

CITY OF CLAY CENTER, KANSAS

FINANCIAL STATEMENTS

Year ended December 31, 2021

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CITY OF CLAY CENTER, KANSAS

Financial Statements
Year ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Clay Center, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Clay Center, 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 of 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 the changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial 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 and schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Matter

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Clay Center, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated May 6, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 12, 2022

CITY OF CLAY CENTER, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	\$ 276,723	\$ -	\$ 4,191,953	\$ 3,764,791	\$ 703,885	\$ 112,098	\$ 815,983
Special Purpose Funds:							
Airport	16,452	-	86,887	67,729	35,610	16,688	52,298
Connecting Link Improvement	55,172	-	48,746	1,845	102,073	-	102,073
Industrial	1,972	-	22,751	18,750	5,973	-	5,973
Library	3,983	-	195,841	199,824	-	-	-
Public Recreation	24,707	-	63,865	73,962	14,610	609	15,219
Special Highway	151,242	-	115,716	148,269	118,689	665	119,354
Special Improvement	39,791	-	-	-	39,791	-	39,791
Sales Tax	197,933	-	566,566	496,790	267,709	-	267,709
Special Park and Recreation	16,321	-	10,119	20,250	6,190	-	6,190
2019 Special Improvement	-	-	-	-	-	-	-
Airport Improvement	[11,323]	-	136,984	93,421	32,240	-	32,240
Street, Building, Machinery and Equipment	551,359	-	403,667	328,241	626,785	1,715	628,500
Cemetery Perpetual Care	173,655	-	2,620	31,123	145,152	-	145,152
Pool Sales Tax	513,591	-	566,566	326,649	753,508	-	753,508
ARPA	-	-	303,921	-	303,921	-	303,921
Bond and Interest Funds:							
Bond and Interest	89,612	-	91,434	101,100	79,946	-	79,946
Capital Project Funds							
Pool Project	41,408	-	-	-	41,408	-	41,408
Zoo Improvement	256,806	-	103,850	71,780	288,876	-	288,876
Business Funds:							
Waste Water	116,204	-	446,141	457,859	104,486	9,515	114,001
Water Utility	1,115,738	97,033	2,758,174	2,472,900	1,498,045	1,898	1,499,943
Electric Utility	3,840,925	43,509	13,383,390	14,016,669	3,251,155	556,729	3,807,884
Trust Funds:							
FSA	4,162	-	50	-	4,212	-	4,212
Refuse Disposal Maintenance	367,452	-	278,647	261,940	384,159	10,232	394,391
Animal Shelter	2,446	-	-	-	2,446	-	2,446
Campbell Field Lights	-	-	-	-	-	-	-
Undercover	2,590	-	-	-	2,590	-	2,590
Public Building Commission	473,211	-	3,646,742	4,119,936	17	-	17
Total Reporting Entity [Excluding Agency Funds]	\$ 8,322,132	\$ 140,542	\$ 27,424,630	\$ 27,073,828	\$ 8,813,476	\$ 710,149	\$ 9,523,625

Composition of Cash:

Union State Bank	
Checking	\$ 1,329,505
Money Market	2,061,937
Certificates of Deposit	1,695,058
United Bank & Trust	
Checking	4,052,762
Money Market	239,931
Cash with fiscal agent	276,088
Petty Cash	3,000
Total Cash	9,658,281
Agency Funds per Schedule 3	[134,656]
Total	\$ 9,523,625

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Clay Center (City) is a municipal corporation governed by a mayor and eight-member council. These financial statements present the City (the primary government) and exclude its related municipal entities, of which the City is considered financially accountable. The excluded related municipal entities of the City are as follows:

Clay Center Recreation Commission
Clay Center Public Library
Clay Center Public Housing Authority

Separate financial statements may be obtained directly from the above.

The City has included the Public Building Commission as a blended related municipal entity.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures 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.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2021:

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory basis receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

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

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

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

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was not amended during the year ended December 31, 2021.

The statutes permit transferring budgeted amounts between accounts 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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds and the follow special purpose funds: 2019 Special Improvements Fund, Airport Improvement Fund, Street, Building, Machinery, and Equipment Fund, Cemetery Perpetual Care Fund and the ARPA Fund.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

NOTE 2 - Deposits

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

Investments. 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. As of December 31, 2021, the City held no such investments.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods." All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was \$9,658,281 and the bank balance was \$9,456,848. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$8,956,848 was collateralized with letters of credit and securities held by the pledging financial institutions' agents in the City's name.

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

NOTE 3 - 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 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2021

NOTE 3 - Defined Benefit Pension Plan (Continued)

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 Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City and Public Utility were \$247,214 for the year ended December 31, 2021.

Net Pension Liability. At December 31, 2021, the City's and Public Utility's proportionate share of the collective net pension liability reported by KPERS was \$1,806,198. 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 of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 - Long-Term Debt

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

Issue	Balance			Balance	
	January 1, 2021	Additions	Retirements	December 31, 2021	Interest Paid
General Obligation Bonds	\$ 6,887,000	\$ -	\$ 572,000	\$ 6,315,000	\$ 110,927
Revenue Bonds	3,640,000	3,120,000	3,875,000	2,885,000	174,402
Promissory Notes	3,738,651	-	131,731	3,606,920	169,968
Revolving Loan	452,138	-	59,549	392,590	11,721
Capital Lease Obligation	861,106	599,968	441,322	1,019,752	32,736
Totals	<u>\$ 15,578,895</u>	<u>\$ 3,719,968</u>	<u>\$ 5,079,601</u>	<u>\$ 14,219,261</u>	<u>\$ 499,754</u>

General Obligation Bonds. The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund regulatory basis receipts. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2021

NOTE 4 - Long-Term Debt (Continued)

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
Series 2019	2.00 - 3.00%	9/5/2019	11/1/2029	\$ 875,000	\$ 720,000
Series 2020	1.29%	6/4/2021	8/1/2032	6,060,000	<u>5,595,000</u>
					<u>\$ 6,315,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 565,000	\$ 89,328	\$ 654,328
2023	570,000	80,639	650,639
2024	570,000	71,865	641,865
2025	585,000	63,026	648,026
2026	595,000	53,908	648,908
2027 - 2031	2,885,000	139,894	3,024,894
2032	<u>545,000</u>	<u>5,257</u>	<u>550,257</u>
	<u>\$ 6,315,000</u>	<u>\$ 503,915</u>	<u>\$ 6,818,915</u>

Revenue Bonds. The Public Building Commission issued Series 2014 Revenue Bonds in the amount of \$4,720,000 on March 25, 2014, for the construction of a new community swimming pool and associated appurtenances in the City at the site of the existing swimming pool. These bonds were refunded by Series 2021 Refunding Revenue Bonds issued in the amount of \$3,120,000 on June 3, 2021. Due dates on the bonds range from September 2021 through September 2031. As a result of the refunding, the Series 2014 bonds were considered to be defeased and the liability was removed from the City's financial statements.

Revenue Bonds currently outstanding are as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
Series 2021, Refunding	2.00 - 3.00%	6/3/2021	9/1/2031	\$ 3,120,000	<u>\$ 2,885,000</u>

Annual debt service requirements to maturity for the revenue bonds are as follows:

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2021

NOTE 4 - Long-Term Debt (Continued)

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 255,000	\$ 74,100	\$ 329,100
2023	260,000	66,450	326,450
2024	270,000	58,650	328,650
2025	280,000	50,550	330,550
2026	285,000	42,150	327,150
2027 - 2031	<u>1,535,000</u>	<u>96,700</u>	<u>1,631,700</u>
	<u>\$ 2,885,000</u>	<u>\$ 388,600</u>	<u>\$ 3,273,600</u>

State Agency Loans. The City has entered into a loan agreement with the Kansas Department of Health and Environment for improving the wastewater system in Clay Center. At December 31, 2021, the outstanding principal balance for the loan is as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
KDHE Sewer Improvements	2.68%	5/24/2006	9/1/2027	\$ 896,930	<u>\$ 392,590</u>

The following displays annual debt service requirements to maturity for loan payable to be paid from service regulatory basis receipts:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 61,175	\$ 10,118	\$ 71,292
2023	62,825	8,467	71,292
2024	64,520	6,772	71,292
2025	66,261	5,031	71,292
2026	68,049	3,244	71,292
2027	<u>69,760</u>	<u>1,533</u>	<u>71,292</u>
	<u>\$ 392,590</u>	<u>\$ 35,165</u>	<u>\$ 427,754</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2021

NOTE 4 - Long-Term Debt (Continued)

Capital Lease. On September 23, 2014, the City entered into a capital lease agreement in the amount of \$600,000 for financing the acquisition of a street maintenance facility. The interest rate on the lease is 3.68% and has a final maturity of August 1, 2034. As of December 31, 2021, the balance on the lease was \$435,659.

On December 21, 2016, the City entered into a capital lease agreement in the amount of \$540,000 to finance the purchase of a fire truck. The interest rate on the lease is 3.66% and has a final maturity of December 15, 2029. This lease was paid off during the year ended December 31, 2021.

On May 19, 2021, the City entered into a capital lease agreement in the amount of \$599,968 to finance the purchase of a fire truck. The interest rate on the lease is 2.99% and has a final maturity date of. As of December 31, 2021, the balance on the lease was \$584,094.

The annual lease payment required to maturity for the capital lease payable is as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 59,234	\$ 33,477	\$ 92,710
2023	61,232	31,478	92,710
2024	63,218	29,493	92,710
2025	65,433	27,277	92,710
2026	67,643	25,067	92,710
2027 - 2031	374,042	89,509	463,551
2032 - 2036	<u>328,950</u>	<u>24,309</u>	<u>353,259</u>
	<u>\$ 1,019,752</u>	<u>\$ 260,609</u>	<u>\$ 1,280,361</u>

Promissory Notes. On January 15, 2015, the Clay Center Public Utility signed a promissory note with Union State Bank in the amount of \$436,342 for the construction of the water line to Morganville. The interest rate on the note is 3.95% with a final maturity of January 15, 2035. As of December 31, 2021, the balance on the note was \$318,949.

On March 4, 2019, the Clay Center Public Utility signed a promissory note with Union State Bank in the amount of \$3,500,000 for the construction of a pump station. The interest rate on the note is 4.69% with a final maturity of January 25, 2040. As of December 31, 2021, the balance on the note was \$3,287,971.

The annual payments required to maturity for the promissory notes payable are as follows:

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2021

NOTE 4 - Long-Term Debt (Continued)

Year Ending December 31,	Principal	Interest	Total
2022	\$ 137,630	\$ 164,070	\$ 301,700
2023	144,077	157,623	301,700
2024	150,394	151,306	301,700
2025	157,875	143,825	301,700
2026	165,274	136,426	301,700
2027 - 2031	949,722	558,776	1,508,498
2032 - 2036	1,128,100	316,405	1,444,504
2037 - 2040	<u>773,849</u>	<u>58,801</u>	<u>832,650</u>
	<u>\$ 3,606,920</u>	<u>\$ 1,687,231</u>	<u>\$ 5,294,150</u>

NOTE 5 - Compensated Absences

It is the City's policy to pay employees' accrued vacation and personal leave pay upon termination of employment. As of December 31, 2021, the City's liability for accrued vacation pay was \$71,424 and accrued personal leave pay was \$9,098.

It is the Public Utility's policy to pay employees' accrued vacation leave pay upon termination of employment. As of December 31, 2021, the Public Utility's liability for accrued vacation pay was \$81,568.

NOTE 6 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2021.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2021

NOTE 8 - Interfund Transfers

A reconciliation of transfers by fund type for 2021 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Street, Building, Machinery & Equipment	\$ 171,570	K.S.A 12-1, 117
General	Airport	15,000	K.S.A 12-197
General	Airport Improvement	20,000	K.S.A 12-197
Pool Sales Tax	Public Building Commission	<u>326,649</u>	Bond Covenant
		<u>533,219</u>	
Transfer from Public Utility Recorded As:			
Transfer In - General Fund		204,180	K.S.A. 12-825d
Charges for Services - Wastew Water Fund		446,129	K.S.A. 12-825d
Charges for Services - Refuse Disposal Maintenance Fund		<u>276,158</u>	K.S.A. 12-825d
		<u>926,467</u>	
Total transfers		<u>\$ 1,459,686</u>	

NOTE 9 - Other Long-Term Obligations from Operations

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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

NOTE 10 - Statutory Violation

Actual exceeded budgeted expenditures in the Special Parks and Recreation Fund, which is a violation of K.S.A. 79-2935.

CITY OF CLAY CENTER, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 4,203,768	\$ -	\$ 4,203,768	\$ 3,764,791	\$ 438,977
Special Purpose Funds:					
Airport	92,464	-	92,464	67,729	24,735
Connecting Link Improvement	536,358	-	536,358	1,845	534,513
Industrial	25,000	-	25,000	18,750	6,250
Library	206,000	-	206,000	199,824	6,176
Public Recreation	83,250	-	83,250	73,962	9,288
Special Highway	212,051	-	212,051	148,269	63,782
Special Improvement	39,791	-	39,791	-	39,791
Sales Tax	552,670	-	552,670	496,790	55,880
Special Park and Recreation	20,213	-	20,213	20,250	[37]
Pool Sales Tax	359,560	-	359,560	326,649	32,911
Bond and Interest	181,100	-	181,100	101,100	80,000
Business Funds:					
Waste Water	573,201	-	573,201	457,859	115,342
Water Utility	3,713,000	-	3,713,000	2,472,900	1,240,100
Electric Utility	14,651,500	-	14,651,500	14,016,669	634,831
Refuse Disposal Maintenance	553,433	-	553,433	261,940	291,493

See independent auditor's report on the financial statements.

SCHEDULE 2 - 1

CITY OF CLAY CENTER, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared revenue				
Property taxes	\$ 1,707,170	\$ 1,762,506	\$ 1,995,365	\$ [232,859]
Alcohol tax	7,091	10,119	8,650	1,469
Franchise tax	118,403	124,793	155,000	[30,207]
Sales tax	1,161,386	1,436,620	930,000	506,620
Licenses and permits	45,536	55,901	64,000	[8,099]
Fines and fees	26,979	42,600	54,000	[11,400]
Charges for services	99,089	125,218	122,000	3,218
Reimbursed expenses	17,254	14	15,000	[14,986]
Miscellaneous	1,276	1,558	9,500	[7,942]
Transfer in	187,075	192,610	250,000	[57,390]
Lease proceeds	-	424,968	-	424,968
Use of money and property	15,895	15,046	20,000	[4,954]
Total Receipts	<u>3,387,154</u>	<u>4,191,953</u>	<u>\$ 3,623,515</u>	<u>\$ 568,438</u>
Expenditures				
General government	569,456	538,390	\$ 603,950	\$ 65,560
Police department	728,200	713,663	809,000	95,337
Fire department	684,706	1,106,512	735,500	[371,012]
Highway department	578,661	518,308	631,700	113,392
Parks department	235,145	240,522	249,400	8,878
Pool department	128,631	137,680	164,000	26,320
Cemetery department	180,112	183,703	192,000	8,297
Municipal court	137,780	119,443	143,250	23,807
Neighborhood revitalization program	-	-	55,000	55,000
Transfers out	105,000	206,570	195,000	[11,570]
Adjustment for qualifying budget credit	-	-	424,968	424,968
Total Expenditures	<u>3,347,691</u>	<u>3,764,791</u>	<u>\$ 4,203,768</u>	<u>\$ 438,977</u>
Receipts Over [Under] Expenditures	39,463	427,162		
Unencumbered Cash, Beginning	<u>237,260</u>	<u>276,723</u>		
Unencumbered Cash, Ending	<u>\$ 276,723</u>	<u>\$ 703,885</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 Airport Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property	\$ 10,943	\$ 10,964	\$ -	\$ 10,964
Miscellaneous	25,623	60,923	40,000	20,923
Transfer in	<u>30,000</u>	<u>15,000</u>	<u>40,000</u>	<u>[25,000]</u>
Total Receipts	<u>66,566</u>	<u>86,887</u>	<u>\$ 80,000</u>	<u>\$ 6,887</u>
Expenditures				
Contractual services	24,834	26,744	\$ 79,464	\$ 52,720
Commodities	<u>26,744</u>	<u>40,985</u>	<u>13,000</u>	<u>[27,985]</u>
Total Expenditures	<u>51,578</u>	<u>67,729</u>	<u>\$ 92,464</u>	<u>\$ 24,735</u>
Receipts Over [Under] Expenditures	14,988	19,158		
Unencumbered Cash, Beginning	<u>1,464</u>	<u>16,452</u>		
Unencumbered Cash, Ending	<u>\$ 16,452</u>	<u>\$ 35,610</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 3

CITY OF CLAY CENTER, KANSAS
Connecting Link Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Connecting link distribution	\$ 48,814	\$ 48,746	\$ 500,000	\$ [451,254]
Total Receipts	<u>48,814</u>	<u>48,746</u>	<u>\$ 500,000</u>	<u>\$ [451,254]</u>
Expenditures				
Capital outlay	<u>30,000</u>	<u>1,845</u>	<u>\$ 536,358</u>	<u>\$ 534,513</u>
Total Expenditures	<u>30,000</u>	<u>1,845</u>	<u>\$ 536,358</u>	<u>\$ 534,513</u>
Receipts Over [Under] Expenditures	18,814	46,901		
Unencumbered Cash, Beginning	<u>36,358</u>	<u>55,172</u>		
Unencumbered Cash, Ending	<u>\$ 55,172</u>	<u>\$ 102,073</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Industrial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 25,660	\$ 22,751	\$ 22,901	\$ [150]
Total Receipts	<u>25,660</u>	<u>22,751</u>	<u>\$ 22,901</u>	<u>\$ [150]</u>
Expenditures				
Appropriations	<u>25,000</u>	<u>18,750</u>	<u>\$ 25,000</u>	<u>\$ 6,250</u>
Total Expenditures	<u>25,000</u>	<u>18,750</u>	<u>\$ 25,000</u>	<u>\$ 6,250</u>
Receipts Over [Under] Expenditures	660	4,001		
Unencumbered Cash, Beginning	<u>1,312</u>	<u>1,972</u>		
Unencumbered Cash, Ending	<u>\$ 1,972</u>	<u>\$ 5,973</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 192,662	\$ 195,841	\$ 199,001	\$ [3,160]
Total Receipts	<u>192,662</u>	<u>195,841</u>	<u>\$ 199,001</u>	<u>\$ [3,160]</u>
Expenditures				
Appropriations	<u>196,396</u>	<u>199,824</u>	<u>\$ 206,000</u>	<u>\$ 6,176</u>
Total Expenditures	<u>196,396</u>	<u>199,824</u>	<u>\$ 206,000</u>	<u>\$ 6,176</u>
Receipts Over [Under] Expenditures	[3,734]	[3,983]		
Unencumbered Cash, Beginning	<u>7,717</u>	<u>3,983</u>		
Unencumbered Cash, Ending	<u>\$ 3,983</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Public Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 30,306	\$ 31,294	\$ 32,036	\$ [742]
Charges for services	24,515	32,571	33,000	[429]
Miscellaneous	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>[5,000]</u>
Total Receipts	<u>54,821</u>	<u>63,865</u>	<u>\$ 70,036</u>	<u>\$ [6,171]</u>
Expenditures				
Appropriations	-	-	\$ -	\$ 46,650
Personal services	17,681	20,019	20,600	581
Contractual services	1,026	1,485	8,800	7,315
Commodities	38,926	48,314	7,200	[41,114]
Fees	-	-	46,650	46,650
Capital outlay	<u>-</u>	<u>4,144</u>	<u>-</u>	<u>[4,144]</u>
Total Expenditures	<u>57,633</u>	<u>73,962</u>	<u>\$ 83,250</u>	<u>\$ 55,938</u>
Receipts Over [Under] Expenditures	[2,812]	[10,097]		
Unencumbered Cash, Beginning	<u>27,519</u>	<u>24,707</u>		
Unencumbered Cash, Ending	<u>\$ 24,707</u>	<u>\$ 14,610</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 7

CITY OF CLAY CENTER, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 103,703	\$ 115,716	\$ 89,960	\$ 25,756
Reimbursements	<u>-</u>	<u>-</u>	<u>60</u>	<u>[60]</u>
Total Receipts	<u>103,703</u>	<u>115,716</u>	<u>\$ 90,020</u>	<u>\$ 25,696</u>
Expenditures				
Commodities	<u>146,942</u>	<u>148,269</u>	<u>\$ 212,051</u>	<u>\$ 63,782</u>
Total Expenditures	<u>146,942</u>	<u>148,269</u>	<u>\$ 212,051</u>	<u>\$ 63,782</u>
Receipts Over [Under] Expenditures	[43,239]	[32,553]		
Unencumbered Cash, Beginning	<u>194,481</u>	<u>151,242</u>		
Unencumbered Cash, Ending	<u>\$ 151,242</u>	<u>\$ 118,689</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Special Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
Contractual services	-	-	\$ 39,791	\$ 39,791
Total Expenditures	-	-	\$ 39,791	\$ 39,791
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	39,791	39,791		
Unencumbered Cash, Ending	\$ 39,791	\$ 39,791		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 9

CITY OF CLAY CENTER, KANSAS
Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Sales tax	\$ 458,133	\$ 566,566	\$ 425,000	\$ 141,566
Total Receipts	<u>458,133</u>	<u>566,566</u>	<u>\$ 425,000</u>	<u>\$ 141,566</u>
Expenditures				
Construction costs	<u>412,870</u>	<u>496,790</u>	<u>\$ 552,670</u>	<u>\$ 55,880</u>
Total Expenditures	<u>412,870</u>	<u>496,790</u>	<u>\$ 552,670</u>	<u>\$ 55,880</u>
Receipts Over [Under] Expenditures	45,263	69,776		
Unencumbered Cash, Beginning	<u>152,670</u>	<u>197,933</u>		
Unencumbered Cash, Ending	<u>\$ 197,933</u>	<u>\$ 267,709</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance- Over [Under]
Receipts				
Intergovernmental	\$ 7,090	\$ 10,119	\$ 8,650	\$ 1,469
Total Receipts	<u>7,090</u>	<u>10,119</u>	<u>\$ 8,650</u>	<u>\$ 1,469</u>
Expenditures				
Commodities	5,842	10,250	\$ 6,000	\$ [4,250]
Capital outlay	<u>-</u>	<u>10,000</u>	<u>14,213</u>	<u>4,213</u>
Total Expenditures	<u>5,842</u>	<u>20,250</u>	<u>\$ 20,213</u>	<u>\$ [37]</u>
Receipts Over [Under] Expenditures	1,248	[10,131]		
Unencumbered Cash, Beginning	<u>15,073</u>	<u>16,321</u>		
Unencumbered Cash, Ending	<u>\$ 16,321</u>	<u>\$ 6,190</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 2019 Special Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Bond and temporary note proceeds	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Contractual services	-	46,223
Total Expenditures	-	46,223
Receipts Over [Under] Expenditures	-	[46,223]
Unencumbered Cash, Beginning	-	46,223
Unencumbered Cash, Ending	\$ -	\$ -

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Airport Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
County grant	\$ 116,984	\$ 12,419
Transfers in	<u>20,000</u>	<u>-</u>
Total Receipts	<u>136,984</u>	<u>12,419</u>
Expenditures		
Contractual services	<u>93,421</u>	<u>17,582</u>
Total Expenditures	<u>93,421</u>	<u>17,582</u>
Receipts Over [Under] Expenditures	43,563	[5,163]
Unencumbered Cash, Beginning	<u>[11,323]</u>	<u>[6,160]</u>
Unencumbered Cash, Ending	<u>\$ 32,240</u>	<u>\$ [11,323]</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Street, Building, Machinery and Equipment Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Sale of equipment	\$ 20,097	\$ -
Donations	37,000	26,196
Miscellaneous	-	12,918
Lease proceeds	175,000	-
Transfer in	<u>171,570</u>	<u>75,000</u>
Total Receipts	<u>403,667</u>	<u>114,114</u>
Expenditures		
Capital outlay	300,786	19,623
Commodities	<u>27,455</u>	<u>604</u>
Total Expenditures	<u>328,241</u>	<u>20,227</u>
Receipts Over [Under] Expenditures	75,426	93,887
Unencumbered Cash, Beginning	<u>551,359</u>	<u>457,472</u>
Unencumbered Cash, Ending	<u>\$ 626,785</u>	<u>\$ 551,359</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Cemetery Perpetual Care Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Perpetual care payments	\$ 2,620	\$ 2,030
Total Receipts	<u>2,620</u>	<u>2,030</u>
Expenditures		
Contractual	<u>31,123</u>	<u>-</u>
Total Expenditures	<u>31,123</u>	<u>-</u>
Receipts Over [Under] Expenditures	[28,503]	2,030
Unencumbered Cash, Beginning	<u>173,655</u>	<u>171,625</u>
Unencumbered Cash, Ending	<u>\$ 145,152</u>	<u>\$ 173,655</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Pool Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance- Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Sales tax	\$ 458,132	\$ 566,566	\$ 400,000	\$ 166,566
Total Receipts	<u>458,132</u>	<u>566,566</u>	<u>\$ 400,000</u>	<u>\$ 166,566</u>
Expenditures				
Transfer out	357,167	326,649	\$ -	\$ [326,649]
Lease payment	<u>-</u>	<u>-</u>	<u>359,560</u>	<u>359,560</u>
Total Expenditures	<u>357,167</u>	<u>326,649</u>	<u>\$ 359,560</u>	<u>\$ 32,911</u>
Receipts Over [Under] Expenditures	100,965	239,917		
Unencumbered Cash, Beginning	<u>412,626</u>	<u>513,591</u>		
Unencumbered Cash, Ending	<u>\$ 513,591</u>	<u>\$ 753,508</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 ARPA Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Intergovernmental	\$ 303,921	\$ -
Total Receipts	<u>303,921</u>	<u>-</u>
Expenditures		
Contractual	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	303,921	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 303,921</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 94,984	\$ 91,434	\$ 93,079	\$ [1,645]
Total Receipts	<u>94,984</u>	<u>91,434</u>	<u>\$ 93,079</u>	<u>\$ [1,645]</u>
Expenditures				
Bond principal	75,000	80,000	\$ 80,000	\$ -
Interest	26,982	21,100	21,100	-
Reserve	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Total Expenditures	<u>101,982</u>	<u>101,100</u>	<u>\$ 181,100</u>	<u>\$ 80,000</u>
Receipts Over [Under] Expenditures	[6,998]	[9,666]		
Unencumbered Cash, Beginning	<u>96,610</u>	<u>89,612</u>		
Unencumbered Cash, Ending	<u>\$ 89,612</u>	<u>\$ 79,946</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 Pool Project Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Contributions	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total Receipts	-	-
Expenditures		
Contractual	-	-
	<u>-</u>	<u>-</u>
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	41,408	41,408
Unencumbered Cash, Ending	<u>\$ 41,408</u>	<u>\$ 41,408</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Zoo Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Donations	\$ 103,850	\$ 41,425
Total Receipts	<u>103,850</u>	<u>41,425</u>
Expenditures		
Transfers out	<u>71,780</u>	<u>117,032</u>
Total Expenditures	<u>71,780</u>	<u>117,032</u>
Receipts Over [Under] Expenditures	32,070	[75,607]
Unencumbered Cash, Beginning	<u>256,806</u>	<u>332,413</u>
Unencumbered Cash, Ending	<u>\$ 288,876</u>	<u>\$ 256,806</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Waste Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 443,226	\$ 446,129	\$ 470,000	\$ [23,871]
Reimbursements	500	12	1,000	[988]
Miscellaneous	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>443,756</u>	<u>446,141</u>	<u>\$ 471,000</u>	<u>\$ [24,859]</u>
Expenditures				
Personal services	241,924	253,578	\$ 300,000	\$ 46,422
Commodities	60,951	52,460	93,000	40,540
Contractual services	54,051	52,825	63,200	10,375
Capital outlay	-	-	17,977	17,977
Debt service	<u>99,724</u>	<u>98,996</u>	<u>99,024</u>	<u>28</u>
Total Expenditures	<u>456,650</u>	<u>457,859</u>	<u>\$ 573,201</u>	<u>\$ 115,342</u>
Receipts Over [Under] Expenditures	[12,894]	[11,718]		
Unencumbered Cash, Beginning	<u>129,098</u>	<u>116,204</u>		
Unencumbered Cash, Ending	<u>\$ 116,204</u>	<u>\$ 104,486</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year	Current Year		Variance- Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 2,121,126	\$ 2,467,775	\$ 3,580,500	\$ [1,112,725]
Use of money and property	14,976	8,903	30,000	[21,097]
Miscellaneous	24,328	37,308	75,000	[37,692]
Bond proceeds	6,060,000	-	-	-
Flexible spending account	-	-	40,000	[40,000]
Transfers in	<u>119,843</u>	<u>244,188</u>	<u>130,000</u>	<u>114,188</u>
Total Receipts	<u>8,340,273</u>	<u>2,758,174</u>	<u>\$ 3,855,500</u>	<u>\$ [1,097,326]</u>
Expenditures				
Personal services	500,491	473,981	\$ 1,080,000	\$ 606,019
Contractual	206,152	51,599	525,000	473,401
Capital outlay	263,610	88,887	600,000	511,113
Commodities	421,679	497,271	780,000	282,729
Debt service	6,563,766	585,695	600,000	14,305
Miscellaneous	-	-	58,000	58,000
Transfer out	772,966	775,467	70,000	[705,467]
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,728,664</u>	<u>2,472,900</u>	<u>\$ 3,713,000</u>	<u>\$ 1,240,100</u>
Receipts Over [Under] Expenditures	<u>[388,391]</u>	<u>285,274</u>		
Unencumbered Cash, Beginning	1,504,129	1,115,738		
Prior Period Adjustment	<u>-</u>	<u>97,033</u>		
Unencumbered Cash, Beginning, Restated	<u>1,504,129</u>	<u>1,212,771</u>		
Unencumbered Cash, Ending	<u>\$ 1,115,738</u>	<u>\$ 1,498,045</u>		

CITY OF CLAY CENTER, KANSAS
Electric Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 6,302,638	\$ 7,146,250	\$ 11,940,000	\$ [4,793,750]
Taxes	166,489	205,860	400,000	[194,140]
Use of money and property	69,277	18,244	50,000	[31,756]
Loan proceeds	-	-	270,500	[270,500]
Miscellaneous	85,941	5,643,736	285,000	5,358,736
Flexible spending account	-	-	105,000	[105,000]
Transfers in	<u>156,249</u>	<u>369,300</u>	<u>125,000</u>	<u>244,300</u>
Total Receipts	<u>6,780,594</u>	<u>13,383,390</u>	<u>\$ 13,175,500</u>	<u>\$ 207,890</u>
Expenditures				
Personal services	1,827,443	1,761,766	\$ 8,485,000	\$ 6,723,234
Contractual	56,616	64,690	888,000	823,310
Capital outlay	883,562	6,422,560	3,000,000	[3,422,560]
Commodities	3,845,310	4,613,295	1,233,000	[3,380,295]
Debt service	750,167	270,101	270,500	399
Sales tax	192,147	203,318	400,000	196,682
Transfer out	<u>282,099</u>	<u>680,939</u>	<u>375,000</u>	<u>[305,939]</u>
Total Expenditures	<u>7,837,344</u>	<u>14,016,669</u>	<u>\$ 14,651,500</u>	<u>\$ 634,831</u>
Receipts Over [Under] Expenditures	<u>[1,056,750]</u>	<u>[633,279]</u>		
Unencumbered Cash, Beginning	4,897,675	3,840,925		
Prior Period Adjustment	<u>-</u>	<u>43,509</u>		
Unencumbered Cash, Beginning, Restated	<u>4,897,675</u>	<u>3,884,434</u>		
Unencumbered Cash, Ending	<u>\$ 3,840,925</u>	<u>\$ 3,251,155</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
FSA Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Use of money and property	\$ 50	\$ 12
Total Receipts	<u>50</u>	<u>12</u>
Expenditures		
Transfer out	<u>-</u>	<u>12,000</u>
Total Expenditures	<u>-</u>	<u>12,000</u>
Receipts Over [Under] Expenditures	50	[11,988]
Unencumbered Cash, Beginning	<u>4,162</u>	<u>16,150</u>
Unencumbered Cash, Ending	<u>\$ 4,212</u>	<u>\$ 4,162</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Refuse Disposal Maintenance Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year	Current Year		Variance- Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 277,930	\$ 276,158	\$ 277,000	\$ [842]
Miscellaneous	<u>368</u>	<u>2,489</u>	<u>1,000</u>	<u>1,489</u>
Total Receipts	<u>278,298</u>	<u>278,647</u>	<u>\$ 278,000</u>	<u>\$ 647</u>
Expenditures				
Commodities	14,183	26,066	\$ 44,250	\$ 18,184
Personal services	142,292	164,977	153,000	(11,977)
Contractual services	70,454	69,397	70,200	803
Capital outlay	<u>-</u>	<u>1,500</u>	<u>285,983</u>	<u>284,483</u>
Total Expenditures	<u>226,929</u>	<u>261,940</u>	<u>\$ 553,433</u>	<u>\$ 291,493</u>
Receipts Over [Under] Expenditures	51,369	16,707		
Unencumbered Cash, Beginning	<u>316,083</u>	<u>367,452</u>		
Unencumbered Cash, Ending	<u>\$ 367,452</u>	<u>\$ 384,159</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 Animal Shelter Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Donations	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total Receipts	-	-
Expenditures		
Animal feed and care	-	-
	<u>-</u>	<u>-</u>
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>2,446</u>	<u>2,446</u>
Unencumbered Cash, Ending	<u>\$ 2,446</u>	<u>\$ 2,446</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Campbell Field Lights Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Donations	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total Receipts	-	-
Expenditures		
Capital outlay	-	1,088
	<u>-</u>	<u>1,088</u>
Total Expenditures	-	1,088
Receipts Over [Under] Expenditures	-	[1,088]
Unencumbered Cash, Beginning	-	1,088
	<u>-</u>	<u>1,088</u>
Unencumbered Cash, Ending	\$ -	\$ -
	<u>-</u>	<u>-</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Undercover Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Miscellaneous	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Operational equipment	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	2,590	2,590
Unencumbered Cash, Ending	<u>\$ 2,590</u>	<u>\$ 2,590</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Public Building Commission Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Receipts		
Transfer in	\$ 326,649	\$ 357,167
Reimbursements	5	-
Bond proceeds	3,319,300	-
Use of money and property	<u>788</u>	<u>2,396</u>
Total Receipts	<u>3,646,742</u>	<u>359,563</u>
Expenditures		
Contractual services	70,534	-
Bond principal	3,875,000	200,000
Interest	<u>174,402</u>	<u>159,560</u>
Total Expenditures	<u>4,119,936</u>	<u>359,560</u>
Receipts Over [Under] Expenditures	[473,194]	3
Unencumbered Cash, Beginning	<u>473,211</u>	<u>473,208</u>
Unencumbered Cash, Ending	<u>\$ 17</u>	<u>\$ 473,211</u>

* This fund is not required to be budgeted.

SCHEDULE 3

CITY OF CLAY CENTER, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2021

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Employee Health Insurance	\$ 134,889	\$ 546	\$ 870	\$ 134,565
Crime Stoppers	86	6	-	92
CDBG	<u>4,250</u>	<u>25,530</u>	<u>29,780</u>	<u>-</u>
Total Agency Funds	<u>\$ 139,225</u>	<u>\$ 26,081</u>	<u>\$ 30,650</u>	<u>\$ 134,656</u>

See independent auditor's report on the financial statements.