$ (8,978)
Reserve for future period	-	44,103	(44,103)
TOTAL EXPENDITURES	216,022	$ 269,103	$ (53,081)
RECEIPTS OVER (UNDER) EXPENDITURES	3,901		
UNENCUMBERED CASH, BEGINNING	14,206		
UNENCUMBERED CASH, ENDING	$ 18,107		

CITY OF HERINGTON, KANSAS
Herington, Kansas

CEMETERY PERPETUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2021

RECEIPTS		
Receipts for perpetual care	$	3,815
Sale of cemetery lots		150
Interest income		28
TOTAL RECEIPTS		3,993
EXPENDITURES		
Maintenance		1,748
RECEIPTS OVER (UNDER) EXPENDITURES		2,245
UNENCUMBERED CASH, BEGINNING		144,441
UNENCUMBERED CASH, ENDING	$	146,686

CITY OF HERINGTON, KANSAS
Herington, Kansas

SPECIAL PURPOSE NONBUDGETED FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2021

	Donations	Equipment Reserve	Hilltop Deposits	UPTICC Grant	KMEA Prepayments	COVID/ SPARK	American Rescue Plan
RECEIPTS							
Grants	$ -	$ -	$ -	$ -	$ -	$ -	$ 173,059
Fees and incentives	-	-	-	-	129,404	-	-
Reimbursed expenses	-	-	-	-	-	1,381	-
Interest	-	277	11	-	-	-	-
Transfer from - General Fund	-	-	-	25,000	-	-	-
TOTAL RECEIPTS	-	277	11	25,000	129,404	1,381	173,059
EXPENDITURES							
Grants	-	-	-	25,000	-	-	-
Contractual services	3,817	-	-	-	-	169	-
Capital outlay	-	15,929	-	-	-	-	-
TOTAL EXPENDITURES	3,817	15,929	-	25,000	-	169	-
RECEIPTS OVER (UNDER) EXPENDITURES	(3,817)	(15,652)	11	-	129,404	1,212	173,059
UNENCUMBERED CASH, BEGINNING	88,769	124,836	981	-	-	(2,225)	-
UNENCUMBERED CASH, ENDING	$ 84,952	$ 109,184	$ 992	$ -	$ 129,404	$ (1,013)	$ 173,059

CITY OF HERINGTON, KANSAS
Herington, Kansas

HERINGTON PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2021

Schedule 3

	Operations	Capital Improvement	Total
RECEIPTS			
Appropriations	$ 78,393	$ -	$ 78,393
Contributions and support	3,222	-	3,222
NCKL	2,152	-	2,152
State aid	890	-	890
Miscellaneous	2,140	-	2,140
Interest	1,944	10	1,954
Transfers	-	1,500	1,500
TOTAL RECEIPTS	88,741	1,510	90,251
EXPENDITURES			
Books	528	-	528
Advertising and marketing	80	-	80
Contract expense	4,056	-	4,056
Capital outlay	4,173	-	4,173
Insurance	3,367	-	3,367
Magazines and newspapers	607	-	607
Maintenance	1,031	-	1,031
Office expense	1,015	-	1,015
Programs			
Children	123	-	123
Summer reading	295	-	295
Payroll			
Expense	49,394	-	49,394
Taxes	16,547	-	16,547
Utilities	1,247	-	1,247
Miscellaneous	1,159	-	1,159
Transfers	1,500	-	1,500
TOTAL EXPENDITURES	85,122	-	85,122
RECEIPTS OVER (UNDER) EXPENDITURES	3,619	1,510	5,129
UNENCUMBERED CASH, BEGINNING	180,346	19,976	200,322
UNENCUMBERED CASH, ENDING	$ 183,965	$ 21,486	$ 205,451