

CITY OF DODGE CITY, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS
YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Commissioners
Dodge City, 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 Dodge City, Kansas, 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 of Dodge City, 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 accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Dodge City, 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 A.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 of Dodge City, Kansas 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 A of the financial statement, the financial statement is prepared by the City of Dodge City, Kansas 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; 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, which raise substantial doubt about the City of Dodge City, Kansas' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- exercise professional judgement 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 of Dodge City, Kansas' 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, which raise substantial doubt about the City of Dodge City, Kansas' 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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Dodge City, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated August 19, 2022, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2022 on our consideration of the City of Dodge City, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dodge City, Kansas' internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

August 19, 2022

CITY OF DODGE CITY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2021

Fund	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
General fund:			
General	\$ 5,533,398	\$ -	\$ 16,578,215
Special purpose funds:			
Special liability	-	-	474,809
Library	741	-	1,086,266
Library employee benefits	820	-	220,766
Sales tax	310,804	-	7,505,556
Convention and visitors	503,141	-	961,371
Special streets and highways	432,878	-	1,117,128
Special parks and recreation	68,462	-	107,910
Special alcohol and drug	555	-	107,910
Alcohol and drug safety action	8,567	-	-
Development and growth	230,076	-	720,857
Non-budgeted special purpose funds:			
Sales tax organizations	265,403	-	710,000
Sales tax depreciation and replacement	1,080,398	-	481,269
Sales tax event	55,048	-	100,000
Rural housing incentive district	175,308	-	526,606
Transient guest tax	198,618	-	306,425
Special law enforcement trust	55,889	-	1,795
Economic development revolving	83,882	-	157,551
Hoover trust	128,879	-	62
Roof insurance repairs	365,788	-	-
Medical insurance reserve	3,402,367	-	2,798,735
Capital equipment reserve	409,270	-	665,678
GREAT	3,230	-	9,636
Fire CPR training	8,625	-	15,197
Municipal band	4,130	-	18,500
SMPC trust	187,210	-	23,000
Depot	554,994	-	273,079
Civil asset forfeiture	21,712	-	865
Public art	32,636	-	30,875
Total special purpose funds	8,589,431	-	18,421,846

STATEMENT 1

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<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
<u>\$ 17,054,383</u>	<u>\$ 5,057,230</u>	<u>\$ 1,352,097</u>	<u>\$ 6,409,327</u>
474,809	-	-	-
1,050,696	36,311	-	36,311
220,000	1,586	-	1,586
7,190,112	626,248	73,904	700,152
673,514	790,998	16,626	807,624
1,011,417	538,589	173,726	712,315
133,500	42,872	-	42,872
98,386	10,079	-	10,079
-	8,567	-	8,567
706,176	244,757	21,978	266,735
687,625	287,778	-	287,778
244,149	1,317,518	100	1,317,618
140,920	14,128	-	14,128
397,242	304,672	-	304,672
242,547	262,496	-	262,496
15,445	42,239	202	42,441
3,568	237,865	-	237,865
-	128,941	-	128,941
-	365,788	-	365,788
2,225,374	3,975,728	49,789	4,025,517
907,143	167,805	124,214	292,019
6,472	6,394	2,416	8,810
5,807	18,015	935	18,950
14,664	7,966	-	7,966
28,704	181,506	-	181,506
175,323	652,750	8,123	660,873
4,500	18,077	-	18,077
13,387	50,124	177	50,301
<u>16,671,480</u>	<u>10,339,797</u>	<u>472,190</u>	<u>10,811,987</u>

CITY OF DODGE CITY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS (CONTINUED)**

For the Year Ended December 31, 2021

Fund	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
Special purpose grant funds:			
Runway 14-32 design	\$ (54,109)	\$ -	\$ 244,673
Police body worn cameras	6,463	-	-
Minibus grant 2021-22	-	-	202,048
Minibus grant 2020-21	(78,115)	-	430,970
ARPA	-	-	2,068,159
Model for change	4,921	-	-
USDA rural business development	(210,650)	-	3,291
CARES act	(14,790)	-	14,790
CDBG	-	-	63,024
Total grant funds	<u>(346,280)</u>	<u>-</u>	<u>3,026,955</u>
Bond and interest funds:			
GO bond and interest	3,999	-	4,138,791
Non-budgeted debt service funds:			
Special events center revenue bonds	4,685,629	-	2,535,981
Water park revenue bonds	999,381	-	823,091
Total debt service funds	<u>5,689,009</u>	<u>-</u>	<u>7,497,863</u>
Capital projects funds:			
Capital improvement	216,928	-	718,696
Non-budgeted capital project funds:			
Temporary notes star bonds	312,072	-	-
GO bonds 2018	205,517	-	-
GO bonds 2013	781,482	-	-
GO bonds 2015	(3,500)	3,500	-
Temporary notes Candletree 2016	2,986	-	-
GO bonds 2016	135,595	-	-
GO bonds 2017	459,250	-	-
GO bonds 2019	426,760	-	-
GO bonds 2020	1,866,429	-	-
Star bond project	(28,674)	-	28,674
Star bond power center	4,304,592	-	538,381
Temporary notes Wagon Wheel	79,572	-	-
Lease purchase fire truck	8,011	-	-
Candletree 6 infrastructure	(172,402)	-	3,556,687

<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 217,939	\$ (27,375)	\$ 2,679	\$ (24,696)
6,463	-	-	-
321,162	(119,114)	12,653	(106,461)
288,699	64,156	5,234	69,390
252,502	1,815,657	-	1,815,657
4,921	-	-	-
88,369	(295,728)	-	(295,728)
-	-	-	-
63,024	-	-	-
<u>1,243,079</u>	<u>1,437,596</u>	<u>20,566</u>	<u>1,458,162</u>
4,129,072	13,718	-	13,718
2,886,093	4,335,517	-	4,335,517
683,900	1,138,572	-	1,138,572
<u>7,699,065</u>	<u>5,487,807</u>	<u>-</u>	<u>5,487,807</u>
119,434	816,190	9,585	825,775
-	312,072	-	312,072
94,035	111,482	-	111,482
60	781,422	-	781,422
-	-	-	-
601,215	(598,229)	127,160	(471,069)
-	135,595	-	135,595
-	459,250	-	459,250
360,940	65,820	-	65,820
1,319,676	546,753	56,045	602,798
-	-	-	-
3,850,335	992,638	158	992,796
-	79,572	-	79,572
8,011	-	-	-
2,501,163	883,122	183,442	1,066,564

CITY OF DODGE CITY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS (CONTINUED)**

For the Year Ended December 31, 2021

Fund	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
Capital projects funds (continued):			
Temporary notes Candletree	\$ 96,256	\$ -	\$ 5,134,980
YMCA building	(369,754)	-	252,136
KLETC project	190,366	-	-
Boot Hill museum	233,200	-	412,808
Airport terminal renovation	(250,983)	-	-
Wagon Wheel III	(198,854)	-	-
CREW building	(713,674)	-	714,000
McCaustland Rd #2	-	-	950,000
Casa Del Rio	-	-	1,016,347
	<u>7,581,175</u>	<u>3,500</u>	<u>13,322,709</u>
Business funds:			
Water/wastewater combined utility	2,569,756	-	13,285,175
Biogas operations	(2,901)	-	4,399,456
Solid waste utility	423,636	-	2,401,633
Drainage utility	58,462	-	291,014
Vehicle maintenance	8,904	-	396,116
Non-budgeted business funds:			
2009 temporary notes	17,409	-	-
Wastewater treatment plant construction	-	-	-
Biogas construction 2016	(96,077)	96,077	-
Water and wastewater revenue bonds	130,725	-	-
	<u>3,109,914</u>	<u>96,077</u>	<u>20,773,394</u>
Total business funds	<u>3,109,914</u>	<u>96,077</u>	<u>20,773,394</u>
Total reporting entity	<u><u>\$ 30,156,647</u></u>	<u><u>\$ 99,577</u></u>	<u><u>\$ 79,620,982</u></u>

<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 1,140,942	\$ 4,090,294	\$ 15,359	\$ 4,105,653
-	(117,618)	-	(117,618)
92,027	98,339	-	98,339
222,876	423,132	-	423,132
45,095	(296,078)	-	(296,078)
147,670	(346,524)	-	(346,524)
92,214	(91,888)	11,248	(80,640)
703,902	246,098	40,073	286,171
862,109	154,238	14,144	168,382
<u>12,161,704</u>	<u>8,745,680</u>	<u>457,214</u>	<u>9,202,894</u>
10,787,560	5,067,371	234,474	5,301,845
4,784,534	(387,979)	149,404	(238,575)
2,228,108	597,161	61,524	658,685
245,137	104,339	122,022	226,361
405,020	-	24,650	24,650
-	17,409	-	17,409
273,000	(273,000)	54,600	(218,400)
-	-	-	-
-	130,725	-	130,725
<u>18,723,359</u>	<u>5,256,026</u>	<u>646,674</u>	<u>5,902,700</u>
<u><u>\$ 73,553,070</u></u>	<u><u>\$ 36,324,136</u></u>	<u><u>\$ 2,948,741</u></u>	<u><u>\$ 39,272,877</u></u>

CITY OF DODGE CITY, KANSAS**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS (CONTINUED)**

For the Year Ended December 31, 2021

Composition of cash balance:

Demand deposits	\$ 4,382,537
Money market accounts	109,079
Certificates of deposit	10,544,702
Investments	26,690,360
Petty cash	<u>3,350</u>
Total cash	41,730,028
Agency funds	<u>(2,457,151)</u>
Total - excluding agency funds	<u><u>\$ 39,272,877</u></u>

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

CITY OF DODGE CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Dodge City is a municipal corporation governed by a City Manager-Commission form of government. This regulatory financial statement presents the City of Dodge City (the Municipality) and does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Dodge City Public Library. The members of the governing board of the Public Library are appointed by the City Commissioners. The Public Library is fiscally dependent on the City because the budget is approved by the City Commissioners. In addition, the Public Library is prohibited from issuing bonded debt without the approval of the City Commission.

Dodge City – Ford County Development Corporation. Two members of the Corporation's Board of Directors are appointed by the City Commissioners. The Corporation is fiscally dependent on the City because nearly all employees of the Corporation are paid by the City and are accountable to the City Manager and Commissioners.

Dodge City Housing Authority. The members of the governing board of the Housing Authority are appointed by the City Commission. Although the City does not have the authority to approve or modify the Housing Authority's operational and capital budgets, the Housing Authority has the authority to issue bonded debt, the City is fiscally responsible for the Housing Authority since it was created as an agent of the City.

VenuWorks of Dodge City, L.L.C. Was organized under the laws of the State of Iowa on November 1, 2010 to operate United Wireless Arena. The City engaged VenuWorks to manage all activities and operations of the facility.

2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

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

REGULATORY BASIS FUND TYPES

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

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

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

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

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

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did not hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. The following budget was amended during the year:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
Sales Tax Fund	\$ 6,974,028	\$ 7,412,109

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for special purpose grant funds, certain bond and interest funds, capital project funds and the following special purpose and business funds:

- | | |
|---|----------------------------------|
| Sales Tax Organizations | Depot |
| Sales Tax Depreciation
& Replacement | Civil Asset Forfeiture |
| Sales Tax Event | Public Art |
| Transient Guest Tax | Rural Housing Incentive District |

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

A legal operating budget is not required for special purpose grant funds, certain bond and interest funds, capital project funds and the following special purpose and business funds (continued):

Special Law Enforcement Trust	Economic Development Revolving
Hoover Trust	Municipal Band
Roof Insurance Repairs	Medical Insurance Reserve
Capital Equipment Reserve	GREAT
Fire CPR Training	SMPC Trust
Special Events Center Revenue Bonds	Water Park Revenue Bonds
Biogas Construction 2016	2009 Temporary Notes
Wastewater Treatment Plant	Water and Wastewater Revenue
Construction	Bonds

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.

5. Special Assessments

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

B. COMPLIANCE WITH KANSAS STATUTES

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, the Kansas Department of Administration, and legal representatives of the City.

The budget law provided by K.S.A. 79-2935 prohibits the expenditure of funds in excess of that allowed by budget. Expenditures exceeded the adopted budget of the Development and Growth, Biogas Operating, and Drainage Utility funds by \$134,801; \$755,964; \$15,187, respectively.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in excess of available monies in a fund. Funds in the category are as follows:

Temporary notes Candletree 2016	\$	598,229
YMCA Building		117,618
Airport Terminal Renovation		296,078
Wagon Wheel III		346,524
CREW Building		91,888
Biogas Operations		387,979
Wastewater Treatment Plant Construction		273,000

Although the following special purpose federal grant funds overspent their cash balances, according to K.S.A. 12-1664, the City is not prohibited from financing the federal share of a local program from current funds if available.

Runway 14-32	\$	27,375
Minibus Grant 2021-22		119,114
USDA Rural Business Development		295,728

C. DEPOSITS AND INVESTMENTS

As of December 31, 2021, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$18,921,501	< 1 Year	N/A
Escrow Accounts – Dreyfus	5,469,888	< 1 Year	AAAm
Federated Government Obligation Fund	<u>2,298,971</u>	< 1 Year	AAAm
	<u>\$26,690,360</u>		

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

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

Concentration of credit risk. State statutes place no limit on the amount the municipality 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 allocation of investments as of December 31, 2021 is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	71%
Escrow Accounts – Dreyfus	20%
Federated Government Obligation Fund	9%

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits, including certificates of deposit, was \$15,036,318 and the bank balance was \$15,947,082. Of the bank balance, \$1,862,079 was covered by federal depository insurance and \$14,085,003 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

C. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2021, the City had invested \$18,921,501 in the State's Municipal Investment Pool. The Municipal Investment Pool 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.

D. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project authorization</u>	<u>Cash disbursements and accounts payable to date</u>
Milstock Infrastructure	\$ 1,181,711	\$ 462,979
6 th Ave. & Iron Road	2,126,148	1,216,471
Comanche St. from Wal-Mart Drive to 14 th Ave.	492,139	19,004
Ave. D Drainage	<u>625,775</u>	<u>119,113</u>
Total	<u>\$ 4,425,773</u>	<u>\$ 1,817,567</u>

E. LONG-TERM DEBT

Changes in long-term liabilities for the municipal financial reporting entity for the year ended December 31, 2021, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Series 2012-B issued August 1, 2012 in the amount of \$21,285,000 at interest rates of 2.00% to 4.00% maturing September 1, 2032	\$8,370,000	\$ -	\$1,935,000	\$6,435,000	\$ 296,438
Series 2014-A issued December 1, 2014 in the amount of \$675,000 at interest rates of 2.00% to 3.25% maturing September 1, 2029	435,000	-	45,000	390,000	13,438
Series 2016-A issued February 3, 2016 in the amount of \$5,705,000 at interest rates of 2.00% to 3.125% maturing September 1, 2035	4,510,000	\$ -	245,000	4,265,000	135,756

E. LONG-TERM DEBT (CONTINUED)

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Series 2016-B issued December 15, 2016 in the amount of \$2,000,000 at interest rates of 2.00% to 4.00% maturing September 1, 2031	\$1,525,000	-	\$120,000	\$1,405,000	\$52,325
Series 2017-A issued June 1, 2017 in the amount of \$2,860,000 at interest rates of 2.50% to 3.00% maturing September 1, 2026	1,870,000	-	290,000	1,580,000	54,475
Series 2017-B issued December 28, 2017 in the amount of \$5,815,000 at interest rates of 2.00% to 4.00% maturing September 1, 2029	5,545,000	-	580,000	4,965,000	210,050
Series 2018-A issued December 20, 2018 in the amount of \$3,950,000 at interest rates of 3.00% to 5.00% maturing September 1, 2033	3,610,000	-	210,000	3,400,000	139,175
Series 2019-A issued December 5, 2019 in the amount of \$16,875,000 at interest rates of 2.125% to 4.00% maturing September 1, 2039	15,690,000	-	1,100,000	14,590,000	559,788
Series 2019-B issued December 5, 2019 in the amount of \$7,000,000 at interest rates of 2.183% to 2.896% maturing September 1, 2039	5,750,000	-	1,310,000	4,440,000	136,081
Series 2020-A issued August 13, 2020 in the amount of \$4,200,000 at interest rates of 1.00% to 2.00% maturing September 1, 2040	4,200,000	-	185,000	4,015,000	59,611
Series 2020-A issued September 1, 2021 in the amount of \$7,725,000 at interest rates of 1.00% to 2.00% maturing September 1, 2040	<u>-</u>	<u>7,725,000</u>	<u>-</u>	<u>7,725,000</u>	<u>-</u>
Total general obligation bonds	<u>51,505,000</u>	<u>7,725,000</u>	<u>6,020,000</u>	<u>53,210,000</u>	<u>1,657,137</u>
Revenue bonds:					
Series 2015 issued March 7, 2016 in the amount of \$9,840,000 at interest rates of 2.00% to 4.00% maturing June 1, 2034	7,990,000	-	405,000	7,585,000	278,800
Series 2016 issued March 22, 2016 in the amount of \$32,435,000 at interest rates of 1.75% to 5.00% maturing June 1, 2034	<u>30,870,000</u>	<u>-</u>	<u>1,415,000</u>	<u>29,455,000</u>	<u>1,245,994</u>
Total revenue bonds	<u>38,860,000</u>	<u>-</u>	<u>1,820,000</u>	<u>37,040,000</u>	<u>1,524,794</u>

E. LONG-TERM DEBT (CONTINUED)

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Loans:					
Jackson – land purchase issued December 14, 2018 in the amount of \$150,000 at the interest rate of 0% maturing January 15, 2021	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
KDHE - Wastewater loan issued September 22, 2009 in the amount of \$35,715,446 at the interest rate of 2.83% maturing March 1, 3031	<u>8,487,198</u>	<u>-</u>	<u>667,784</u>	<u>7,819,414</u>	<u>235,496</u>
Total loans	<u>8,537,198</u>	<u>-</u>	<u>717,784</u>	<u>7,819,414</u>	<u>235,496</u>
Capital leases:					
CREW Building issued February 12, 2021 in the amount of \$715,866 at the interest rate of 2.276% maturing February 12, 2031	-	715,866	-	715,866	-
Radio Equipment issued June 1, 2016 in the amount of \$695,740 at the interest rate of 1.765% maturing June 1, 2023	306,355	-	100,326	206,029	5,442
Airport Hangar issued April 5, 2013 in the amount of \$349,878 at the interest rate of 3.00% maturing April 5, 2023	116,019	-	37,536	78,483	3,481
2018 Fire Truck issued October 18, 2018 in the amount of \$935,000 at the interest rate of 2.99% maturing October 18, 2027	<u>662,396</u>	<u>-</u>	<u>86,762</u>	<u>575,634</u>	<u>19,806</u>
Total capital leases	<u>1,084,770</u>	<u>715,866</u>	<u>224,624</u>	<u>1,576,012</u>	<u>28,729</u>

E. LONG-TERM DEBT (CONTINUED)

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ payments</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Temporary notes:					
GO Temporary Notes issued September 1, 2021 in the amount of \$2,235,000 at the interest rate of 0.45% maturing September 1, 2023	\$ -	\$2,235,000	\$ -	\$2,235,000	\$ -
GO Temporary Notes issued December 5, 2019 in the amount of \$595,000 at the interest rate of 2.00% maturing September 1, 2021	595,000	-	595,000	-	11,305
GO Temporary Notes issued August 13, 2020 in the amount of \$1,285,000 at the interest rate of 0.75% maturing September 1, 2022	1,285,000	-	-	1,285,000	10,119
GO Temporary Notes issued September 1, 2020 in the amount of \$1,230,000 at interest rates of 0.06% to 1.00% maturing September 1, 2024	<u>1,230,000</u>	<u>-</u>	<u>305,000</u>	<u>925,000</u>	<u>10,130</u>
Total temporary notes	<u>3,110,000</u>	<u>2,235,000</u>	<u>900,000</u>	<u>4,445,000</u>	<u>31,554</u>
Total long-term debt	<u>\$103,096,968</u>	<u>\$10,675,866</u>	<u>\$9,682,408</u>	<u>\$104,090,426</u>	<u>\$ 3,477,710</u>

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2022	\$ 6,535,000	\$ 1,596,167	\$ 8,131,167
2023	5,395,000	1,375,729	6,770,729
2024	5,455,000	1,206,546	6,661,546
2025	4,280,000	1,034,298	5,314,298
2026	4,035,000	888,590	4,923,590
2027-2031	18,045,000	2,526,655	20,571,655
2032-2036	5,990,000	732,651	6,722,651
2037-2040	<u>3,475,000</u>	<u>207,065</u>	<u>3,682,065</u>
Total	<u>\$ 53,210,000</u>	<u>\$ 9,567,701</u>	<u>\$ 62,777,701</u>

E. LONG-TERM DEBT (CONTINUED)

Current maturities of revenue bonds and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2022	\$ 1,900,000	\$ 1,504,313	\$ 3,404,313
2023	2,020,000	1,428,313	3,448,313
2024	2,160,000	1,331,713	3,491,713
2025	2,260,000	1,275,150	3,535,150
2026	2,415,000	1,166,900	3,581,900
2027-2031	14,670,000	3,961,705	18,631,705
2032-2034	<u>11,615,000</u>	<u>831,426</u>	<u>12,446,426</u>
Total	<u>\$ 37,040,000</u>	<u>\$ 11,499,520</u>	<u>\$ 48,539,520</u>

Current maturities of loans and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2022	\$ 686,816	\$ 197,342	\$ 884,158
2023	706,391	179,497	885,888
2024	726,523	161,143	887,666
2025	747,229	142,266	889,495
2026	768,525	122,851	891,376
2027-2031	<u>4,183,930</u>	<u>303,105</u>	<u>4,487,035</u>
Total	<u>\$ 7,819,414</u>	<u>\$ 1,106,204</u>	<u>\$ 8,925,618</u>

Current maturities of capital leases and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2022	\$ 294,681	\$ 39,520	\$ 334,201
2023	301,796	32,405	334,201
2024	162,307	25,110	187,417
2025	166,678	20,739	187,417
2026	171,169	16,248	187,417
2027-2031	<u>479,381</u>	<u>29,232</u>	<u>508,613</u>
Total	<u>\$ 1,576,012</u>	<u>\$ 163,254</u>	<u>\$ 1,739,266</u>

Current maturities of temporary notes and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2022	\$ 1,590,000	\$ 27,306	\$ 1,617,306
2023	2,545,000	14,088	2,559,088
2024	<u>310,000</u>	<u>2,170</u>	<u>312,170</u>
Total	<u>\$ 4,445,000</u>	<u>\$ 43,564</u>	<u>\$ 4,488,564</u>

F. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory authority</u>
General	Capital equipment	\$ 477,372	K.S.A. 68-141g
General	Municipal band	18,500	K.S.A. 12-101a
Sales tax	Special event center revenue bond	2,611,802	Resolution No. 2009-09
Sales tax	Water park revenue bond	601,203	Resolution No. 2015-03
Sales tax	Sales tax organizations	710,000	Resolution No. 2009-09
Sales tax	Sales tax event	100,000	Resolution No. 2009-09
Sales tax	General	150,000	Resolution No. 2009-09
Sales tax	Sales tax depreciation & replacement	425,000	Contractual
Special park and recreation	General	133,500	Contractual
Sales tax organizations	Depot	250,000	Interfund
Special streets and highway	GO bond and interest	230,000	K.S.A. 68-590
Development and growth	GO bond and interest	276,375	K.S.A. 12-825d
Police body worn cameras	General	6,463	K.S.A. 12-1,118
Model for change	General	4,921	Resolution No. 2020-21
Spec event center rev bond	Water Park Rev bond	225,000	Resolution No. 2020-21
Star bond Power Center	Star Bond Project fund	28,674	Resolution No. 2020-21
Lease purchase firetruck	Capital Equipment	8,011	K.S.A. 12-825d
Convention & visitors	General	150,000	K.S.A. 12-825d
Temp notes	McCaustland Road #2	950,000	K.S.A. 12-825d
Candletree	Solid waste	326	K.S.A. 12-825d
CREW building	General	585,096	K.S.A. 12-825d
Water	General	501,000	K.S.A. 12-825d
Wastewater	Wastewater	499,992	K.S.A. 12-1,118
Biogas operating	GO bond and interest	810,000	K.S.A. 12-1,118
Biogas operating	Capital improvement	540,000	K.S.A. 12-1,118
Sanitation	General	206,592	K.S.A. 12-825d
Drainage	General	109,956	K.S.A. 12-825d
Drainage	GO bond and interest	<u>112,044</u>	K.S.A. 12-1,118
		<u>\$10,721,827</u>	

Transfers to the related municipal entity were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>
Library	Dodge City Public Library	\$1,050,696
Library Employee Benefits	Dodge City Public Library	<u>220,000</u>
		<u>\$1,270,696</u>

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the 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. There is no cost to the City under this program.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% and contributions were \$61,669 for the year ended December 31, 2021.

Termination Benefits. The City provides an early retirement program for certain eligible employees. Full-time employees may voluntarily elect to retire early. Qualifying employees must have at least 10 years of continuous service with the City, must meet the KPERS or KP&F Early Retirement Qualifications (years of experience plus age), and must not be more than 64 years of age. The rate of retirement compensation is an annual sum of \$7,200. Benefits will cease when the retiree reaches age 65.

The future commitment for the voluntary early retirement plan is as follows:

	<u>Amount</u>
2022	\$ 103,569
2023	90,000
2024	70,338
2025	57,600
2026	50,954
2027-2031	161,999
2032-2033	<u>9,138</u>
Total	<u>\$ 543,598</u>

Section 125 Plan. The City offers a Section 125 flexible benefit plan to employees electing to participate. It is used for health insurance premiums, other medical costs, and child-care costs. The plan is administered by the health insurance provider.

Health Savings Account. The City offers eligible employees a health savings account administered by Fidelity State Bank. It is optional for employees to participate in the City's high deductible health plan. The City's match for the HSA is \$750 for family and \$250 for single.

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Compensated Absences. The City's policies regarding vacation permit an employee to accumulate a maximum of 20 to 30 days of vacation, depending on years of experience. These amounts are paid to the employee upon retirement or if the employee left in good standing. A maximum accumulation of 120 days of sick leave is allowed. Upon retirement or termination, 25% of the accumulated sick leave is paid to employees in good standing and with twelve continuous months of service. The City has a sick leave bank whereby employees can transfer excess sick leave and have exhausted their own sick leave accumulation. The sick leave bank is administered by a committee of City employees. All employees are given credit for holidays worked, which is then accumulated for additional time off. This holiday time must be taken within the same year in which earned, or the time is lost.

H. DEFINED BENEFIT 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 K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by the City 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 and KP&F 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 KPERS and 22.80% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$538,963 for KPERS, \$1,106,948 for KP&F, and \$9,111 for KPERS working after retirement for the year ended December 31, 2021.

H. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$3,882,254 and \$6,438,125 for KP&F. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial 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.

I. 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; natural disasters; and medical needs of employees. The City participates in a public entity risk pool to cover worker's compensation claims. The City purchases commercial insurance to cover property, liability, and medical needs of employees. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

J. 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 disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the City at December 31, 2021.

K. JOINT VENTURES

On January 1, 1993, the City of Dodge City, Kansas entered into a joint venture with Ford County, Kansas, for the operation of a communications center. By joint resolution, the Dodge City/Ford County Emergency Communications Board was created to operate the Dodge City/Ford County Communications Department. The Board consists of equal membership of City and County personnel. The department provides emergency communications for City and County agencies and is physically located in a separate location. The budgeted operating expenditures are shared equally by the two governments.

K. JOINT VENTURES (CONTINUED)

On July 21, 1997, the City of Dodge City, Kansas entered into a joint venture with Ford County, Kansas for the construction and operation of certain public projects. On June 10, 1997, the voters of Dodge City and Ford County approved a one-half percent city-wide and a one-half percent county-wide retailer's sales tax to finance these projects. The projects included but were not limited to the following: air conditioning at the Civic Center building; an outdoor motor sports complex; field sport facilities, including a baseball/softball complex and additional soccer facilities and renovation of existing facilities; and a special events center.

All City sales tax revenues for these projects are deposited into the Sales Tax Fund. County sales tax revenues which are designated for Ford County and the City of Dodge City are transferred to the City and deposited into the same fund. All expenditures from the Sales Tax Fund are subject to approval of the City Commission. All real estate acquired for the projects is titled to the City.

The interlocal agreement was amended on August 10, 2005. The agreement created a Community Facilities Advisory Board (CFAB) to serve as the project review and advisory committee. There are seven members on the Board: one City Commissioner, one County Commissioner, four at-large members and the Chairperson of the Board of Directors of the Dodge City/Ford County Development Corporation, or their designee.

On November 18, 2010, the City of Dodge City, Kansas entered into a joint venture with Venuworks of Dodge City, LLC. The agreement calls for Venuworks to operate and manage the Special Events Center. The City retains title and ownership of the Center. Venuworks receives a flat monthly management fee plus variable management fees for food and beverage sales, contractually obligated incomes, and fulfillment fees. Variable commissions are capped on an annual basis.

On November 5, 2012, the City of Dodge City, Kansas entered into a joint venture with Young Men's Christian Association of Southwest Kansas (YMCA). The agreement calls for YMCA to operate and manage the Parks and Recreation Department. The City retains title to all Parks and Recreation property. The City reimburses the YMCA for a percentage of payroll and also for large property purchases and repairs.

L. CORONAVIRUS (COVID-19)

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

L. CORONAVIRUS (COVID-19) (CONTINUED)

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the City to assist with the risks and help offset incurred costs of the City. The City received funding from the American Rescue Plan Act of 2021 (ARPA) during the current year.

M. SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end through August 19, 2022 and does not believe any events have occurred which affect the financial statement as presented except for the ongoing concern regarding the novel strain of the coronavirus (COVID-19) as discussed in Note L above.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF DODGE CITY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

<u>Funds</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total for budget comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 18,387,882	\$ -	\$ 18,387,882	\$ 17,054,383	\$ 1,333,499
Special purpose funds:					
Special liability	990,000	-	990,000	474,809	515,191
Library	1,050,696	-	1,050,696	1,050,696	-
Library employee benefits	220,000	-	220,000	220,000	-
Sales tax	7,412,109	-	7,412,109	7,190,112	221,997
Convention and visitors	877,582	-	877,582	673,514	204,068
Special streets and highways	755,272	335,048	1,090,320	1,011,417	78,903
Special parks and recreation	133,500	-	133,500	133,500	-
Special alcohol and drug	103,900	-	103,900	98,386	5,514
Alcohol and drug safety action	-	-	-	-	-
Development and growth	571,375	-	571,375	706,176	(134,801)
Bond and interest funds:					
GO bond and interest	4,139,724	-	4,139,724	4,129,072	10,652
Capital project fund:					
Capital improvement fund	830,000	-	830,000	119,434	710,566
Business funds:					
Water/wastewater combined utility	10,948,437	-	10,948,437	10,787,560	160,877
Biogas operating	4,028,570	-	4,028,570	4,784,534	(755,964)
Solid waste	2,326,065	-	2,326,065	2,228,108	97,957
Drainage utility	229,950	-	229,950	245,137	(15,187)
Vehicle maintenance	441,414	-	441,414	405,020	36,394
Total	<u>\$ 53,446,476</u>	<u>\$ 335,048</u>	<u>\$ 53,781,524</u>	<u>\$ 51,311,858</u>	<u>\$ 2,469,666</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem tax	\$ 3,876,801	\$ 3,923,481	\$ 3,957,408	\$ (33,927)
Motor vehicle tax	639,814	663,195	365,576	297,619
Recreational vehicle tax	1,284	3,438	1,884	1,554
16/20M truck tax	-	-	1,896	(1,896)
Delinquent tax	80,271	206,249	135,000	71,249
Commercial vehicle fee	31,890	29,931	18,249	11,682
Watercraft	-	-	1,218	(1,218)
Local alcoholic liquor tax	78,770	107,942	107,339	603
Local sales tax	4,696,840	5,461,088	4,810,320	650,768
Payment in lieu of taxes	13,039	34,486	22,907	11,579
Licenses, permits and fees	217,033	229,283	249,200	(19,917)
Franchise fees	1,690,165	1,964,261	1,700,000	264,261
Police	178,621	242,834	175,000	67,834
Engineering fees	4,470	8,670	8,000	670
Airport	128,596	155,934	126,200	29,734
Cemetery	107,632	110,568	78,000	32,568
Golf course	339,252	546,005	386,000	160,005
Licenses, permits and fees - other	36,972	41,418	-	41,418
Fines and forfeitures	701,006	708,014	753,000	(44,986)
Animal control	35,884	36,683	40,000	(3,317)
Rent and leases	120,898	120,111	107,400	12,711
Misc. charges for service	7,554	6,331	6,000	331
Interest	125,759	5,727	50,000	(44,273)
State aid	51,151	33,807	15,100	18,707
Operating grants	9,919	29,183	150,000	(120,817)
Contributions & donations	23,341	23,450	15,000	8,450
Zoo contributions	(529)	(529)	-	(529)
Sale of scrap	28,575	-	-	-
Sale of equipment	-	760	-	760
Sale of labor and materials	18,231	11,422	15,000	(3,578)
Other	-	26,945	-	26,945
Operating transfers in	1,633,500	1,847,528	1,836,150	11,378
Total receipts	14,876,739	16,578,215	\$ 15,131,847	\$ 1,446,368

CITY OF DODGE CITY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Expenditures:				
Commission:				
Personal services	\$ 17,008	\$ 60,276	\$ 28,080	\$ (32,196)
Contractual services	5,878	2,494	12,050	9,556
Commodities	221	-	1,050	1,050
Subtotal	23,107	62,770	41,180	(21,590)
Depot train station:				
Personal services	15,549	17,297	20,156	2,859
Contractual services	1,377	1,689	1,500	(189)
Commodities	331	128	1,200	1,072
Subtotal	17,257	19,114	22,856	3,742
Economic development:				
Personal services	281,096	412,184	466,529	54,345
Reimbursed wages	(86,617)	(69,991)	(78,712)	(8,721)
Subtotal	194,479	342,193	387,817	45,624
Police department:				
Personal services	3,806,060	4,693,515	4,943,024	249,509
Contractual services	308,585	431,620	449,250	17,630
Commodities	174,957	235,894	195,096	(40,798)
Capital outlay	105,697	130,306	31,210	(99,096)
Subtotal	4,395,299	5,491,335	5,618,580	127,245
Animal control:				
Personal services	224,355	275,054	290,531	15,477
Contractual services	59,843	75,158	66,850	(8,308)
Commodities	30,866	42,807	41,320	(1,487)
Capital outlay	75,418	75,019	54,050	(20,969)
Subtotal	390,482	468,038	452,751	(15,287)

CITY OF DODGE CITY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Fire department:				
Personal services	\$ 1,636,761	\$ 2,234,923	\$ 2,377,012	\$ 142,089
Contractual services	75,059	88,128	65,800	(22,328)
Commodities	52,485	61,406	47,450	(13,956)
Capital outlay	16,274	33,640	30,000	(3,640)
Subtotal	1,780,579	2,418,097	2,520,262	102,165
Municipal court:				
Personal services	251,636	264,561	275,056	10,495
Contractual services	229,818	216,938	238,450	21,512
Commodities	5,304	7,204	7,700	496
Capital outlay	-	-	2,800	2,800
Subtotal	486,758	488,703	524,006	35,303
Public works:				
Personal services	250,466	243,677	280,347	36,670
Contractual services	444,718	453,906	407,100	(46,806)
Commodities	29,950	23,517	42,400	18,883
Subtotal	725,134	721,100	729,847	8,747
Engineering:				
Personal services	49,191	314,285	352,473	38,188
Contractual services	9,679	15,685	14,850	(835)
Commodities	3,909	6,928	7,850	922
Capital outlay	-	-	4,500	4,500
Subtotal	62,779	336,898	379,673	42,775
Airport:				
Personal services	45,025	127,899	135,563	7,664
Contractual services	81,913	104,972	77,100	(27,872)
Commodities	34,026	38,699	35,800	(2,899)
Capital outlay	20,350	25,272	-	(25,272)
Hangar lease	41,016	41,016	41,017	1
Subtotal	222,330	337,858	289,480	(48,378)

CITY OF DODGE CITY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Cemetery:				
Personal services	\$ 100,226	\$ 136,512	\$ 137,669	\$ 1,157
Contractual services	42,956	31,838	37,945	6,107
Commodities	17,517	17,030	20,625	3,595
Subtotal	160,699	185,380	196,239	10,859
Public transportation:				
Personal services	7,264	-	-	-
Contractual services	29,738	5,198	110,000	104,802
Subtotal	37,002	5,198	110,000	104,802
Recreation - administrative:				
Contractual services	-	7,575	16,500	8,925
Capital outlay	-	-	25,000	25,000
Subtotal	-	7,575	41,500	33,925
Park:				
Personal services	666,585	838,764	951,305	112,541
Contractual services	103,295	122,945	103,020	(19,925)
Commodities	113,235	165,876	121,900	(43,976)
Capital outlay	6,624	6,375	11,500	5,125
Subtotal	889,739	1,133,960	1,187,725	53,765
Zoo:				
Personal services	125,833	136,256	147,312	11,056
Contractual services	22,429	23,193	19,250	(3,943)
Commodities	63,541	46,824	48,800	1,976
Capital outlay	-	-	11,000	11,000
Subtotal	211,803	206,273	226,362	20,089

CITY OF DODGE CITY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Golf course:				
Personal services	\$ 321,078	\$ 416,230	\$ 421,378	\$ 5,148
Contractual services	78,006	84,612	77,300	(7,312)
Commodities	153,782	205,203	191,000	(14,203)
Capital outlay	6,591	-	-	-
Golf cart lease	16,710	-	-	-
Subtotal	<u>576,167</u>	<u>706,045</u>	<u>689,678</u>	<u>(16,367)</u>
Hennessey hall:				
Personal services	30,982	17,955	-	(17,955)
Contractual services	92,982	172,057	102,200	(69,857)
Commodities	13,561	15,440	13,700	(1,740)
Capital outlay	10,328	-	-	-
Subtotal	<u>147,853</u>	<u>205,452</u>	<u>115,900</u>	<u>(89,552)</u>
Development services:				
Personal services	421,637	436,311	415,439	(20,872)
Contractual services	34,667	92,330	107,925	15,595
Commodities	10,070	21,023	19,850	(1,173)
Capital outlay	752	938	1,000	62
Subtotal	<u>467,126</u>	<u>550,602</u>	<u>544,214</u>	<u>(6,388)</u>
Administration:				
Personal services	693,038	916,861	963,598	46,737
Contractual services	288,853	288,997	293,650	4,653
Commodities	19,114	17,688	20,600	2,912
Capital outlay	3,000	-	12,500	12,500
Subtotal	<u>1,004,005</u>	<u>1,223,546</u>	<u>1,290,348</u>	<u>66,802</u>

CITY OF DODGE CITY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Non-departmental:				
Contractual services	\$ 679,949	\$ 886,521	\$ 107,050	\$ (779,471)
Capital outlay	20,488	761,853	1,837,471	1,075,618
Other	-	-	597,500	597,500
Subtotal	700,437	1,648,374	2,542,021	893,647
Transfers out:				
Municipal band	-	18,500	-	(18,500)
Capital equipment	-	477,372	477,443	71
Subtotal	-	495,872	477,443	(18,429)
Total expenditures	12,493,035	17,054,383	\$ 18,387,882	\$ 1,333,499
Receipts over (under) expenditures	2,383,704	(476,168)		
Unencumbered cash, beginning of year	3,149,694	5,533,398	\$ 3,256,035	\$ 2,277,363
Unencumbered cash, end of year	\$ 5,533,398	\$ 5,057,230	\$ -	\$ 5,057,230

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

SPECIAL LIABILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem tax	\$ 403,635	\$ 385,299	\$ 391,571	\$ (6,272)
Motor vehicle tax	48,751	66,309	36,883	29,426
Recreational vehicle tax	1,437	344	190	154
16/20M truck tax	-	-	181	(181)
Delinquent tax	8,294	19,785	10,000	9,785
Commercial vehicle fee	499	3,009	1,841	1,168
Watercraft	-	-	123	(123)
Charge for services:				
Sales tax	72,000	-	116,034	(116,034)
Water	73,750	-	120,208	(120,208)
Wastewater	54,250	-	88,437	(88,437)
Sanitation	31,000	-	50,532	(50,532)
Biogas	-	-	74,000	(74,000)
Other	-	63	-	63
Contributions & donations	-	-	100,000	(100,000)
Total receipts	<u>693,616</u>	<u>474,809</u>	<u>\$ 990,000</u>	<u>\$ (515,191)</u>
Expenditures:				
Contractual services	<u>693,616</u>	<u>474,809</u>	<u>\$ 990,000</u>	<u>\$ 515,191</u>
Receipts over (under) expenditures	-	-	-	-
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem tax	\$ 860,806	\$ 877,822	\$ 902,817	\$ (24,995)
Motor vehicle tax	133,666	151,181	80,981	70,200
Recreational vehicle tax	724	783	418	365
16/20M truck tax	-	-	420	(420)
Delinquent tax	17,274	44,865	58,000	(13,135)
Commercial vehicle fee	4,235	6,713	4,042	2,671
Watercraft	-	-	270	(270)
Payment in lieu of taxes	4,442	4,902	3,700	1,202
Total receipts	<u>1,021,147</u>	<u>1,086,266</u>	<u>\$ 1,050,648</u>	<u>\$ 35,618</u>
Expenditures:				
Contractual services	1,706	-	\$ -	\$ -
Appropriation to library board	1,018,700	1,050,696	1,050,696	-
Total expenditures	<u>1,020,406</u>	<u>1,050,696</u>	<u>\$ 1,050,696</u>	<u>\$ -</u>
Receipts over (under) expenditures	741	35,570		
Unencumbered cash, beginning of year	-	741	\$ 48	\$ 693
Unencumbered cash, end of year	<u>\$ 741</u>	<u>\$ 36,311</u>	<u>\$ -</u>	<u>\$ 36,311</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

LIBRARY EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem tax	\$ 182,350	\$ 185,534	\$ 190,861	\$ (5,327)
Motor vehicle tax	28,554	23,848	17,041	6,807
Recreational vehicle tax	151	108	88	20
16/20M truck tax	-	-	88	(88)
Delinquent tax	3,397	10,012	11,000	(988)
Commercial vehicle fee	726	1,264	851	413
Watercraft	-	-	57	(57)
Total receipts	<u>215,178</u>	<u>220,766</u>	<u>\$ 219,986</u>	<u>\$ 780</u>
Expenditures:				
Contractual services	358	-	\$ -	\$ -
Appropriation to library board	<u>214,000</u>	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Total expenditures	<u>214,358</u>	<u>220,000</u>	<u>\$ 220,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	820	766		
Unencumbered cash, beginning of year	<u>-</u>	<u>820</u>	<u>\$ 14</u>	<u>\$ 806</u>
Unencumbered cash, end of year	<u>\$ 820</u>	<u>\$ 1,586</u>	<u>\$ -</u>	<u>\$ 1,586</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

SALES TAX FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Local sales tax	\$ 6,092,433	\$ 7,086,250	\$ 6,967,632	\$ 118,618
Aquatics park revenue	214,818	330,028	330,000	28
Sports commission	42,849	17,683	70,000	(52,317)
Concessions	500	6,807	12,000	(5,193)
Interest	6,023	417	1,000	(583)
Contributions & donations	2,300	3,600	50,810	(47,210)
Sale of scrap	3,100	2,775	7,000	(4,225)
Athletic field:				
Admission	5,091	-	-	-
Other	13,177	49,571	105,000	(55,429)
Field rental	10,935	8,425	20,000	(11,575)
Total receipts	6,391,226	7,505,556	\$ 7,563,442	\$ (57,886)
Expenditures:				
Field sports - maintenance:				
Personal services	188,463	219,822	\$ 267,341	\$ 47,519
Contractual services	101,915	118,783	110,000	(8,783)
Commodities	58,541	70,991	80,600	9,609
Subtotal	348,919	409,596	457,941	48,345
Field sports - tournaments:				
Personal services	50,350	53,938	68,990	15,052
Contractual services	59,650	101,773	107,500	5,727
Commodities	567	224	10,000	9,776
Sports commission	2,658	2,558	70,000	67,442
Subtotal	113,225	158,493	256,490	97,997
Administration:				
Contractual services	-	-	865,300	865,300
Other	-	-	2,800	2,800
Subtotal	-	-	868,100	868,100

CITY OF DODGE CITY, KANSAS

SALES TAX FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Motor sports:				
Personal services	\$ 8,110	\$ 3,711	\$ 10,800	\$ 7,089
Contractual services	264,380	407,865	375,000	(32,865)
Commodities	3,926	32,142	6,500	(25,642)
Capital outlay	22,946	16,631	7,300	(9,331)
Subtotal	299,362	460,349	399,600	(60,749)
Special events centers:				
Contractual services	48,660	869,318	895,500	26,182
Commodities	466	2,561	44,000	41,439
Capital outlay	12,854	125,267	65,000	(60,267)
Subtotal	61,980	997,146	1,004,500	7,354
Facilities maintenance:				
Personal services	5,891	4,143	14,000	9,857
Contractual services	-	2,509	-	(2,509)
Commodities	3,011	1,717	7,300	5,583
Subtotal	8,902	8,369	21,300	12,931
Outdoor regional aquatics facility:				
Contractual services	402,940	513,699	598,400	84,701
Commodities	8,937	37,607	12,500	(25,107)
Capital outlay	-	6,848	-	(6,848)
Subtotal	411,877	558,154	610,900	52,746

CITY OF DODGE CITY, KANSAS

SALES TAX FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Operating transfers out	\$ 5,126,422	\$ 4,598,005	\$ 3,793,278	\$ (804,727)
Total expenditures	6,370,687	7,190,112	\$ 7,412,109	\$ 221,997
Receipts over (under) expenditures	20,539	315,444		
Unencumbered cash, beginning of year	290,265	310,804	\$ 310,804	\$ -
Unencumbered cash, end of year	\$ 310,804	\$ 626,248	\$ 462,137	\$ 164,111

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

CONVENTION & VISITORS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transient guest tax	\$ 743,371	\$ 919,276	\$ 750,000	\$ 169,276
Trolley charges	9,783	31,730	36,250	(4,520)
Contributions & donations	-	2	-	2
Other	1,896	10,363	4,000	6,363
Total receipts	<u>755,050</u>	<u>961,371</u>	<u>\$ 790,250</u>	<u>\$ 171,121</u>
Expenditures:				
Personal services	177,894	241,384	\$ 305,832	\$ 64,448
Contractual services	191,299	238,615	357,500	118,885
Commodities	11,477	40,453	35,750	(4,703)
Capital outlay	274	3,062	28,500	25,438
Operating transfers out	-	150,000	150,000	-
Total expenditures	<u>380,944</u>	<u>673,514</u>	<u>\$ 877,582</u>	<u>\$ 204,068</u>
Receipts over (under) expenditures	374,106	287,857		
Unencumbered cash, beginning of year	<u>129,035</u>	<u>503,141</u>	<u>\$ 172,751</u>	<u>\$ 330,390</u>
Unencumbered cash, end of year	<u>\$ 503,141</u>	<u>\$ 790,998</u>	<u>\$ 85,419</u>	<u>\$ 705,579</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

SPECIAL STREETS AND HIGHWAYS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
City and county revenue sharing	\$ 708,201	\$ 780,762	\$ 707,700	\$ 73,062
State aid	514,191	335,048	-	335,048
Other	-	1,188	-	1,188
Sale of scrap	-	130	-	130
Total receipts	1,222,392	1,117,128	\$ 707,700	\$ 409,428
Expenditures:				
Personal services	209,525	253,574	\$ 286,372	\$ 32,798
Contractual services	32,246	41,319	8,900	(32,419)
Commodities	171,811	170,529	185,500	14,971
Capital outlay	491,079	315,995	274,500	(41,495)
Operating transfers out	250,000	230,000	-	(230,000)
Adjustment for qualifying budget credits	-	-	335,048	335,048
Total expenditures	1,154,661	1,011,417	\$ 1,090,320	\$ 78,903
Receipts over (under) expenditures	67,731	105,711		
Unencumbered cash, beginning of year	365,147	432,878	\$ 57,588	\$ 375,290
Unencumbered cash, end of year	\$ 432,878	\$ 538,589	\$ 10,016	\$ 528,573

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	Actual	2021 Budget	Variance favorable (unfavorable)
Receipts:				
City and county revenue sharing	\$ 78,746	\$ 107,910	<u>\$ 103,900</u>	<u>\$ 4,010</u>
Expenditures:				
Operating transfers out	<u>133,500</u>	<u>133,500</u>	<u>\$ 133,500</u>	<u>\$ -</u>
Receipts over (under) expenditures	(54,754)	(25,590)		
Unencumbered cash, beginning of year	<u>123,216</u>	<u>68,462</u>	<u>\$ 93,616</u>	<u>\$ (25,154)</u>
Unencumbered cash, end of year	<u>\$ 68,462</u>	<u>\$ 42,872</u>	<u>\$ 64,016</u>	<u>\$ (21,144)</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

SPECIAL ALCOHOL AND DRUG FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
City and county revenue sharing	\$ 78,746	\$ 107,910	<u>\$ 103,900</u>	<u>\$ 4,010</u>
Expenditures:				
Contractual services	<u>90,054</u>	<u>98,386</u>	<u>\$ 103,900</u>	<u>\$ 5,514</u>
Receipts over (under) expenditures	(11,308)	9,524		
Unencumbered cash, beginning of year	<u>11,863</u>	<u>555</u>	<u>\$ 11,863</u>	<u>\$ (11,308)</u>
Unencumbered cash, end of year	<u>\$ 555</u>	<u>\$ 10,079</u>	<u>\$ 11,863</u>	<u>\$ (1,784)</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

ALCOHOL AND DRUG SAFETY ACTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Attorney fees	\$ 100	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts over (under) expenditures	100	-		
Unencumbered cash, beginning of year	<u>8,467</u>	<u>8,567</u>	<u>\$ -</u>	<u>\$ 8,567</u>
Unencumbered cash, end of year	<u>\$ 8,567</u>	<u>\$ 8,567</u>	<u>\$ -</u>	<u>\$ 8,567</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

DEVELOPMENT AND GROWTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Lottery revenues	\$ 481,135	\$ 720,857	\$ 600,000	\$ 120,857
Expenditures:				
Principal	-	20,000	\$ -	\$ (20,000)
Interest	-	6,345	-	(6,345)
Contractual services	89,069	154,072	-	(154,072)
Commodities	20	388	-	(388)
Capital outlay	290,485	248,996	295,000	46,004
Operating transfers out	479,264	276,375	276,375	-
Total expenditures	858,838	706,176	\$ 571,375	\$ (134,801)
Receipts over (under) expenditures	(377,703)	14,681		
Unencumbered cash, beginning of year	607,779	230,076	\$ 52,324	\$ 177,752
Unencumbered cash, end of year	\$ 230,076	\$ 244,757	\$ 80,949	\$ 163,808

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

ALL NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2021

	<u>Sales tax organizations</u>	<u>Sales tax depreciation and replacement</u>	<u>Sales tax event</u>
Receipts:			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Local sales tax	-	-	-
Fines and forfeitures	-	-	-
Charges for service	-	-	-
Bond proceeds	-	-	-
Interest	-	-	-
Federal aid	-	-	-
Contributions & donations	-	12,500	-
Sale of labor and materials	-	-	-
Other	-	-	-
Insurance recoveries	-	43,769	-
Operating transfers in	710,000	425,000	100,000
	<u>710,000</u>	<u>425,000</u>	<u>100,000</u>
Total receipts	<u>710,000</u>	<u>481,269</u>	<u>100,000</u>
Expenditures:			
Personal services	-	-	-
Contractual services	434,677	-	140,920
Commodities	2,948	-	-
Capital outlay	-	244,149	-
Reimburse development costs	-	-	-
Lease payments	-	-	-
Operating transfers out	250,000	-	-
	<u>250,000</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>687,625</u>	<u>244,149</u>	<u>140,920</u>
Receipts over (under) expenditures	22,375	237,120	(40,920)
Unencumbered cash, beginning of year	265,403	1,080,398	55,048
	<u>265,403</u>	<u>1,080,398</u>	<u>55,048</u>
Unencumbered cash, end of year	<u>\$ 287,778</u>	<u>\$ 1,317,518</u>	<u>\$ 14,128</u>

<u>Rural housing incentive district</u>	<u>Transient guest tax</u>	<u>Special law enforcement trust</u>	<u>Economic development revolving</u>	<u>Hoover trust</u>	<u>Roof insurance repairs</u>	<u>Medical insurance reserve</u>
\$ 526,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	306,425	-	-	-	-	-
-	-	1,795	-	-	-	-
-	-	-	-	-	-	2,575,444
-	-	-	157,551	62	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	223,291
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>526,606</u>	<u>306,425</u>	<u>1,795</u>	<u>157,551</u>	<u>62</u>	<u>-</u>	<u>2,798,735</u>
-	-	-	-	-	-	779,046
-	242,547	14,380	3,568	-	-	1,446,328
-	-	1,065	-	-	-	-
-	-	-	-	-	-	-
397,242	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>397,242</u>	<u>242,547</u>	<u>15,445</u>	<u>3,568</u>	<u>-</u>	<u>-</u>	<u>2,225,374</u>
129,364	63,878	(13,650)	153,983	62	-	573,361
<u>175,308</u>	<u>198,618</u>	<u>55,889</u>	<u>83,882</u>	<u>128,879</u>	<u>365,788</u>	<u>3,402,367</u>
<u>\$ 304,672</u>	<u>\$ 262,496</u>	<u>\$ 42,239</u>	<u>\$ 237,865</u>	<u>\$ 128,941</u>	<u>\$ 365,788</u>	<u>\$ 3,975,728</u>

CITY OF DODGE CITY, KANSAS

ALL NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS (CONTINUED)

For the Year Ended December 31, 2021

	Capital equipment reserve	GREAT	Fire CPR Training
Receipts:			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Local sales tax	-	-	-
Fines and forfeitures	-	-	-
Charges for service	-	-	15,197
Bond proceeds	-	-	-
Interest	-	-	-
Federal aid	151,511	-	-
Contributions & donations	-	9,636	-
Sale of labor and materials	-	-	-
Other	23,500	-	-
Insurance recoveries	5,284	-	-
Operating transfers in	485,383	-	-
	<u>665,678</u>	<u>9,636</u>	<u>15,197</u>
Total receipts			
Expenditures:			
Personal services	-	-	-
Contractual services	-	-	5,807
Commodities	-	6,472	-
Capital outlay	800,577	-	-
Reimburse development costs	-	-	-
Lease payments	106,566	-	-
Operating transfers out	-	-	-
	<u>907,143</u>	<u>6,472</u>	<u>5,807</u>
Total expenditures			
Receipts over (under) expenditures	(241,465)	3,164	9,390
Unencumbered cash, beginning of year	409,270	3,230	8,625
	<u>\$ 167,805</u>	<u>\$ 6,394</u>	<u>\$ 18,015</u>
Unencumbered cash, end of year			

See Independent Auditor's Report.

<u>Municipal band</u>	<u>SMPC trust</u>	<u>Depot</u>	<u>Civil asset forfeiture</u>	<u>Public art</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,606
-	-	-	-	-	306,425
-	-	-	865	-	2,660
-	-	-	-	-	2,590,641
-	-	-	-	23,375	23,375
-	-	-	-	-	157,613
-	-	-	-	-	151,511
-	23,000	-	-	7,500	275,927
-	-	23,079	-	-	23,079
-	-	-	-	-	23,500
-	-	-	-	-	49,053
18,500	-	250,000	-	-	1,988,883
<u>18,500</u>	<u>23,000</u>	<u>273,079</u>	<u>865</u>	<u>30,875</u>	<u>6,119,273</u>
-	-	58,749	-	-	837,795
14,664	-	82,689	-	13,387	2,398,967
-	-	28,093	4,500	-	43,078
-	28,704	5,792	-	-	1,079,222
-	-	-	-	-	397,242
-	-	-	-	-	106,566
-	-	-	-	-	250,000
<u>14,664</u>	<u>28,704</u>	<u>175,323</u>	<u>4,500</u>	<u>13,387</u>	<u>5,112,870</u>
3,836	(5,704)	97,756	(3,635)	17,488	1,006,403
4,130	187,210	554,994	21,712	32,636	7,033,387
<u>\$ 7,966</u>	<u>\$ 181,506</u>	<u>\$ 652,750</u>	<u>\$ 18,077</u>	<u>\$ 50,124</u>	<u>\$ 8,039,790</u>

CITY OF DODGE CITY, KANSAS

SPECIAL PURPOSE GRANT FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2021

	Runway 14-32 Design	Police body worn cameras	Minibus grant 2021-22
Receipts:			
Federal grants and aid	\$ 240,592	\$ -	\$ -
State grants and aid	-	-	202,048
Contributions & donations	-	-	-
Other	4,081	-	-
Total receipts	<u>244,673</u>	<u>-</u>	<u>202,048</u>
Expenditures:			
Personal services	-	-	218,971
Contractual services	-	-	43,182
Commodities	-	-	58,991
Capital outlay	217,939	-	18
Operating transfers out	-	6,463	-
Total expenditures	<u>217,939</u>	<u>6,463</u>	<u>321,162</u>
Receipts over (under) expenditures	26,734	(6,463)	(119,114)
Unencumbered cash (deficit), beginning of year	<u>(54,109)</u>	<u>6,463</u>	<u>-</u>
Unencumbered cash (deficit), end of year	<u>\$ (27,375)</u>	<u>\$ -</u>	<u>\$ (119,114)</u>

<u>Minibus grant 2020-21</u>	<u>ARPA</u>	<u>Model for change</u>	<u>USDA rural business development</u>	<u>CARES act</u>
\$ 430,970	\$ 2,068,159	\$ -	\$ -	\$ 14,790
-	-	-	-	-
-	-	-	3,291	-
-	-	-	-	-
<u>430,970</u>	<u>2,068,159</u>	<u>-</u>	<u>3,291</u>	<u>14,790</u>
182,695	-	-	-	-
69,930	-	-	705	-
32,397	-	-	-	-
3,677	252,502	-	87,664	-
-	-	4,921	-	-
<u>288,699</u>	<u>252,502</u>	<u>4,921</u>	<u>88,369</u>	<u>-</u>
142,271	1,815,657	(4,921)	(85,078)	14,790
(78,115)	-	4,921	(210,650)	(14,790)
<u>\$ 64,156</u>	<u>\$ 1,815,657</u>	<u>\$ -</u>	<u>\$ (295,728)</u>	<u>\$ -</u>

CITY OF DODGE CITY, KANSAS

SPECIAL PURPOSE GRANT FUNDS

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS (CONTINUED)**

For the Year Ended December 31, 2021

	<u>CDBG</u>	<u>Total</u>
Receipts:		
Federal grants and aid	\$ 63,024	\$ 2,817,535
State grants and aid	-	202,048
Contributions & donations	-	3,291
Other	-	4,081
	<u>63,024</u>	<u>3,026,955</u>
Total receipts		
Expenditures:		
Personal services	-	401,666
Contractual services	63,024	176,841
Commodities	-	91,388
Capital outlay	-	561,800
Operating transfers out	-	11,384
	<u>63,024</u>	<u>1,243,079</u>
Total expenditures		
Receipts over (under) expenditures	-	1,783,876
Unencumbered cash (deficit), beginning of year	-	(346,280)
	<u> </u>	<u> </u>
Unencumbered cash (deficit), end of year	<u>\$ -</u>	<u>\$ 1,437,596</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

GO BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021		Variance favorable (unfavorable)	
	2020	Actual		Budget
Receipts:				
Taxes:				
Ad valorem tax	\$ 1,847,931	\$ 1,699,600	\$ 1,714,684	\$ (15,084)
Motor vehicle tax	261,181	280,959	157,354	123,605
Recreational vehicle tax	1,403	1,458	811	647
16/20M truck tax	-	-	816	(816)
Delinquent tax	33,633	75,328	60,000	15,328
Commercial vehicle fee	11,935	24,739	7,854	16,885
Watercraft	-	-	524	(524)
Special assessments	373,282	628,288	630,673	(2,385)
Payment in lieu of taxes	8,631	-	-	-
Bond proceeds	10,089	-	-	-
Operating transfers in	1,262,050	1,428,419	1,504,425	(76,006)
Total receipts	<u>3,810,135</u>	<u>4,138,791</u>	<u>\$ 4,077,141</u>	<u>\$ 61,650</u>
Expenditures:				
Bond principal	2,905,500	3,221,350	\$ 3,056,350	\$ (165,000)
Other financing payments	-	-	245,000	245,000
Interest	954,475	907,722	838,374	(69,348)
Total expenditures	<u>3,859,975</u>	<u>4,129,072</u>	<u>\$ 4,139,724</u>	<u>\$ 10,652</u>
Receipts over (under) expenditures	(49,840)	9,719		
Unencumbered cash, beginning of year	<u>53,839</u>	<u>3,999</u>	<u>\$ 62,583</u>	<u>\$ (58,584)</u>
Unencumbered cash, end of year	<u>\$ 3,999</u>	<u>\$ 13,718</u>	<u>\$ -</u>	<u>\$ 13,718</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

NON-BUDGETED DEBT SERVICE FUNDS

**SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS**

For the Year Ended December 31, 2021

	<u>Special events center revenue bonds</u>	<u>Water park revenue bonds</u>	<u>Total</u>
Receipts:			
Interest	\$ (75,821)	\$ (3,112)	\$ (78,933)
Operating transfers in	<u>2,611,802</u>	<u>826,203</u>	<u>3,438,005</u>
Total receipts	<u>2,535,981</u>	<u>823,091</u>	<u>3,359,072</u>
Expenditures:			
Principal	1,415,000	405,000	1,820,000
Interest	1,246,093	278,900	1,524,993
Operating transfers out	<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total expenditures	<u>2,886,093</u>	<u>683,900</u>	<u>3,569,993</u>
Receipts over (under) expenditures	(350,112)	139,191	(210,921)
Unencumbered cash, beginning of year	<u>4,685,629</u>	<u>999,381</u>	<u>5,685,010</u>
Unencumbered cash, end of year	<u>\$ 4,335,517</u>	<u>\$ 1,138,572</u>	<u>\$ 5,474,089</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021		Variance favorable (unfavorable)	
	2020	Actual		Budget
Receipts:				
Taxes:				
Ad valorem	\$ 147,265	\$ 147,117	\$ 149,816	\$ (2,699)
Motor vehicle	15,911	23,232	13,893	9,339
Recreational vehicle	86	94	72	22
16/20M truck	-	-	72	(72)
Delinquent	3,263	7,150	10,000	(2,850)
Commercial vehicle fee	800	1,103	693	410
Watercraft	-	-	46	(46)
Rent & leases	(3,520)	-	-	-
Contributions & donations	276	-	-	-
Operating transfers in	375,000	540,000	540,000	-
	<u>539,081</u>	<u>718,696</u>	<u>\$ 714,592</u>	<u>\$ 4,104</u>
Expenditures:				
Administration:				
Capital outlay	34,000	-	\$ 830,000	\$ 830,000
Police:				
Contractual services	293	-	-	-
Capital outlay	202,440	-	-	-
Lease payments	105,768	105,768	-	(105,768)
Public works:				
Capital outlay	54,325	4,081	-	(4,081)
Cemetery:				
Capital outlay	-	9,585	-	(9,585)
Total expenditures	<u>396,826</u>	<u>119,434</u>	<u>\$ 830,000</u>	<u>\$ 710,566</u>
Receipts over (under) expenditures	142,255	599,262		
Unencumbered cash, beginning of year	<u>74,673</u>	<u>216,928</u>	<u>\$ 115,408</u>	<u>\$ 101,520</u>
Unencumbered cash, end of year	<u>\$ 216,928</u>	<u>\$ 816,190</u>	<u>\$ -</u>	<u>\$ 816,190</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

CAPITAL PROJECT FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2021

	Temporary notes star bonds	GO bonds 2018	GO bonds 2013	GO bonds 2015
Receipts:				
Debt proceeds	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Contributions & donations	-	-	-	-
Operating transfers in	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	-	-	-
Expenditures:				
Debt issuance costs	-	-	-	-
Interest	-	-	-	-
Public works:				
Contractual services	-	-	-	-
Capital outlay	-	94,035	60	-
Capital project:				
Contractual services	-	-	-	-
Capital outlay	-	-	-	-
Operating transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	94,035	60	-
Receipts over (under) expenditures	-	(94,035)	(60)	-
Unencumbered cash (deficit), beginning of year	312,072	205,517	781,482	(3,500)
Prior year cancelled encumbrances	<hr/> -	<hr/> -	<hr/> -	<hr/> 3,500
Unencumbered cash (deficit), end of year	<hr/> <u>\$ 312,072</u>	<hr/> <u>\$ 111,482</u>	<hr/> <u>\$ 781,422</u>	<hr/> <u>\$ -</u>

Temporary notes Candletree 2016	GO bonds 2016	GO bonds 2017	GO bonds 2019	GO bonds 2020	Star bond project
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	28,674
-	-	-	-	-	28,674
-	-	-	-	-	-
-	-	-	-	-	-
66,431	-	-	-	-	-
534,784	-	-	360,940	1,319,676	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
601,215	-	-	360,940	1,319,676	-
(601,215)	-	-	(360,940)	(1,319,676)	28,674
2,986	135,595	459,250	426,760	1,866,429	(28,674)
-	-	-	-	-	-
<u>\$ (598,229)</u>	<u>\$ 135,595</u>	<u>\$ 459,250</u>	<u>\$ 65,820</u>	<u>\$ 546,753</u>	<u>\$ -</u>

CITY OF DODGE CITY, KANSAS

CAPITAL PROJECTS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS (CONTINUED)

For the Year Ended December 31, 2021

	<u>Star bond power center</u>	<u>Temporary notes Wagon Wheel</u>	<u>Lease purchase fire truck</u>	<u>Candletree 6 infrastructure</u>
Receipts:				
Debt proceeds	\$ -	\$ -	\$ -	\$ 3,556,687
Interest	820	-	-	-
Contributions & donations	537,561	-	-	-
Operating transfers in	-	-	-	-
	<u>538,381</u>	<u>-</u>	<u>-</u>	<u>3,556,687</u>
Total receipts				
Expenditures:				
Debt issuance costs	-	-	-	28,333
Interest	-	-	-	-
Public works:				
Contractual services	-	-	-	48
Capital outlay	-	-	-	2,472,782
Capital project:				
Contractual services	13,370	-	-	-
Capital outlay	3,808,291	-	-	-
Operating transfers out	28,674	-	8,011	-
	<u>3,850,335</u>	<u>-</u>	<u>8,011</u>	<u>2,501,163</u>
Total expenditures				
Receipts over (under) expenditures	(3,311,954)	-	(8,011)	1,055,524
Unencumbered cash (deficit), beginning of year	4,304,592	79,572	8,011	(172,402)
Prior year cancelled encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered cash (deficit), end of year	<u>\$ 992,638</u>	<u>\$ 79,572</u>	<u>\$ -</u>	<u>\$ 883,122</u>

Temporary notes Candletree	YMCA building	KLETC project	Boot Hill museum	Airport terminal renovation	Wagon wheel III	CREW building
\$ 5,134,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 714,000
-	-	-	-	-	-	-
-	252,136	-	412,808	-	-	-
-	-	-	-	-	-	-
<u>5,134,980</u>	<u>252,136</u>	<u>-</u>	<u>412,808</u>	<u>-</u>	<u>-</u>	<u>714,000</u>
85,639	-	90,000	215,000	-	-	-
51,694	-	1,127	7,876	-	10,120	-
240	-	-	-	45,095	-	-
53,369	-	-	-	-	137,550	91,888
-	-	-	-	-	-	-
-	-	900	-	-	-	-
950,000	-	-	-	-	-	326
<u>1,140,942</u>	<u>-</u>	<u>92,027</u>	<u>222,876</u>	<u>45,095</u>	<u>147,670</u>	<u>92,214</u>
3,994,038	252,136	(92,027)	189,932	(45,095)	(147,670)	621,786
96,256	(369,754)	190,366	233,200	(250,983)	(198,854)	(713,674)
-	-	-	-	-	-	-
<u>\$ 4,090,294</u>	<u>\$ (117,618)</u>	<u>\$ 98,339</u>	<u>\$ 423,132</u>	<u>\$ (296,078)</u>	<u>\$ (346,524)</u>	<u>\$ (91,888)</u>

CITY OF DODGE CITY, KANSAS

CAPITAL PROJECTS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS (CONTINUED)

For the Year Ended December 31, 2021

	McCaustland Rd #2	Casa Del Rio	Total
Receipts:			
Debt proceeds	\$ -	\$ 845,291	\$ 10,250,958
Interest	-	-	820
Contributions & donations	-	171,056	1,373,561
Operating transfers in	950,000	-	978,674
	<u>950,000</u>	<u>1,016,347</u>	<u>12,604,013</u>
Total receipts			
	950,000	1,016,347	12,604,013
Expenditures:			
Debt issuance costs	-	-	418,972
Interest	-	-	70,817
Public works:			
Contractual services	-	60,975	172,789
Capital outlay	703,902	801,134	6,570,120
Capital project:			
Contractual services	-	-	13,370
Capital outlay	-	-	3,809,191
Operating transfers out	-	-	987,011
	<u>703,902</u>	<u>862,109</u>	<u>12,042,270</u>
Total expenditures			
	703,902	862,109	12,042,270
Receipts over (under) expenditures	246,098	154,238	561,743
Unencumbered cash (deficit), beginning of year	-	-	7,364,247
Prior year cancelled encumbrances	-	-	3,500
	<u>-</u>	<u>-</u>	<u>3,500</u>
Unencumbered cash (deficit), end of year	<u>\$ 246,098</u>	<u>\$ 154,238</u>	<u>\$ 7,929,490</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

WATER/WASTEWATER COMBINED UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Sale of water	\$ 4,457,003	\$ 4,905,402	\$ 4,200,000	\$ 705,402
Sewage service charges	4,936,569	6,084,883	5,010,000	1,074,883
Rent and leases	22,230	14,218	6,000	8,218
National Beef bond payment	827,638	827,231	827,240	(9)
Interest	40,317	1,952	46,000	(44,048)
Sale of real estate	9,956	110,439	-	110,439
Sale of scrap and equipment	1,800	-	-	-
Sale of labor and materials	144,450	123,182	91,000	32,182
Insurance recoveries	16,865	713,500	-	713,500
Other	4,894	4,376	6,000	(1,624)
Operating transfers in	500,000	499,992	500,000	(8)
Total receipts	10,961,722	13,285,175	\$ 10,686,240	\$ 2,598,935
Expenditures:				
Bond principal	2,859,500	2,778,650	\$ 1,723,650	\$ (1,055,000)
Interest	672,482	759,150	255,888	(503,262)
Utilities:				
Water - personal services	884,537	699,263	570,595	(128,668)
Water - contractual services	937,150	1,022,973	835,000	(187,973)
Water - commodities	368,387	368,293	404,900	36,607
Water - capital outlay	143,035	81,713	175,000	93,287
Water - other	(18,792)	(18,591)	5,000	23,591
Collection - personal services	386,730	375,169	220,183	(154,986)
Collection - contractual services	54,845	70,176	22,200	(47,976)
Collection - commodities	9,447	13,090	21,550	8,460
Collection - capital outlay	100,966	2,269	317,500	315,231
Collection - other	19,408	15,549	18,000	2,451
Treatment - contractual services	3,027,390	3,477,984	3,295,970	(182,014)
Treatment - commodities	3,432	2,328	2,000	(328)
Treatment - capital outlay	133,432	53,448	1,458,263	1,404,815
Utility administration	-	-	536,638	536,638
Operating transfers out	931,700	1,086,096	1,086,100	4
Total expenditures	10,513,649	10,787,560	\$ 10,948,437	\$ 160,877

CITY OF DODGE CITY, KANSAS

WATER/WASTEWATER COMBINED UTILITY FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	<u>2020</u>	<u>2021</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts over (under) expenditures	\$ 448,073	\$ 2,497,615		
Unencumbered cash, beginning of year	<u>2,121,683</u>	<u>2,569,756</u>	<u>\$ 1,320,480</u>	<u>\$ 1,249,276</u>
Unencumbered cash, end of year	<u>\$ 2,569,756</u>	<u>\$ 5,067,371</u>	<u>\$ 1,058,283</u>	<u>\$ 4,009,088</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

BIOGAS OPERATIONS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Sale of methane gas - energy credits	\$ 4,065,332	\$ 4,096,112	\$ 4,028,000	\$ 68,112
Insurance recoveries	-	303,344	-	303,344
Total receipts	<u>4,065,332</u>	<u>4,399,456</u>	<u>\$ 4,028,000</u>	<u>\$ 371,456</u>
Expenditures:				
Bond principal	506,944	667,784	\$ -	\$ (667,784)
Interest	361,325	214,693	-	(214,693)
Debt service fees	35,012	20,804	903,284	882,480
Contractual services	998,577	1,061,041	1,025,286	(35,755)
Capital outlay	214,656	970,220	100,000	(870,220)
Operating transfers out	1,525,000	1,849,992	2,000,000	150,008
Total expenditures	<u>3,641,514</u>	<u>4,784,534</u>	<u>\$ 4,028,570</u>	<u>\$ (755,964)</u>
Receipts over (under) expenditures	423,818	(385,078)		
Unencumbered cash (deficit), beginning of year	<u>(426,719)</u>	<u>(2,901)</u>	<u>\$ 570</u>	<u>\$ (3,471)</u>
Unencumbered cash (deficit), end of year	<u>\$ (2,901)</u>	<u>\$ (387,979)</u>	<u>\$ -</u>	<u>\$ (387,979)</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

SOLID WASTE UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021		Variance favorable (unfavorable)	
	2020	Actual		Budget
Receipts:				
Service fees - sanitation	\$ 1,929,257	\$ 2,184,586	\$ 1,885,000	\$ 299,586
Yard waste	117,182	124,794	112,000	12,794
Container	175	6	2,000	(1,994)
Interest	7,385	299	10,000	(9,701)
Federal grants - operating	-	5,709	-	5,709
Sale of recyclables	15,606	41,589	25,000	16,589
Sale of scrap	-	423	-	423
Other	49,411	43,901	40,000	3,901
Operating transfers in	-	326	-	326
Total receipts	2,119,016	2,401,633	\$ 2,074,000	\$ 327,633
Expenditures:				
Utilities:				
Collection - personal services	769,160	885,272	\$ 845,395	\$ (39,877)
Collection - contractual services	578,917	601,147	515,400	(85,747)
Collection - commodities	180,925	191,573	189,650	(1,923)
Collection - capital outlay	31,242	35,072	141,000	105,928
Collection - other	13,427	12,391	12,000	(391)
Recycling - personal services	133,777	165,225	168,010	2,785
Recycling - contractual services	26,323	64,950	42,750	(22,200)
Recycling - commodities	7,144	10,097	11,100	1,003
Recycling - capital outlay	16,832	55,789	60,000	4,211
Utility administration	-	-	134,160	134,160
Operating transfers out	202,500	206,592	206,600	8
Total expenditures	1,960,247	2,228,108	\$ 2,326,065	\$ 97,957
Receipts over (under) expenditures	158,769	173,525		
Unencumbered cash, beginning of year	264,867	423,636	\$ 361,651	\$ 61,985
Unencumbered cash, end of year	\$ 423,636	\$ 597,161	\$ 109,586	\$ 487,575

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

DRAINAGE UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Service fees	\$ 235,003	\$ 253,876	\$ 230,000	\$ 23,876
Interest	(450)	109	3,000	(2,891)
Contributions & donations	-	37,029	-	37,029
Total receipts	<u>234,553</u>	<u>291,014</u>	<u>\$ 233,000</u>	<u>\$ 58,014</u>
Expenditures:				
Personal services	70,137	-	\$ -	\$ -
Contractual services	1,327	251	7,100	6,849
Commodities	-	-	100	100
Capital outlay	362,704	22,037	-	(22,037)
Other	838	849	750	(99)
Operating transfers out	151,850	222,000	222,000	-
Total expenditures	<u>586,856</u>	<u>245,137</u>	<u>\$ 229,950</u>	<u>\$ (15,187)</u>
Receipts over (under) expenditures	(352,303)	45,877		
Unencumbered cash, beginning of year	<u>410,765</u>	<u>58,462</u>	<u>\$ 22,620</u>	<u>\$ 35,842</u>
Unencumbered cash, end of year	<u>\$ 58,462</u>	<u>\$ 104,339</u>	<u>\$ 25,670</u>	<u>\$ 78,669</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

VEHICLE MAINTENANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Internal charges	\$ 390,626	\$ 396,116	\$ 450,000	\$ (53,884)
Expenditures:				
Personal services	127,865	139,807	\$ 139,714	\$ (93)
Contractual services	75,173	62,509	103,750	41,241
Commodities	178,684	202,704	197,950	(4,754)
Total expenditures	381,722	405,020	\$ 441,414	\$ 36,394
Receipts over (under) expenditures	8,904	(8,904)		
Unencumbered cash, beginning of year	-	8,904	\$ 6,927	\$ 1,977
Unencumbered cash, end of year	\$ 8,904	\$ -	\$ 15,513	\$ (15,513)

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

ALL NON-BUDGETED BUSINESS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2021

	2009 temp. notes	Wastewater treatment plant	Biogas construction 2016	Water & wastewater revenue bonds	Total
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual	-	273,000	-	-	273,000
Receipts over (under) expenditures	-	(273,000)	-	-	(273,000)
Unencumbered cash (deficit), beginning of year	17,409	-	(96,077)	130,725	52,057
Prior year cancelled encumbrances	-	-	96,077	-	96,077
Unencumbered cash (deficit), end of year	<u>\$ 17,409</u>	<u>\$ (273,000)</u>	<u>\$ -</u>	<u>\$ 130,725</u>	<u>\$ (124,866)</u>

See Independent Auditor's Report.

CITY OF DODGE CITY, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2021

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Community improvement district fund	\$ 153,958	\$ 223,753	\$ 219,605	\$ 158,106
Special obligation debt service 2011	5,577	80,441	81,432	4,586
Special obligation debt service 2013	2,990	88,270	86,913	4,347
Special obligation debt service 2014	3,799	74,498	77,138	1,159
Star bond debt service 2015	1,052,606	2,831,410	2,831,063	1,052,953
Special obligation debt service 2017	-	60,837	60,837	-
Special obligation debt service 2018	<u>1,233,177</u>	<u>1,911,504</u>	<u>1,908,681</u>	<u>1,236,000</u>
	<u>\$ 2,452,107</u>	<u>\$ 5,270,713</u>	<u>\$ 5,265,669</u>	<u>\$ 2,457,151</u>

See Independent Auditor's Report.

APPENDICES

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor
and City Commissioners
Dodge City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Dodge City, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statement and have issued our report thereon dated August 19, 2022. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the City has prepared this financial statement 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Dodge City, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Dodge City, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Dodge City, Kansas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dodge City, Kansas' financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Dodge City, Kansas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Dodge City, Kansas' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Dodge City, Kansas' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kennedy McKee & Company LLP

August 19, 2022

Kennedy
McKee & Company LLP Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor
and City Commissioners
Dodge City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Dodge City, Kansas' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Dodge City, Kansas' major federal programs for the year ended December 31, 2021. The City of Dodge City, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Dodge City, Kansas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Dodge City, Kansas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Dodge City, Kansas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Dodge City, Kansas' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Dodge City, Kansas' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Dodge City, Kansas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 City of Dodge City, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City of Dodge City, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Dodge City, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kennedy McKee & Company LLP

August 19, 2022

CITY OF DODGE CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through/ grantor's number	Expenditures
U.S. Department of Transportation			
Federal Aviation Administration			
Direct programs:			
Runway Reconstruction 14-32	20.106	3-20-0017-029	\$ 207,043
U.S. Department of Transportation			
Passed through Kansas			
Department of Transportation:			
Formula Grants for other than Urbanized Areas			
Formula Grants for Rural Areas 2020-2021	20.509		303,349
Formula Grants for Rural Areas 2021-2022	20.509		320,833
Formula Grants for Rural Areas - Capital	20.509		151,512
Alcohol Traffic Safety & Drunk Driving Prevention			
Incentive Grants (DUI)	20.601		9,183
Passed through Kansas Governor's Office			
Bus and Bus Facilities Formula & Discretionary Programs	20.526		17,431
Total U.S. Department of Transportation			802,308
U.S. Department of Commerce			
Pass through Kansas Department of Commerce:			
Community Development Block Grant	14.228		63,024
U.S. Department of Treasury			
Passed through Kansas Governor's Office:			
Coronavirus Emergency Supplemental Funding	16.034		20,000
U.S. Department of Treasury			
Passed through Kansas Governor's Office:			
American Rescue Plan Act	21.027		252,502
Total federal awards			\$ 1,344,877

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

CITY OF DODGE CITY, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Dodge City, Kansas under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirement of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operation of the City of Dodge City, Kansas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Dodge City, Kansas. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported using the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include disbursement, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

The City of Dodge City, Kansas has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

D. AWARDS TO SUBRECIPIENTS

There were no awards passed through to subrecipients.

CITY OF DODGE CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of the City of Dodge City, Kansas was prepared in accordance with GAAP.
2. One significant deficiency relating to the audit of the financial statement is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weakness is reported.
3. No instances of noncompliance material to the financial statements of the City of Dodge City, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the City of Dodge City, Kansas expresses an unmodified opinion on all major programs.
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The program tested as a major program included:

Formula Grants for Other than Urbanized Areas	CFDA 20.509
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8. The threshold for distinguishing Type A and Type B programs was \$750,000.
9. The City of Dodge City did not qualify as a low-risk auditee.

CITY OF DODGE CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year ended December 31, 2021

B. FINDINGS - FINANCIAL STATEMENT AUDIT

2021-001 Accounts Payable and Encumbrances

Condition: Accounts payable and encumbrances contained accruals for construction in progress, insurance premiums and a debt service payment for services performed subsequent to year end and payments due subsequent to year end.

Criteria: Insurance premiums and debt service payments not yet due at year end are not eligible for accrual as accounts payable. Services performed subsequent to year end are also not eligible for accrual as accounts payable.

Cause: Personnel entering transactions in the accounting software coded the transactions to the 2021 budget year rather than the 2022 budget year.

Effect: Adjustments were necessary to properly state accounts payable and encumbrances at year end.

Recommendation: We recommend that personnel entering transactions in the accounting software undergo training to obtain a better understanding of the types of transactions that should and should not be accrued as part of the year end accrual process.

Views of Responsible Officials and Planned Corrective Actions: City personnel agree with the finding and will attempt to implement the recommendation.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None noted.