



*Certified Public Accountants*

# CITY OF DE SOTO, KANSAS

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FINANCIAL STATEMENT  
YEAR ENDED DECEMBER 31, 2021

CITY OF DE SOTO, KANSAS  
 FINANCIAL STATEMENT  
 REGULATORY BASIS  
 Year Ended December 31, 2021

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
Independent Auditors' Report		1 - 3
Financial Statement:		
Summary Statement of Receipts, Expenditures, and Unencumbered Cash		4
Notes to Financial Statement		5 - 16
Supplementary Information:		
Summary of Expenditures - Budget and Actual	1	17
Schedule of Receipts and Expenditures - Budget and Actual:	2	
General Fund		18
Law Enforcement Fund		19
Special Highway Fund		20
Special Parks and Recreation Fund		21
Transient Guest Tax Fund		22
Sponsorship Fund		23
Water Development Fee Fund		24
Sewer Development Fee Fund		25
Community Center Building Maintenance Fund		26
Aquatic Center Maintenance Fund		27
Bond and Interest Fund		28
Water System Fund		29
Sewer System Fund		30
Refuse System Fund		31
Schedule of Receipts and Expenditures:	3	
Electric Utility Investment Fund		32
Enhancement Community Fountain Fund		33
Commerce Drive Tax Increment Fund		34
CDBG Fund		35
Capital Improvements Fund		36
Shop Fund		37
Shughart Trust Fund		38
Summary of Receipts and Disbursements – Agency Funds	4	39



## INDEPENDENT AUDITORS' REPORT

Mayor and City Council  
City of De Soto, 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 De Soto, Kansas (the City) as of and for the year ended December 31, 2021 and the related notes to the financial statement.

#### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

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

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 2.

### **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 Auditors' 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 2 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 2 and accounting principles generally accepted in the United States of America, although not reasonable 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 this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 2; 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.

## **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 auditors' 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 (the basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents are presented for purposes of additional 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 accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 2.

*BT&Co, P.A.*

May 5, 2022  
Topeka, Kansas

CITY OF DE SOTO, KANSAS  
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS  
Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	\$ 2,288,789	\$ -	\$ 5,765,905	\$ 4,617,468	\$ 3,437,226	\$ 35,616	\$ 3,472,842
Special purpose funds:							
Law enforcement	101,178	-	540,473	547,893	93,758	136,369	230,127
Special highway	26,209	-	190,931	140,000	77,140	-	77,140
Special parks and recreation	73,775	-	54,957	35,000	93,732	-	93,732
Transient guest tax	36,371	-	25,374	28,000	33,745	-	33,745
Sponsorship	27,245	-	5,324	1,089	31,480	-	31,480
Water development fee	99,483	-	63,650	80,000	83,133	6,389	89,522
Sewer development fee	109,261	-	39,450	41,000	107,711	-	107,711
Electric utility investment	1,555,652	-	224,471	246,487	1,533,636	-	1,533,636
Enhancement community fountain	36	-	-	-	36	-	36
Commerce Drive tax increment	11,749	-	209,216	199,850	21,115	-	21,115
CDBG	-	-	87,440	87,440	-	-	-
Community center building maintenance	-	-	30,000	30,000	-	-	-
Aquatic center maintenance	32,500	-	30,000	30,000	32,500	-	32,500
Bond and interest fund	754,754	-	1,910,421	1,590,553	1,074,622	-	1,074,622
Capital project fund:							
Capital improvements	572,006	-	8,211,318	6,962,190	1,821,134	60,760	1,881,894
Business funds:							
Water system	1,465,484	-	1,905,078	2,193,780	1,176,782	26,625	1,203,407
Sewer system	419,199	-	699,787	692,713	426,273	24,611	450,884
Refuse system	82,740	-	593,495	592,379	83,856	-	83,856
Shop	(7,821)	-	149,970	148,941	(6,792)	6,806	14
Trust fund:							
Shughart trust fund	24,743	-	200	-	24,943	-	24,943
Total reporting entity (excluding agency fund)	<u>\$ 7,673,353</u>	<u>\$ -</u>	<u>\$ 20,737,460</u>	<u>\$ 18,264,783</u>	<u>\$ 10,146,030</u>	<u>\$ 297,176</u>	<u>\$ 10,443,206</u>

Composition of cash

Great American Bank:	
Checking accounts	\$ 112,002
ICS (insured cash sweep)	3,543,059
Certificates of deposit	3,200,065
Tri-Century Bank:	
Checking accounts	221,779
ICS (insured cash sweep)	3,430,945
Kansas Municipal Investment Pool	15
Total cash	10,507,865
Agency funds per Schedule 4	(64,659)
Total reporting entity (excluding agency fund)	<u>\$ 10,443,206</u>

See accompanying notes to financial statement.

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
December 31, 2021

1 - Municipal Financial Reporting Entity

The City of De Soto, Kansas (the City) is a municipal corporation governed by a mayor and five-member council. The basic financial statement presents the City as the primary government. The City has no related municipal entities.

2 - Summary of Significant Accounting Policies

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

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

(b) Regulatory Basis Fund Types

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 attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

General Fund is used to account for the general operations of the City and is used to account for all unrestricted resources except those required to be accounted for in other funds.

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

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

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

Trust Funds are used to report assets held in trust for the benefit of the City.

Agency Funds are used to report assets held by the City in a purely custodial capacity.

(c) 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), the bond and interest fund, 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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

Beginning in 2022, if the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20<sup>th</sup>.

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. The City amended the budget for the Water System Fund for the year ended December 31, 2021.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. 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 project funds, trust funds, agency funds, the Shop Fund, or the following special purpose funds: Electric Utility Investment, Enhancement Community Fountain, Commerce Drive Tax Increment, and CDBG.

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

All budgets must be filed with the County Clerk by August 25<sup>th</sup>. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the County Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property on November 1<sup>st</sup>. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20<sup>th</sup> and May 10<sup>th</sup>. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the City after January 1<sup>st</sup> and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20<sup>th</sup> of the ensuing year. Additional amounts are distributed on four subsequent dates throughout the calendar year.

(d) Annual Personal and Sick Leave Benefits

Under the terms of the City's personnel policy, City employees are granted annual personal and sick leave in varying amounts.

Full-time employees accrue vacation each year at the following rates:

- One to four years of service – 10 days
- Five to nine years of service – 15 days
- 10 to 14 years of service – 20 days
- 15 to 19 years of service – 25 days
- 20 or more years of service – 30 days

Employees cannot carry over more than one half of the annual entitlement for the year in which it was earned. Upon termination or resignation, employees are compensated for unused vacation time, up to a maximum of the yearly amount of vacation time earned.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the

CITY OF DE SOTO, KANSAS  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

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

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

The City may invest bond proceeds pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At December 31, 2021, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)
Kansas Municipal Investment Pool	\$ 15	Less than a year

KMIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The City's investment in the KMIP was not rated by a rating agency as of December 31, 2021.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments were composed entirely of KMIP deposits as of the fiscal year ended December 31, 2021.

*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. Kansas statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

At December 31, 2021, the City's carrying amount of deposits was \$ 10,507,850, and the bank balance was \$ 10,607,965. The City's deposits were not exposed to custodial credit risk.

*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. At December 31, 2021, the City's investments were not exposed to custodial credit risk.

4 - Defined Benefit Pension Plan

General Information about the 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 Annual Comprehensive Financial Report which can be found on the KPERS website [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, Kansas 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 6.00% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$ 207,009 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$ 1,348,151. 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

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

5 - Long-Term Debt

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 general government activities.

In the current year, the City issued Series 2021-A General Obligation Refunding Bonds in the amount of \$ 7,015,000 which was used to provide \$ 2,100,000 for new construction projects and currently refund the outstanding balances of the Series 2010-B, 2010-C, 2010-D, 2012-A, and 2013-A General Obligation Bonds. The refunding transaction resulted in an economic gain of \$ 870,290 and a decrease in the future debt service payments of \$ 1,032,330.

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

Issue	Interest Rates	Date of Issue	Date of Final Maturity	Original Amount Issued	Balance Beginning of Year	Additions	Refunded	Reductions/Payments	Balance End of Year	Interest Paid
General obligation bonds:										
Series 2010-B	Refunded	4/28/2010	Refunded	\$ 710,000	\$ 710,000	\$ -	\$ 710,000	\$ -	\$ -	\$ 39,168
Series 2010-C	Refunded	12/7/2010	Refunded	1,080,000	1,080,000	-	1,080,000	-	-	67,763
Series 2010-D	Refunded	12/7/2010	Refunded	85,000	85,000	-	85,000	-	-	3,595
Series 2012-A	Refunded	6/6/2012	Refunded	4,475,000	2,225,000	-	2,225,000	-	-	51,739
Series 2013-A	Refunded	9/19/2013	Refunded	1,015,000	875,000	-	875,000	-	-	38,365
Series 2015-A	2.00% - 4.00%	7/24/2015	9/1/2045	9,635,000	7,460,000	-	-	450,000	7,010,000	250,488
Series 2015-B	0.85% - 4.00%	7/31/2015	9/1/2035	1,765,000	1,390,000	-	-	80,000	1,310,000	44,500
Series 2017-A	2.50% - 3.50%	9/28/2017	9/1/2039	2,285,000	2,120,000	-	-	100,000	2,020,000	65,962
Series 2019-A	3.00% - 4.00%	4/11/2019	9/1/2039	945,000	910,000	-	-	35,000	875,000	29,600
Series 2019-B	3.00% - 4.00%	6/27/2019	9/1/2039	975,000	945,000	-	-	35,000	910,000	30,700
Series 2021-A	2.00%	7/22/2021	9/1/2043	7,015,000	-	7,015,000	-	345,000	6,670,000	15,199
					<u>\$ 17,800,000</u>	<u>\$ 7,015,000</u>	<u>\$ 4,975,000</u>	<u>\$ 1,045,000</u>	<u>\$ 18,795,000</u>	<u>\$ 637,079</u>

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2045	Total
Principal:										
General obligation bonds:										
Series 2015-A	\$ 455,000	\$ 470,000	\$ 480,000	\$ 490,000	\$ 495,000	\$ 2,580,000	\$ 720,000	\$ 675,000	\$ 645,000	\$ 7,010,000
Series 2015-B	80,000	85,000	85,000	85,000	90,000	490,000	395,000	-	-	1,310,000
Series 2017-A	100,000	105,000	110,000	115,000	180,000	830,000	345,000	235,000	-	2,020,000
Series 2019-A	35,000	40,000	40,000	40,000	40,000	235,000	265,000	180,000	-	875,000
Series 2019-B	35,000	40,000	40,000	40,000	45,000	240,000	280,000	190,000	-	910,000
Series 2021-A	370,000	350,000	335,000	325,000	255,000	1,075,000	2,780,000	1,085,000	95,000	6,670,000
<b>Total principal</b>	<b>1,075,000</b>	<b>1,090,000</b>	<b>1,090,000</b>	<b>1,095,000</b>	<b>1,105,000</b>	<b>5,450,000</b>	<b>4,785,000</b>	<b>2,365,000</b>	<b>740,000</b>	<b>18,795,000</b>
Interest:										
General obligation bonds:										
Series 2015-A	236,988	218,788	199,988	185,588	170,888	627,190	300,840	203,532	63,744	2,207,546
Series 2015-B	42,900	40,900	38,775	36,225	33,675	126,025	37,850	-	-	356,350
Series 2017-A	62,962	59,962	56,812	53,512	50,062	173,038	78,752	16,626	-	551,726
Series 2019-A	28,200	26,800	25,200	23,600	22,000	88,350	51,300	10,800	-	276,250
Series 2019-B	29,300	27,900	26,300	24,700	23,100	92,550	54,000	11,550	-	289,400
Series 2021-A	133,400	126,000	119,000	112,300	105,800	462,700	292,700	53,100	2,800	1,407,800
<b>Total interest</b>	<b>533,750</b>	<b>500,350</b>	<b>466,075</b>	<b>435,925</b>	<b>405,525</b>	<b>1,569,853</b>	<b>815,442</b>	<b>295,608</b>	<b>66,544</b>	<b>5,089,072</b>
<b>Total principal and interest</b>	<b>\$ 1,608,750</b>	<b>\$ 1,590,350</b>	<b>\$ 1,556,075</b>	<b>\$ 1,530,925</b>	<b>\$ 1,510,525</b>	<b>\$ 7,019,853</b>	<b>\$ 5,600,442</b>	<b>\$ 2,660,608</b>	<b>\$ 806,544</b>	<b>\$ 23,884,072</b>

CITY OF DE SOTO, KANSAS  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

Conduit Debt

*Tax Increment Revenue Bonds*

During the year ended December 31, 2018, the City issued \$ 2,161,559 in Series 2018 special obligation tax increment revenue bonds for the Commerce Drive Project. This redevelopment project supports the development of a commercial grocery store site on land in the Commerce Drive TIF District.

This debt is to be paid solely from incremental property tax revenues generated by the private development of the Commerce Drive TIF District. The following is a description of the outstanding special obligation bond as of December 31, 2021:

Bond Issue	Interest Rate	Date Issued	Original Issue Amount	Final Maturity	Outstanding Balance
Series 2018 (Commerce Drive Project)	5.00%	2/16/2018	\$ 2,161,559	12/30/2036	\$ 1,680,559

*Industrial Revenue Bonds*

The City has issued industrial revenue bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the State of Kansas, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. As of December 31, 2021, there were four series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$ 73,913,866.

6 - Operating Leases

The City leases equipment under noncancelable operating leases. Total costs for the leases were \$ 92,575 for the year ended December 31, 2021. The future minimum lease payments are as follows:

Year Ended December 31,	
2022	\$ 107,886
2023	94,116
2024	53,137
2025	34,275
2026	18,437
Thereafter	2,833
	<u>\$ 310,684</u>

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

7 - Interfund Transfers

A reconciliation of transfers by fund for the year ending December 31, 2021 is as follows:

From	To	Regulatory Authority	Amount
General	Capital Improvements	KSA 12-1118	\$ 66,620
General	Community Center Building Maintenance	KSA 12-17,118	30,000
General	Aquatic Center Maintenance	KSA 12-17,118	30,000
Special Highway	Bond and Interest	Bond Ord 2168	15,000
Special Highway	Capital Improvements	KSA 12-1118	125,000
Special Parks and Recreation	Capital Improvements	KSA 12-1118	35,000
CDBG	Capital Improvements	KSA 12-1118	87,440
Water Development Fee	Bond and Interest	KSA 12-825d	20,000
Sewer Development Fee	Bond and Interest	KSA 12-825d	41,000
Capital Improvements	Bond and Interest	KSA 12-1118	35,000
Water System	General	KSA 12-825d	124,025
Water System	Bond and Interest	KSA 12-825d	390,334
Water System	Water Development Fee	KSA 12-825d	45,000
Water System	Sewer System	KSA 12-825d	62,479
Sewer System	General	KSA 12-1118	24,025
Sewer System	Bond and Interest	KSA 12-825d	140,000
Sewer System	Sewer Development Fee	KSA 12-825d	15,000
Electric Utility Investment	Capital Improvements	KSA 12-1118	13,213

8 - 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 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 Reimbursement 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.

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

9 - Capital Projects

During 2021, the City completed work on a Roundabout project at 91<sup>st</sup> Street and Lexington Avenue. The original authorization for the construction contract was issued in 2020 in the amount of \$ 830,081. Additional allocation for contingency was approved in 2021 for \$ 80,000. Total expenditures incurred for the project as of December 31, 2021 were \$ 874,158.

During 2021, the City approved engineering services on the Ottawa Street Project for \$ 249,541. Total expenditures incurred for the project as of December 31, 2021 were \$ 89,647.

10 - Lease Agreement

The City continues to operate the water treatment plant at the former Sunflower Army Ammunition Plant, now owned by private developer Sunflower Redevelopment, LLC. The City's use is pursuant to a perpetual lease agreement dated July 29, 2005. Pursuant to a Real Estate Transfer Agreement dated July 29, 2005 between the City and Sunflower Redevelopment, LLC, the City will receive fee title interest to the treatment plant as soon as the land receives a CERCLA Covenant pursuant to 42 U.S.C. § 9620(h)(3)(A)(ii). The City initiated improvements to the water treatment plant site in 2010; the improvements included a back-up electrical generator, the installation of new electrical service to the plant, and a new water main leading from the plant to the City's distribution system. Construction was completed in 2011. The City, in conjunction with the City of Baldwin, the City of Wellsville, and the Douglas County Rural Water District #4, completed a broader water facilities study in 2012. The study evaluated the concept and costs of creating a regional wholesale water supply district. Proceeding with the creation of a regional wholesale water supply district does not appear feasible at the present time due to the City of Baldwin deciding not to participate.

11 - Interfund Balances

The Electric Utility Investment Fund has advanced money to the General Fund and Water Fund for the purchase of equipment in the amount of \$ 837,530. This amount includes a new advance in 2021 for equipment in the amount of \$ 233,274. During the year ended December 31, 2021, the General Fund and Water System Fund paid the Electric Utility Investment Fund \$ 153,390 for repayment of the advances. The balance of the advances remaining at December 31, 2021 was \$ 360,791.

12 - 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 basic financial statement as of December 31, 2021.

CITY OF DE SOTO, KANSAS  
NOTES TO FINANCIAL STATEMENT  
(Continued)

13 - 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 for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

14 - Statutory Compliance

The Shop Fund had a deficit cash balance of \$ 6,792 at December 31, 2021 that will be recovered from future transfers to the fund.

15 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City. Accordingly, while management cannot quantify the financial and other impacts to the City as of December 31, 2021, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

16 - Subsequent Events

The City has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statement is available to be issued.

SUPPLEMENTARY INFORMATION

CITY OF DE SOTO, KANSAS  
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(BUDGETED FUNDS ONLY)  
Year Ended December 31, 2021

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General fund	\$ 6,022,863	\$ -	\$ 6,022,863	\$ 4,617,468	\$ (1,405,395)
Special purpose funds:					
Law enforcement	655,500	-	655,500	547,893	(107,607)
Special highway	140,000	-	140,000	140,000	-
Special parks and recreation	35,000	-	35,000	35,000	-
Transient guest tax	32,000	-	32,000	28,000	(4,000)
Sponsorship	4,000	-	4,000	1,089	(2,911)
Water development fee	80,000	-	80,000	80,000	-
Sewer development fee	84,000	-	84,000	41,000	(43,000)
Community center building maintenance	30,000	-	30,000	30,000	-
Aquatic center maintenance	30,000	-	30,000	30,000	-
Bond and interest fund	2,368,595	-	2,368,595	1,590,553	(778,042)
Business funds:					
Water system	2,278,109	-	2,278,109	2,193,780	(84,329)
Sewer system	706,044	-	706,044	692,713	(13,331)
Refuse system	630,000	-	630,000	592,379	(37,621)
Totals	<u>\$ 13,096,111</u>	<u>\$ -</u>	<u>\$ 13,096,111</u>	<u>\$ 10,619,875</u>	

CITY OF DE SOTO, KANSAS  
GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Property taxes	\$ 1,321,410	\$ 1,277,266	\$ (44,144)
Sales and use taxes	1,683,800	2,231,151	547,351
Intergovernmental	14,210	695,381	681,171
Licenses and permits	70,000	199,294	129,294
Franchise fee	649,500	646,054	(3,446)
Charges for services	169,000	118,071	(50,929)
Use of money and property	59,000	67,438	8,438
Fines and fees	250,000	359,270	109,270
Miscellaneous	7,000	15,207	8,207
Interest income	9,000	8,723	(277)
Transfers in	148,050	148,050	-
Total receipts and transfers	<u>\$ 4,380,970</u>	<u>5,765,905</u>	<u>\$ 1,384,935</u>
Expenditures, encumbrances, and transfers:			
Personal services	\$ 2,425,545	2,322,879	\$ (102,666)
Contractual services	1,023,455	1,003,340	(20,115)
Commodities	364,170	525,582	161,412
Capital outlay	1,381,273	498,569	(882,704)
Electric utility loan repayment	-	140,478	140,478
Reserve	701,800	-	(701,800)
Transfers out	126,620	126,620	-
Total expenditures, encumbrances, and transfers	<u>\$ 6,022,863</u>	<u>4,617,468</u>	<u>\$ (1,405,395)</u>
Receipts and transfers over expenditures, encumbrances, and transfers		1,148,437	
Unencumbered cash, beginning		<u>2,288,789</u>	
Unencumbered cash, ending		<u>\$ 3,437,226</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
LAW ENFORCEMENT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Property taxes	\$ 547,249	\$ 540,473	\$ (6,776)
Expenditures and encumbrances:			
Contractual services	\$ 545,800	547,893	\$ 2,093
Reserve	109,700	-	(109,700)
Total expenditures and encumbrances	<u>\$ 655,500</u>	<u>547,893</u>	<u>\$ (107,607)</u>
Receipts under expenditures and encumbrances		(7,420)	
Unencumbered cash, beginning		<u>101,178</u>	
Unencumbered cash, ending		<u>\$ 93,758</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
SPECIAL HIGHWAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Receipts:			
Intergovernmental	<u>\$ 138,030</u>	\$ 190,931	<u>\$ 52,901</u>
Transfers:			
Transfers out	<u>\$ 140,000</u>	<u>140,000</u>	<u>\$ -</u>
Receipts over transfers		50,931	
Unencumbered cash, beginning		<u>26,209</u>	
Unencumbered cash, ending		<u>\$ 77,140</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
SPECIAL PARKS AND RECREATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Intergovernmental	\$ 17,500	\$ 24,425	\$ 6,925
Charges for services	13,000	30,532	17,532
Total receipts	\$ 30,500	54,957	\$ 24,457
Transfers:			
Transfers out	\$ 35,000	35,000	\$ -
Receipts over transfers		19,957	
Unencumbered cash, beginning		73,775	
Unencumbered cash, ending		\$ 93,732	

(Continued)

CITY OF DE SOTO, KANSAS  
TRANSIENT GUEST TAX FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Intergovernmental	\$ 22,000	\$ 25,374	\$ 3,374
Expenditures:			
Contractual services	\$ 32,000	28,000	\$ (4,000)
Receipts under expenditures		(2,626)	
Unencumbered cash, beginning		36,371	
Unencumbered cash, ending		\$ 33,745	

(Continued)

CITY OF DE SOTO, KANSAS  
SPONSORSHIP FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Receipts:			
Charges for services	<u>\$ 4,000</u>	\$ 5,324	<u>\$ 1,324</u>
Expenditures:			
Commodities	<u>\$ 4,000</u>	<u>1,089</u>	<u>\$ (2,911)</u>
Receipts over expenditures		4,235	
Unencumbered cash, beginning		<u>27,245</u>	
Unencumbered cash, ending		<u>\$ 31,480</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
WATER DEVELOPMENT FEE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	\$ 25,000	\$ 18,650	\$ (6,350)
Transfers in	45,000	45,000	-
Total receipts and transfers	<u>\$ 70,000</u>	<u>63,650</u>	<u>\$ (6,350)</u>
Expenditures, encumbrances, and transfers:			
Miscellaneous	\$ 60,000	60,000	\$ -
Transfers out	20,000	20,000	-
Total expenditures, encumbrances, and transfers	<u>\$ 80,000</u>	<u>80,000</u>	<u>\$ -</u>
Receipts and transfers under expenditures, encumbrances, and transfers		(16,350)	
Unencumbered cash, beginning		<u>99,483</u>	
Unencumbered cash, ending		<u>\$ 83,133</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
SEWER DEVELOPMENT FEE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	\$ 60,000	\$ 24,450	\$ (35,550)
Transfers in	15,000	15,000	-
Total receipts and transfers	\$ 75,000	39,450	\$ (35,550)
Expenditures and transfers:			
Capital outlay	\$ 43,000	-	\$ (43,000)
Transfers out	41,000	41,000	-
Total expenditures and transfers	\$ 84,000	41,000	\$ (43,000)
Receipts and transfers under expenditures and transfers		(1,550)	
Unencumbered cash, beginning		109,261	
Unencumbered cash, ending		\$ 107,711	

(Continued)

CITY OF DE SOTO, KANSAS  
COMMUNITY CENTER BUILDING MAINTENANCE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS

(Continued)

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers:			
Transfers in	<u>\$ 30,000</u>	\$ 30,000	<u>\$ -</u>
Expenditures:			
Commodities	<u>\$ 30,000</u>	<u>30,000</u>	<u>\$ -</u>
Transfers over expenditures		-	
Unencumbered cash, beginning		<u>-</u>	
Unencumbered cash, ending		<u>\$ -</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
AQUATIC CENTER MAINTENANCE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS

(Continued)

Year Ended December 31, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers:			
Transfers in	<u>\$ 30,000</u>	\$ 30,000	<u>\$ -</u>
Expenditures:			
Commodities	<u>\$ 30,000</u>	<u>30,000</u>	<u>\$ -</u>
Transfers over expenditures		-	
Unencumbered cash, beginning		<u>32,500</u>	
Unencumbered cash, ending		<u>\$ 32,500</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
BOND AND INTEREST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Taxes	\$ 968,898	\$ 1,210,059	\$ 241,161
Miscellaneous	44,613	47,680	3,067
Interest income	5,228	11,348	6,120
Special assessments	100	-	(100)
Transfers in	641,334	641,334	-
Total receipts and transfers	\$ 1,660,173	1,910,421	\$ 250,248
Expenditures:			
Bond principal	\$ 1,070,532	1,045,000	\$ (25,532)
Interest expense	667,863	545,553	(122,310)
Reserve	630,200	-	(630,200)
Total expenditures	\$ 2,368,595	1,590,553	\$ (778,042)
Receipts and transfers over expenditures		319,868	
Unencumbered cash, beginning		754,754	
Unencumbered cash, ending		\$ 1,074,622	

(Continued)

CITY OF DE SOTO, KANSAS  
WATER SYSTEM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
Receipts:				
Charges for services	\$ 1,829,500	\$ 1,947,150	\$ 1,905,078	\$ (42,072)
Expenditures, encumbrances, and transfers:				
Personal services	\$ 637,383	\$ 686,806	675,405	\$ (11,401)
Contractual services	442,350	558,788	442,297	(116,491)
Commodities	277,400	338,300	413,987	75,687
Capital outlay	72,377	72,377	27,341	(45,036)
Electric utility loan repayment	-	-	12,912	12,912
Transfer out	621,838	621,838	621,838	-
Total expenditures, encumbrances, and transfers	\$ 2,051,348	\$ 2,278,109	2,193,780	\$ (84,329)
Receipts under expenditures, encumbrances, and transfers			(288,702)	
Unencumbered cash, beginning			1,465,484	
Unencumbered cash, ending			\$ 1,176,782	

(Continued)

CITY OF DE SOTO, KANSAS  
SEWER SYSTEM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts and transfers:			
Charges for services	\$ 626,538	\$ 637,308	\$ 10,770
Transfers in	62,479	62,479	-
Total receipts and transfers	<u>\$ 689,017</u>	<u>699,787</u>	<u>\$ 10,770</u>
Expenditures, encumbrances, and transfers:			
Personal services	\$ 199,469	199,927	\$ 458
Capital outlay	-	4,504	4,504
Contractual services	244,300	222,882	(21,418)
Commodities	83,250	86,375	3,125
Transfers out	179,025	179,025	-
Total expenditures, encumbrances, and transfers	<u>\$ 706,044</u>	<u>692,713</u>	<u>\$ (13,331)</u>
Receipts and transfers over expenditures, encumbrances, and transfers		7,074	
Unencumbered cash, beginning		<u>419,199</u>	
Unencumbered cash, ending		<u>\$ 426,273</u>	

(Continued)

CITY OF DE SOTO, KANSAS  
REFUSE SYSTEM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Over (Under)
Receipts:			
Charges for services	\$ 625,850	\$ 593,495	\$ (32,355)
Expenditures:			
Contractual services	\$ 630,000	592,379	\$ (37,621)
Receipts over expenditures		1,116	
Unencumbered cash, beginning		82,740	
Unencumbered cash, ending		\$ 83,856	

CITY OF DE SOTO, KANSAS  
ELECTRIC UTILITY INVESTMENT FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
Year Ended December 31, 2021

Receipts:	
Interest income	\$ 13,213
Miscellaneous	57,868
Loan repayment	<u>153,390</u>
Total receipts	<u>224,471</u>
Expenditures and transfers:	
Commodities	233,274
Transfers out	<u>13,213</u>
Total expenditures and transfers	<u>246,487</u>
Receipts under expenditures and transfers	(22,016)
Unencumbered cash, beginning	<u>1,555,652</u>
Unencumbered cash, ending	<u><u>\$ 1,533,636</u></u>

\* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS  
ENHANCEMENT COMMUNITY FOUNTAIN FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

Unencumbered cash, beginning	<u>\$</u> <u>36</u>
Unencumbered cash, ending	<u>\$</u> <u>36</u>

\* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS  
COMMERCE DRIVE TAX INCREMENT FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

Receipts:	
Taxes	\$ 209,216
Expenditures:	
Contractual services	2,043
Miscellaneous	197,807
Total expenditures	199,850
Receipts over expenditures	9,366
Unencumbered cash, beginning	11,749
Unencumbered cash, ending	\$ 21,115

\* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS  
CDBG FUND\*  
SCHEDULE OF RECEIPTS AND TRANSFERS  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

Receipts:	
Intergovernmental	\$ 87,440
Transfers:	
Transfers out	<u>87,440</u>
Receipts over transfers	-
Unencumbered cash, beginning	<u>-</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>

\* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS  
CAPITAL IMPROVEMENTS FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

Receipts and transfers:	
Intergovernmental	\$ 558,438
Bond proceeds	7,015,000
Bond premium	310,607
Transfers in	327,273
	8,211,318
Total receipts and transfers	
	8,211,318
Expenditures, encumbrances, and transfers:	
Contractual services	1,712,495
Principal	4,975,000
Interest	91,526
Cost of issuance	148,169
Transfers out	35,000
	6,962,190
Total expenditures, encumbrances, and transfers	
	6,962,190
Receipts and transfers over expenditures, encumbrances, and transfers	
	1,249,128
Unencumbered cash, beginning	
	572,006
Unencumbered cash, ending	
	\$ 1,821,134

\* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS  
SHOP FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

Receipts:	
Charges for services	\$ 149,970
Expenditures and encumbrances:	
Commodities	148,397
Capital outlay	204
Contractual services	340
Total expenditures and encumbrances	148,941
Receipts over expenditures and encumbrances	1,029
Unencumbered cash, beginning	(7,821)
Unencumbered cash, ending	\$ (6,792)

\* This fund is not required to be budgeted.

(Continued)

CITY OF DE SOTO, KANSAS  
SHUGHART TRUST FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS  
(Continued)  
Year Ended December 31, 2021

Receipts:	
Interest income	\$          200
Unencumbered cash, beginning	<u>          24,743</u>
Unencumbered cash, ending	<u><u>          \$ 24,943</u></u>

\* This fund is not required to be budgeted.

CITY OF DE SOTO, KANSAS  
 AGENCY FUNDS  
 SUMMARY OF RECEIPTS AND DISBURSEMENTS  
 REGULATORY BASIS  
 Year Ended December 31, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
IRB fund	\$ 16,749	\$ 25,000	\$ 2,000	\$ 39,749
Municipal court fund	13,029	43,196	31,315	24,910
	<u>\$ 29,778</u>	<u>\$ 68,196</u>	<u>\$ 33,315</u>	<u>\$ 64,659</u>