

CITY OF BENTON, KANSAS

**Financial Statements for the
Year Ended December 31, 2021
And Independent Auditors' Report**

CITY OF BENTON, KANSAS

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS:	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
Notes to Financial Statements	4 - 13
SUPPLEMENTAL INFORMATION	
Summary of Expenditures - Actual and Budget	14
General Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	15
Special Highway Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	16
Special Parks Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	17
Community Building Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	18
Water Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	19
Water Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	20
Sewer Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	21
Trash Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	22
Capital Improvement Fund - Schedule of Cash Receipts and Expenditures - Actual	23
Bond and Interest Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	24
BSAC Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	25
Equipment Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	26
Sewer Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	27
ARPA Fund - Schedule of Cash Receipts and Expenditures - Actual	28
OTHER INFORMATION:	
Schedule of Other Statistics	29

Stephen M. Connelly, CPA, PC

PO Box 25528
Kansas City, MO 64119
816.718.9977
www.stephenmconnellycpa.com

INDEPENDENT AUDITORS' REPORT

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

Basis for Adverse and Unmodified Opinions

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

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Benton, Kansas on the basis of the financial reporting provisions of the *Kanas 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* (KMAAG) 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 statements.

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 statements, 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 statements.
- 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 District'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 statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures-agency funds are presented for purposes of additional analysis and are not a required part of the basic financial statements 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 1.

July 14, 2022

CITY OF BENTON, KANSAS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
YEAR ENDED DECEMBER 31, 2021**

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
General Fund	\$ 121,876	\$ 924,220	\$ 939,095	\$ 107,000
Special Purpose Funds:				
Special Highway Fund	11,555	29,612	29,599	11,568
Special Parks Fund	16,630	25,068	16,455	25,244
Community Building Fund	10,267	3,000	6,456	6,812
BSAC Fund	42,827	22,380	6,073	59,133
ARPA Fund	-	66,461	-	66,461
Enterprise Funds:				
Water Fund	55,314	177,076	209,792	22,598
Water Reserve Fund	113,291	23,500	-	136,791
Sewer Fund	42,061	173,416	161,608	53,869
Sewer Reserve Fund	15,000	22,000	-	37,000
Trash Fund	6,385	59,525	58,486	7,425
Project Funds:				
Capital Improvement Fund	200,077	448	38,294	162,232
Equipment Reserve Fund	49,568	48,372	61,764	36,175
Debt Service Funds:				
Bond and Interest Fund	<u>29,026</u>	<u>206,359</u>	<u>166,742</u>	<u>68,643</u>
Total Reporting Entity	\$ <u>713,877</u>	\$ 1,781,436	\$ 1,694,363	\$ <u>800,953</u>
Less Transfers		<u>70,000</u>	<u>70,000</u>	
		\$ <u>1,711,436</u>	\$ <u>1,624,363</u>	
COMPOSITION OF CASH:				
Operating Account				\$ 631,940
Community Building Account				6,815
Capital Improvement Account				<u>162,198</u>
				\$ <u>800,953</u>

CITY OF BENTON, KANSAS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Benton, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

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

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special purpose funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Project funds - to account for major capital expenditures not financed by other funds.

Debt service funds - to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting, which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements.

The municipality has a GAAP waiver resolution, which requires this type of special reporting.

- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General

fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. 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.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

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 governing body.

e. Comparative Amounts - The amounts shown for the year ended December 31, 2021 in the accompanying financial statements are included to provide a basis for comparison with 2011 and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

2. TAXES

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following June 20.

Motor Vehicle Taxes – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2021, the City received the following from county and state taxes:

	<u>General Fund</u>	<u>Special Highway Fund</u>	<u>Bond & Interest Fund</u>	<u>Special Parks Fund</u>	<u>Totals</u>
Ad Valorem	\$ 559,200	\$	\$ 27,614	\$	\$ 586,813
Delinquent	37,237		1,436		38,673
Motor Vehicle	70,253		2,464		72,717
Sales Tax	171,898				171,898
Alcohol	10,897			10,897	21,794
Special Highway		29,202			29,202
Special Assessments			128,437		128,437
	<u>\$ 849,485</u>	<u>\$ 29,202</u>	<u>\$ 159,950</u>	<u>\$ 10,897</u>	<u>\$ 1,049,534</u>

The assessed valuation in 2019 was \$10,860,407, which was used to determine the mill levy for 2021. The mill levy was 59.876 for 2021.

On October 6, 1999, the majority of electors approved the levying of a retailer’s sales tax of 1% in the City for the purpose of improving the City’s water supply system, downtown renovation, and for economic development. The sales tax is to be allocated for the following purposes:

- 40% for the water supply system
- 40% for the sanitary sewer system
- 20% for the storm water drainage

3. DEPOSITS

At year-end the carrying amount of the City's deposits was \$800,953 and the bank balances were \$823,992. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody and issued by a third-party bank in the City's name.

4. UTILITIES

The City provides water, sewer, and trash services. The City mails their utility bills on the 1st of each month. The utility bills are due by the 25th of the month. Bills not paid by the 25th are subject to a late charge fee of 18%. Water bills include a sewer charge of a \$18.70 minimum, plus \$5.70 for each 1,000 gallons up to the average, and trash of \$8.75 and a recycling charge of \$4.15.

The water rates for 2021 are as follows:

Inside the city limits:

\$16.50 minimum includes the first 1,000 gallons, and \$8.10 for each additional 1,000 gallons. The average winter consumption rate is \$9.75 per 1,000 gallons.

Outside the city limits:

\$29.54 minimum includes 1,000 gallons, and \$9.00 for each 1,000 gallons. The average winter consumption is \$10.50 per 1,000 gallons.

All rental properties require a \$60 water meter deposit.

The amount billed by the City at December 31, 2021 for utilities is as follows:

Water	\$ 12,550	35.64%
Sewer	10,271	29.17%
Trash	3,727	10.58%
Past Due	<u>8,662</u>	<u>24.60%</u>
Total	\$ <u><u>35,210</u></u>	<u><u>100.00%</u></u>

5. DEBT

The City's debt is comprised of Kansas Water Pollution Control Revolving Fund in the amount of \$820,401 (\$354,115 outstanding at December 31, 2021), and General Obligation Refunding Bonds, Series A, 2021 in the amount of \$1,385,000 (\$1,325,000 outstanding at December 31, 2021).

General Obligation Improvement Bonds

General Obligation Refunding Bonds, Series A, 2021 in the amount of \$1,385,000 were used to refinance and replace General Obligation Refunding Bonds, Series A, 2015 in the amount of \$2,475,000 that were used to refinance and replace the General Obligation Refunding Bonds Series A, 2009 in the amount of \$110,000, General Obligation Refunding Bonds Series A, 2010 in the amount of \$415,000, and escrowed amounts for the eventual retirement of General Obligation Bonds, Series 2008, and GO Refunding and Improvement Bonds Series 2011. The bonds mature on September 1, 2030. The principal payments will be paid annually on September 1, and interest will be paid semi-annually on March 1 and September 1 with interest rates ranging from 0.25% to 1.45%.

KWPCRLF

At December 31, 2021, \$820,401 in project payments have been received by the City for certain sewer system improvements on a Kansas Water Pollution Control Revolving bearing interest at a rate of 2.72%, with principal and interest payments being made on a semi-annual basis beginning September 1, 2009, through 2029.

Debt Activity:

	<u>Payable at 1/1/2021</u>	<u>Advances</u>	<u>Payments</u>	<u>Payable at 12/31/2021</u>	<u>Interest</u>
KDHE					
State Revolving Loan Fund	396,138		42,023	354,115	9,527
General Obligation Refunding Bonds Series A, 2021	-	1,385,000	60,000	1,325,000	4,194
General Obligation Refunding Bonds Series A, 2015	<u>1,420,000</u>		<u>1,420,000</u>	<u>-</u>	<u>21,547</u>
	<u>\$ 1,816,138</u>	<u>\$ 1,385,000</u>	<u>\$ 1,522,023</u>	<u>\$ 1,679,115</u>	<u>35,268</u>

Kansas Water Pollution Control Revolving Loan Fund

	Principal	Interest	Total
2021	42,023	10,491	52,514
2022	43,174	9,340	52,514
2023	44,356	8,158	52,514
2024	45,571	6,943	52,514
2025	46,819	5,695	52,514
2026	48,101	4,413	52,514
2027	49,418	3,096	52,514
2028	50,771	1,743	52,514
2029	25,905	352	26,257
	<u>\$ 354,115</u>	<u>\$ 39,741</u>	<u>\$ 393,856</u>

GO Refunding Bonds, Series A, 2021:

	Principal	Interest	Total
2022	145,000	11,555	156,555
2023	145,000	11,048	156,048
2024	145,000	10,395	155,395
2025	145,000	9,598	154,598
2026	145,000	8,583	153,583
2027	150,000	7,350	157,350
2028	150,000	5,850	155,850
2029	150,000	4,125	154,125
2030	150,000	2,175	152,175
	<u>\$ 1,325,000</u>	<u>\$ 70,678</u>	<u>\$ 1,395,678</u>

6. SPECIAL ASSESSMENTS

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

7. CONTRACTS

In 1975, the City entered into a 40-year, renewable agreement with the City of Wichita, Kansas to sell water in quantities not to exceed 30,500,000 gallons per year. In 2021, the City of Wichita, KS sold 24,336,000 gallons to the City at an average cost per 1,000 gallons of \$4.67.

8. COMPENSATED ABSENCES FOR EMPLOYEES

Vacation leave shall be earned beginning with the date of employment. An employee who works fewer than 45 weeks beginning each year from their anniversary date shall not accrue any vacation days, provided this provision is not waived due to an illness, or other authorized leave.

Full-time employees are entitled to paid vacation leave time according to the following schedule:

<u>Employment</u>	<u>Days Earned</u>
1 year	5 work days
2 - 4 years	10 work days
5 - 9 years	15 work days
10 years and over	20 work days

Full-time employees, and part-time employees who are employed to work at least 20 hours or more per week, shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents or other physical incapacity, occurring either on or off the job.

Full-time and part-time employees shall be granted 40 working hours of paid sick leave annually, provided the total accumulated sick leave does not exceed 40 hours. Sick leave in excess of 240 hours, not used by the end of the calendar year, will be bought back at half pay.

9. INTERFUND TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$	\$ 67,000
Sewer Fund		30,000
Water Fund		23,500
Water Reserve Fund	23,500	
Equipment Reserve Fund	30,000	
Sewer Reserve Fund	22,000	
Bond & Interest Fund	45,000	
	<u>\$ 120,500</u>	<u>\$ 120,500</u>

10. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer, and trash services to customers located in Butler County in Kansas. The City grants credit to those customers and requires no collateral.

11. CAPITAL PROJECTS

Capital projects and purchases for the year ending December 31, 2021 consist of approximately \$77,000 spent in the general fund.

12. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. There were no apparent statutory violations other than the items noted during the year ended December 31, 2021 for the funds that were part of this audit. The Trash Fund had expenditures in excess of available monies in the fund which is a violation of KSA 10-1113

13. RETIREMENT PLAN

Effective March 1, 2003, the City started a Simple Individual Retirement Plan for eligible employees through American Funds. All employees receiving at least \$5,000 in compensation during any two prior years and who are reasonably expected to receive at least \$5,000 in compensation during the current year are eligible to participate in the plan. The maximum amount of deferrals that may be contributed on behalf of any employee is limited by law to \$19,500 in 2021, with catch-up contributions for those 50 and older limited to an additional \$6,500 in 2021. This limit will be adjusted for inflation in future years in \$500 increments. The City is making a contribution to the accounts of enrolled employees equal to 2% of their compensation for the calendar year 2021. The City contributed \$3,955 for 2021.

14. PENSION PLAN

General Information about the 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 KSA 74-4901, etc. 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. KSA 74-4919 and KSA 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, 2021, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for 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 \$23,833 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the estimated collective net pension liability reported by KPERS was \$169,734. 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, 2019, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG

regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events from the financial statement date through July 14, 2022, the date at which these financial statements were available to be issued, and determined there are no other items to recognize disclose.

* * * * *

CITY OF BENTON, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021**

	<u>Cash</u> <u>Disbursements</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
General Fund	\$ 939,095	\$ 942,500	\$ 3,405
Special Revenue Funds:			
Special Highway Fund	29,599	30,000	401
Special Parks Fund	16,455	18,000	1,545
Community Building Fund	6,456	6,500	44
BSAC Fund	6,073	32,500	26,427
Enterprise Funds:			
Water Fund	209,792	210,000	208
Sewer Fund	161,608	162,514	906
Trash Fund	58,486	63,000	4,514
Debt Service Funds:			
Bond and Interest Fund	<u>166,742</u>	<u>183,095</u>	<u>16,353</u>
Total Budgeted Funds	\$ <u>1,594,305</u>	\$ <u>1,648,109</u>	\$ <u>53,803</u>
Nonbudgeted Funds:			
Capital Improvement Fund	38,294		
Equipment Reserve Fund	61,764		
Water Reserve Fund	<u>-</u>		
Total Expenditures	\$ <u>1,656,069</u>		

CITY OF BENTON, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2021

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
County and State Taxes	\$ 767,323	\$ 849,485	\$ 821,205	\$ 28,280
Franchise Tax	35,154	44,565	45,000	(435)
Miscellaneous	4,160	7,661		7,661
License Permits and Fees	2,950	7,670	800	6,870
Fees From Fines	8,069	8,501	8,500	1
Reimbursements	2,092	-	-	
Interest & Dividends	6,577	6,338	3,500	2,838
Total Cash Receipts	<u>826,326</u>	<u>924,220</u>	<u>\$ 879,005</u>	<u>\$ 45,215</u>
EXPENDITURES:				
General Administration	444,936	582,697	\$ 470,000	\$ (112,697)
Police	207,934	205,265	180,000	(25,265)
Transfer Out	65,000	62,000	90,000	28,000
Capital Outlay	1,431	677	20,000	19,323
Street Lights	9,938	10,667	12,500	1,833
Special Street Improvements	72,695	77,789	170,000	92,211
Total Expenditures	<u>801,934</u>	<u>939,095</u>	<u>\$ 942,500</u>	<u>\$ 3,405</u>
Receipts over (under) Expenditures	24,391	(14,876)		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>97,485</u>	<u>121,876</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 121,876</u>	<u>\$ 107,000</u>		

CITY OF BENTON, KANSAS

**SPECIAL HIGHWAY FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Interest on Idle Funds	\$	\$	\$	\$
County and State Taxes	26,112	29,202	22,680	6,522
Miscellaneous		410		410
Total Cash Receipts	<u>26,112</u>	<u>29,612</u>	<u>\$ 22,680</u>	<u>\$ 6,932</u>
EXPENDITURES:				
Contracted Services	254	4,127	\$	\$ (4,127)
Commodities	<u>20,493</u>	<u>25,472</u>	<u>30,000</u>	<u>4,529</u>
Total Expenditures	<u>20,747</u>	<u>29,599</u>	<u>\$ 30,000</u>	<u>\$ 401</u>
Receipts over (under) Expenditures	5,365	13		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>6,190</u>	<u>11,555</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 11,555</u>	<u>\$ 11,568</u>		

CITY OF BENTON, KANSAS

**SPECIAL PARKS FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Rent	\$ 75	\$ -	\$ 200	\$ (200)
Miscellaneous	-	14,171	-	14,171
Alcohol Tax	<u>7,029</u>	<u>10,897</u>	<u>8,890</u>	<u>2,007</u>
Total Cash Receipts	7,104	25,068	<u>\$ 9,090</u>	<u>\$ 15,978</u>
EXPENDITURES:				
Commodities	<u>8,908</u>	<u>16,455</u>	<u>\$ 18,000</u>	<u>\$ 1,545</u>
Total Expenditures	<u>8,908</u>	<u>16,455</u>	<u>\$ 18,000</u>	<u>\$ 1,545</u>
Receipts over (under) Expenditures	(1,804)	8,613		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>18,434</u>	<u>16,630</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 16,630</u>	<u>\$ 25,243</u>		

CITY OF BENTON, KANSAS

COMMUNITY BUILDING FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 YEAR ENDED DECEMBER 31, 2021

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Contributions	\$ 1,200	\$ 1,200	\$ 1,200	\$
Reimbursement				
Rent	1,350	1,800	3,000	(1,200)
Total Cash Receipts	<u>2,550</u>	<u>3,000</u>	<u>\$ 4,200</u>	<u>\$ (1,200)</u>
EXPENDITURES:				
Utilities	1,656	1,330	\$ 3,500	\$ 2,170
Benton Days				
Repairs	53	4,000	2,500	(1,500)
Miscellaneous	50			
Commodities	952	1,126	500	(626)
Total Expenditures	<u>2,711</u>	<u>6,456</u>	<u>\$ 6,500</u>	<u>\$ 44</u>
Receipts over Expenditures	(160)	(3,455)		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>10,427</u>	<u>10,267</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 10,267</u>	<u>\$ 6,812</u>		

CITY OF BENTON, KANSAS

WATER FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 YEAR ENDED DECEMBER 31, 2021

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Water sales	\$ 194,191	\$ 177,076	\$ 198,000	\$ (20,924)
Deposits	60			
New meter installations	12,000			
Interest				
Total Cash Receipts	<u>206,251</u>	<u>177,076</u>	<u>\$ 198,000</u>	<u>\$ (20,924)</u>
EXPENDITURES:				
General Administration	63,327	66,302	\$ 70,000	\$ 3,698
Production Distribution	124,419	114,990	110,000	(4,990)
Capital Outlay				
Transfers		<u>28,500</u>	<u>30,000</u>	<u>1,500</u>
Total Expenditures	<u>187,746</u>	<u>209,792</u>	<u>\$ 210,000</u>	<u>\$ 208</u>
Receipts over Expenditures	18,505	(32,716)		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>36,809</u>	<u>55,314</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u><u>55,314</u></u>	<u><u>\$ 22,598</u></u>		

CITY OF BENTON, KANSAS

WATER RESERVE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>
CASH RECEIPTS:		
Transfer in	\$ -	\$ 23,500
Interest	-	-
Total Cash Receipts	-	23,500
EXPENDITURES:		
Commodities	35,980	-
Total Expenditures	35,980	-
Receipts over (under) Expenditures	(35,980)	23,500
UNENCUMBERED CASH, BEGINNING BALANCE	<u>149,271</u>	<u>113,291</u>
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 113,291</u>	<u>\$ 136,791</u>

CITY OF BENTON, KANSAS

SEWER FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 YEAR ENDED DECEMBER 31, 2021

	<u>2020</u> Actual	<u>2021</u> Actual	<u>2021</u> Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Sewer charges	\$ 150,314	\$ 171,416	\$ 160,000	\$ 11,416
Hook up fee	14,000	2,000		2,000
Interest				
Total Cash Receipts	<u>164,314</u>	<u>173,416</u>	<u>\$ 160,000</u>	<u>\$ 13,416</u>
EXPENDITURES:				
Contractual services	6,659	11,745		(11,745)
Personnel costs	51,054	55,023	\$ 30,000	(25,023)
Commodities	17,961	17,326	35,000	17,674
Transfer	5,000	25,000	45,000	20,000
Interest payment	11,611	11,611	11,611	
Principal Payment	40,903	40,903	40,903	
Capital outlay				
Total Expenditures	<u>133,188</u>	<u>161,608</u>	<u>\$ 162,514</u>	<u>\$ 906</u>
Receipts (under) Expenditures	31,126	11,809		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>10,935</u>	<u>42,061</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 42,061</u>	<u>\$ 53,870</u>		

CITY OF BENTON, KANSAS

TRASH FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Trash Service Fees	\$ 54,125	\$ 59,525	\$ 61,500	\$ (1,975)
Interest				
Total Cash Receipts	<u>54,125</u>	<u>59,525</u>	<u>\$ 61,500</u>	<u>\$ (1,975)</u>
EXPENDITURES:				
Contractual Services	58,487	58,486	\$ 63,000	\$ 4,514
Commodities				
Transfer to Capital Improvement				
Total Expenditures	<u>58,487</u>	<u>58,486</u>	<u>\$ 63,000</u>	<u>\$ 4,514</u>
Receipts over (under) Expenditures	(4,361)	1,038		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>10,746</u>	<u>6,385</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 6,385</u>	<u>\$ 7,422</u>		

CITY OF BENTON, KANSAS

**CAPITAL IMPROVEMENT FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>
CASH RECEIPTS:		
Miscellaneous	\$ 29,825	\$ -
Prairie Village Lot Sales	-	-
Transfer in	35,000	-
Interest	438	448
	<u>65,264</u>	<u>448</u>
Total Cash Receipts	65,264	448
EXPENDITURES:		
Commodities	9,123	17,744
Transfer	-	20,550
	<u>9,123</u>	<u>38,294</u>
Total Expenditures	9,123	38,294
Receipts over (under) Expenditures	56,141	(37,846)
UNENCUMBERED CASH, BEGINNING BALANCE	<u>143,937</u>	<u>200,077</u>
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 200,077</u>	<u>\$ 162,233</u>

CITY OF BENTON, KANSAS

**BOND AND INTEREST FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
County Taxes	\$ 133,004	\$ 159,950	\$ 130,873	\$ 29,077
Transfers In	15,000	45,000	45,000	
Other	5,208	1,409		1,409
Interest				
Total Cash Receipts	<u>153,212</u>	<u>206,359</u>	<u>\$ 175,873</u>	<u>\$ 30,486</u>
EXPENDITURES:				
Interest Payment	45,695	25,742	\$ 43,095	\$ 17,353
Principal Payment	<u>130,000</u>	<u>141,000</u>	<u>140,000</u>	<u>(1,000)</u>
Total Expenditures	<u>175,695</u>	<u>166,742</u>	<u>\$ 183,095</u>	<u>\$ 16,353</u>
Receipts (under) Expenditures	(22,483)	39,618		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>51,508</u>	<u>25,675</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 25,675</u>	<u>\$ 65,292</u>		

CITY OF BENTON, KANSAS

**BENTON SPORTS AND ATHLETIC COMMISSION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2021 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
Fees	\$ 9,773	\$ 22,380	\$ 22,000	\$ 380
Sponsorships	-	-	500	(500)
Interest	-	-	-	-
Total Cash Receipts	<u>9,773</u>	<u>22,380</u>	<u>\$ 22,500</u>	<u>\$ (120)</u>
EXPENDITURES:				
Commodities	2,783	4,437	\$ 25,000	\$ 20,563
Contractual	<u>140</u>	<u>1,636</u>	<u>7,500</u>	<u>5,864</u>
Total Expenditures	<u>2,923</u>	<u>6,073</u>	<u>\$ 32,500</u>	<u>\$ 26,427</u>
Receipts over Expenditures	6,850	16,306		
UNENCUMBERED CASH, BEGINNING BALANCE	<u>35,978</u>	<u>42,827</u>		
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 42,827</u>	<u>\$ 59,134</u>		

CITY OF BENTON, KANSAS

EQUIPMENT RESERVE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	<u>2020 Actual</u>	<u>2021 Actual</u>
CASH RECEIPTS:		
Transfers	\$ 15,000	\$
Other	15,330	48,372
	<u>30,330</u>	<u>48,372</u>
Total Cash Receipts	30,330	48,372
EXPENDITURES:		
Contractual	5,200	61,764
Commodities	-	0
	<u>5,200</u>	<u>61,764</u>
Total Expenditures	5,200	61,764
Receipts over (under) Expenditures	25,130	(13,392)
UNENCUMBERED CASH, BEGINNING BALANCE	<u>24,437</u>	<u>49,568</u>
UNENCUMBERED CASH, ENDING BALANCE	<u>\$ 49,568</u>	<u>\$ 36,175</u>

CITY OF BENTON, KANSAS

SEWER RESERVE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Actual</u>
CASH RECEIPTS:	
Transfer in	\$ <u>22,000</u>
Total Cash Receipts	22,000
EXPENDITURES:	
Commodities	<u>0</u>
Total Expenditures	<u>0</u>
Receipts over (under) Expenditures	22,000
UNENCUMBERED CASH, BEGINNING BALANCE	<u>15,000</u>
UNENCUMBERED CASH, ENDING BALANCE	\$ <u><u>37,000</u></u>

CITY OF BENTON, KANSAS

ARPA FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Actual</u>
CASH RECEIPTS:	
Transfer in	\$ <u>66,461</u>
Total Cash Receipts	66,461
EXPENDITURES:	
Commodities	<u>-</u>
Total Expenditures	<u>-</u>
Receipts over (under) Expenditures	66,461
UNENCUMBERED CASH, BEGINNING BALANCE	<u>0</u>
UNENCUMBERED CASH, ENDING BALANCE	\$ <u><u>66,461</u></u>

CITY OF BENTON, KANSAS

**SCHEDULE OF OTHER STATISTICS
YEARS ENDED DECEMBER 31, 2014 - 2021**

	2014	2015	2016	2017	2018	2019	2020	2021
Population	850	850	850	850	850	850	850	850
Assessed Valuation	\$ 7,142,451	\$ 7,226,887	\$ 7,397,614	\$ 7,398,615	\$ 8,337,439	\$ 9,031,894	\$ 9,901,901	\$ 10,860,407
Mill Levy	\$ 55.57	\$ 55.63	\$ 55.23	\$ 55.85	\$ 55.64	\$ 55.64	\$ 55.64	\$ 59.87
Total Receipts	\$ 1,378,933	\$ 3,700,785	\$ 1,369,841	\$ 1,384,277	\$ 1,456,957	\$ 1,575,418	\$ 1,480,360	\$ 1,711,304
Total Disbursements	\$ 1,326,864	\$ 3,594,796	\$ 1,333,600	\$ 1,444,294	\$ 1,470,206	\$ 1,481,819	\$ 1,372,642	\$ 1,703,617
Bond Indebtedness	\$ 3,135,771	\$ 4,815,036	\$ 3,298,323	\$ 2,500,605	\$ 2,246,853	\$ 1,987,041	\$ 1,816,138	\$ 1,522,023
Receipts per Capita	\$ 1,622	\$ 4,354	\$ 1,612	\$ 1,629	\$ 1,714	\$ 1,853	\$ 1,742	\$ 2,013
Disbursements per Capita	\$ 1,561	\$ 4,229	\$ 1,569	\$ 1,699	\$ 1,730	\$ 1,743	\$ 1,615	\$ 2,004
Indebtedness per Capita	\$ 3,689	\$ 5,665	\$ 3,880	\$ 2,942	\$ 2,643	\$ 2,338	\$ 2,137	\$ 1,791