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# AGENDA ITEM

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TO: Tim Vandall, City Administrator  
FROM: Beth Sanford, Finance Director  
DATE: May 16, 2022  
SUBJECT: Approval of Audit Ending December 31, 2021

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Staff from the firm of Adams Brown LLC performed an audit of the financial statements for the City of Lansing for the year ended December 31, 2021.

Ms. Jami Benyshek, a Senior Audit Manager for the firm, will present a brief overview of the audit and answer any questions.

Action:

Staff recommends a motion to approve the final audit for the City of Lansing for the year ended December 31, 2021.

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**AGENDA ITEM #**

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May 19, 2022

AdamsBrown, LLC  
2006 Broadway Ave, Suite 2A  
Great Bend, KS 67530

This representation letter is provided in connection with your audit of the financial statements of City of Lansing, Kansas, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of May 19, 2022, the following representations made to you during your audit.

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 18, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- Except for the exclusion of the required annual cost and long-term obligations of the City as required by Governmental Auditing Standards Board Statements Number 75, the financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the government required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- There are no known related-party relationships or transactions that need to be accounted for or disclosed in accordance with U.S. GAAP.

- Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the City's accounts. We are in agreement with those adjustments.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

- We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We are not aware of any related parties or related-party relationships or transactions.

**Government – specific**

- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have taken timely and appropriate steps to remedy identified and suspected fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations and grant agreements that we believe have a material effect on the financial statements.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets except as noted in the audit report), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; evaluate the adequacy and results

of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.

- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- The financial statements include all fiduciary activities required by GASBS No. 84.
- The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.
- All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- With respect to the combining and individual fund financial statements and schedules:
  - We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements and schedules, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - If the combining and individual fund financial statements and schedules is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

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Signed

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Signed

May 19, 2022

To the City Council  
**City of Lansing, Kansas**  
Lansing, KS

### **Governance Letter**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **City of Lansing, Kansas** for the year ended December 31, 2021, and have issued our report thereon dated May 19, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 18, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **City of Lansing, Kansas** are described in Note 1 to the financial statements. As described in Note 1, in 2021, the City implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Accordingly, the accounting change has been prospectively applied. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were for estimated useful lives for depreciation expense, allowance for doubtful accounts on property taxes, deferred outflows of resources, accounts payable/encumbrances, deferred inflows of resources, net pension liability, and accrued paid leave.

The financial statements disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**City of Lansing, Kansas**

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*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes material misstatements detected as a result of audit procedures and corrected by management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 19, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

We applied certain limited procedures to the management's discussion and analysis and schedules of revenues, expenditures, and changes in fund balance – budget and actual for major governmental funds, proportionate share of collective net pension liability, and the City's retirement contributions, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



## City of Lansing, Kansas

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May 19, 2022

We were engaged to report on the supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### *Audit Recommendations*

We wish to communicate to the governing body recommendations that we discussed with management to improve operational or administrative efficiencies and for improving internal control.

- The City did not identify all capital assets purchased or constructed during the year. Capital assets with an initial cost of \$5,000 and a useful life greater than three years should be capitalized and depreciated over their estimated useful life. This spreads the cost over the useful life rather than recognizing the entire cost in one year. We recommend that a second review of invoices be implemented to ensure no assets were missed during the year.

We will review the status of these items during our next audit engagement. We have already discussed many of these items and suggestions with the appropriate personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

## INTERNAL CONTROLS

In planning and performing our audit of the financial statements of **City of Lansing, Kansas** as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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 City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

- The Budgeting for Kansas Municipalities manual states that budgeted funds must be monitored annually to ensure expenditures do not exceed budgeted limits. If a fund is going to exceed its budget, a budget amendment must be made. This manual also dictates which funds must follow

**City of Lansing, Kansas**

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May 19, 2022

the encumbrance basis of accounting and which ones are exempt. Material amounts of encumbrances were identified during audit procedures. We suggest that this manual be reviewed so that no findings or violations occur in the future.

We would like to express our appreciation for the opportunity to perform the December 31, 2021 audit for **City of Lansing, Kansas** and to the employees for the cooperation and assistance given to us during the audit.

This communication is intended solely for the information and use of management, the City Council, others within the organization, and State of Kansas and is not intended to be, and should not be, used by anyone other than these specified parties.

*Adams Brown, LLC*

**ADAMSBROWN, LLC**

Certified Public Accountants

Great Bend, Kansas

**CITY OF LANSING, KANSAS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the City of Lansing, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lansing for the calendar year ended December 31, 2021.

**Financial Highlights**

- Assets of the City of Lansing exceeded its liabilities at the close of the most recent calendar year by \$20,273,217.
- At the close of the current calendar year, the City of Lansing's governmental funds reported combined ending fund balances of \$6,376,109.
- At the end of the current calendar year, the unassigned fund balance for the general fund was \$3,323,891.
- The City's total long term-debt decreased by \$2,715,487 during the current calendar year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Lansing's basic financial statements. The City of Lansing's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Lansing's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City of Lansing's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lansing is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Government-wide financial statements distinguish functions of the City of Lansing that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Lansing include general government, public safety, public works (roads, utilities and traffic controls), parks and recreation, library and employee benefits. The business-type activities of the City of Lansing include wastewater and solid waste activities. The City of Lansing has no component units, which are entities that are legally separate, but for which the City is financially accountable.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City of Lansing, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Lansing can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**CITY OF LANSING, KANSAS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the calendar year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental funds financial statements can be found on pages 12 and 14 of this report. The City of Lansing adopts an annual appropriated budget for all governmental funds as required by state statute.

**Proprietary funds.** The City of Lansing maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Lansing uses enterprise funds to account for its Wastewater and Solid Waste activities. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* available to support the City of Lansing's own programs and therefore are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 19 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lansing, assets exceeded liabilities by \$20,273,217 at the close of 2021.

By far, the largest portion of the City of Lansing's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City of Lansing used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Lansing's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF LANSING, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF LANSING CONDENSED NET POSITION**  
December 31, 2021

	Governmental Activities	Business-Type Activities	<b>Total 2021</b>	Total 2020
<b>Assets</b>				
Current and Other Assets	\$ 13,804,239	3,459,448	<b>17,263,687</b>	14,796,589
Capital Assets, Net of Depreciation	19,369,801	16,615,150	<b>35,984,951</b>	37,901,748
<b>Total Assets</b>	<b>33,174,040</b>	<b>20,074,598</b>	<b>53,248,638</b>	<b>52,698,337</b>
<b>Deferred Outflows of Resources</b>	1,064,698	73,113	<b>1,137,811</b>	1,339,633
<b>Liabilities</b>				
Current and Other Liabilities	1,276,701	268,004	<b>1,544,705</b>	602,859
Long-Term Liabilities	17,006,387	10,222,522	<b>27,228,909</b>	31,180,066
<b>Total Liabilities</b>	<b>18,283,088</b>	<b>10,490,526</b>	<b>28,773,614</b>	<b>31,782,925</b>
<b>Deferred Inflows of Resources</b>	5,268,232	71,386	<b>5,339,618</b>	3,873,013
<b>Net Position</b>				
Net Investment in Capital Assets	7,694,468	6,604,386	<b>14,298,854</b>	13,616,282
Restricted for Expendable - Debt Service	135,290	-	<b>135,290</b>	91,434
Unrestricted	2,857,660	2,981,413	<b>5,839,073</b>	4,674,316
<b>Total Net Position</b>	<b>\$ 10,687,418</b>	<b>9,585,799</b>	<b>20,273,217</b>	<b>18,382,032</b>

A portion of the City of Lansing's net assets \$135,290 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$5,839,073 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current calendar year, the City of Lansing can report positive balances in all three categories of net assets for the government as a whole.

**CITY OF LANSING, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF LANSING CONDENSED STATEMENT OF ACTIVITIES**  
**December 31, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position		Totals	
		Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2021	2020
<b>Governmental Activities</b>							
General Government	\$ (2,001,425)	636,999	1,821	(1,362,605)	-	(1,362,605)	(178,412)
Public Safety	(2,103,459)	34,530	-	(2,068,929)	-	(2,068,929)	(2,112,417)
Public Works	(2,963,174)	92,123	138,051	(2,733,000)	-	(2,733,000)	(2,271,725)
Library	(324,260)	4,453	16,882	(302,925)	-	(302,925)	(302,553)
Culture and Recreation	(1,212,051)	50,447	-	(1,161,604)	-	(1,161,604)	(892,739)
Interest	(390,238)	-	-	(390,238)	-	(390,238)	(449,617)
<b>Total Governmental Activities</b>	<b>(8,994,607)</b>	<b>818,552</b>	<b>156,754</b>	<b>(8,019,301)</b>	<b>-</b>	<b>(8,019,301)</b>	<b>(6,207,463)</b>
<b>Business-Type Activities</b>							
Sewer Utility	(2,458,196)	3,339,659	-	-	881,463	881,463	95,715
Refuse Utility	(559,824)	606,716	-	-	46,892	46,892	(121,717)
<b>Total Business-Type Activities</b>	<b>(3,018,020)</b>	<b>3,946,375</b>	<b>-</b>	<b>-</b>	<b>928,355</b>	<b>928,355</b>	<b>(26,002)</b>
<b>Total</b>	<b>\$ (12,012,627)</b>	<b>4,764,927</b>	<b>156,754</b>	<b>(8,019,301)</b>	<b>928,355</b>	<b>(7,090,946)</b>	<b>(6,233,465)</b>
<b>General Revenues and Transfers</b>							
Property Tax				\$ 4,379,249	-	4,379,249	4,174,186
Sales Tax				3,176,677	-	3,176,677	2,810,259
Franchise Tax				680,517	-	680,517	654,021
Motor Fuel Tax				489,023	-	489,023	460,657
Alcoholic Beverage Tax				53,826	-	53,826	48,926
Transient Guest Tax				200,109	-	200,109	135,739
Use of Money or Property				122	75	197	13,372
Costs of Issuance				-	-	-	(107,477)
Gain (Loss) on Sale of Assets				2,533	-	2,533	24,108
<b>Total General Revenues and Transfers</b>				<b>8,982,056</b>	<b>75</b>	<b>8,982,131</b>	<b>8,213,791</b>
<b>Change in Net Position</b>				<b>962,755</b>	<b>928,430</b>	<b>1,891,185</b>	<b>1,980,326</b>
<b>Net Position - Beginning of Year</b>				<b>9,835,245</b>	<b>8,546,787</b>	<b>18,382,032</b>	<b>16,165,586</b>
<b>Prior Period Restatement</b>				<b>(110,582)</b>	<b>110,582</b>	<b>-</b>	<b>236,120</b>
<b>Net Position - End of Year</b>				<b>\$ 10,687,418</b>	<b>9,585,799</b>	<b>20,273,217</b>	<b>18,382,032</b>

As further explained in Note 11, the financial statements have been restated to accurately reflect the General Obligation Bonds for various sewer projects in the Wastewater Fund that was previously recorded in the Bond and Interest Fund.

**Financial Analysis of the Government's Funds**

As noted earlier, the City of Lansing uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The financial reporting focus of the City of Lansing's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City of Lansing's financing requirements. In particular, *unreserved fund balance* may serve as useful measure of a government's net resources available for spending at the end of the calendar year.

As of the end of the current calendar year, the City of Lansing's governmental funds reported combined ending fund balances of \$6,376,109. Of this total amount \$3,323,891 constitutes the portion of the fund balance which is available to meet the future financial needs of the City. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been expended.

The general fund is the chief operating fund of the City of Lansing. At the end of the current calendar year, unassigned fund balance of the general fund was \$3,323,891. The City of Lansing's general fund balance increased by \$313,205 during the current calendar year.

**CITY OF LANSING, KANSAS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Proprietary funds.** The City of Lansing's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The ending net assets for the proprietary funds were \$9,585,799, a net increase of \$1,039,012.

The unrestricted net assets of the two enterprise funds totaled \$2,981,413.

### **General Fund Budgetary Highlights**

The City continues to develop long term strategies to manage debt, while limiting the fiscal burden on the citizens of Lansing. Management is watching the City's debt load to ensure that future revenues will be sufficient to retire the debt without jeopardizing essential City services.

Revenues for the general fund operations were more than estimated by \$714,789, and departmental expenditures on the budgetary basis were less than appropriated amounts by \$1,014,849.

Transfers out of the general fund totaled \$1,035,000 for the year ended December 31, 2021 (see Statement of Revenues, Expenditures and Change in Fund Balances on page 14 of this report).

Revenues from ad valorem taxes represented the largest general fund revenue source with collections totaling \$2.37 million or 41% of all general fund revenues. At \$2.60 million or 40% of all general fund revenue collected, current year retail sales and use taxes represent the second largest revenue source for the general fund. The Mill Levy increased by .016 mills in 2021, to 41.571 mills.

### **Enterprise Operations**

The City's enterprise operations consist of two separately accounted for operations which are administered by two different departments: Finance and Wastewater. Operating revenues for the City's combined enterprise operations *increased* by \$941,206.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Lansing's investment in capital assets for its governmental and business type activities as of December 31, 2021 amount to \$35,984,951 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park and municipal facilities, roads, highways and sidewalks. The total decrease in the City of Lansing's investment in capital assets for the current calendar year was \$956,780. Details of the City of Lansing's capital assets are continued in Note 3 to financial statements on page 29.

**Long-term debt.** At the end of the current calendar year, the City of Lansing had total bonded debt outstanding of \$23,933,489, which comprises debt backed by the full faith and credit of the City. (More detailed information about the agency's long-term liabilities is presented in Note 4 to the financial statement on pages 30-31).

The City of Lansing's total debt decreased by 10.19% during the current year.

### **Economic Factors and Next Year's Budgets and Rates**

The local economy of City of Lansing continues to show growth despite the impact of COVID-19. Sales tax revenues continue to increase. The city still endeavors to limit expenditures to ensure long-term financial sustainability. The assessed valuation is estimated to change significantly for 2022. The most recent data indicates that valuations will increase between 11% and 13%.

In adopting the budget for the ensuing calendar year 2022, City officials considered many factors in making judgments and estimates about the finances of the upcoming year. The biggest consideration was still the

**CITY OF LANSING, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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impact of COVID-19 on revenues such as sales and use tax. The Revenue Neutral Rate (SB 13) was also a factor in budget preparation. Thus, City officials remained conservative with revenue projections.

Upcoming and current capital projects scheduled are:

- Street, Sidewalk and Drainage Projects
- Construction of a Baseball/Softball Complex at Bernard Park
- K7 & Eisenhower Intersection Improvements
- Development in Towne Centre
- McIntyre Sewer Project

The primary objective of the Council was to continue to provide basic city services to the citizens, while attempting to keep the property tax rate substantially the same. The City's Mill Levy rate of 41.571 in 2021 decreased to 41.027 for 2022.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Lansing's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Department, 800 1<sup>st</sup> Terrace, Lansing, Kansas 66043.

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**Elizabeth Sanford**  
Finance Director  
City of Lansing, Kansas



**CITY OF LANSING, KANSAS**

Financial Statements With Independent Auditors' Report

For the Year Ended December 31, 2021

**CITY OF LANSING, KANSAS**  
 Financial Statements With Independent Auditors' Report  
 For the Year Ended December 31, 2021

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Financial Statements With Independent Auditors' Report  
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**INDEPENDENT AUDITORS' REPORT**

To the Mayor and City Council  
**City of Lansing, Kansas**  
Lansing, Kansas

**Qualified and Unmodified Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **City of Lansing, Kansas**, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Summary of Opinions**

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Qualified
Each Major Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

*Qualified Opinions on Governmental Activities and Business-Type Activities*

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and business-type activities of **City of Lansing, Kansas** as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of **City of Lansing, Kansas**, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Qualified and Unmodified Opinions**

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

*Matter Giving Rise to Qualified Opinion on the Governmental Activities and Business-Type Activities*

The financial statements do not include the required annual cost and long-term obligations of the City as required by Governmental Auditing Standards Board Statements Number 75. Accounting principles generally accepted in the United States of America require the financial data for these other postemployment benefits be reported in the financial statements. The amount by which this departure from accounting principles generally accepted in the United States of America would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the financial statements has not been determined.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of Lansing, Kansas'** basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the qualified opinion on the basic financial statements as explained in the "Basis for Qualified and Unmodified Opinions" paragraph, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**ADAMSBROWN, LLC**  
Certified Public Accountants  
Great Bend, Kansas

May 19, 2022

**CITY OF LANSING, KANSAS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the City of Lansing, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lansing for the calendar year ended December 31, 2021.

**Financial Highlights**

- Assets of the City of Lansing exceeded its liabilities at the close of the most recent calendar year by \$20,273,217.
- At the close of the current calendar year, the City of Lansing's governmental funds reported combined ending fund balances of \$6,376,109.
- At the end of the current calendar year, the unassigned fund balance for the general fund was \$3,323,891.
- The City's total long term-debt decreased by \$2,715,487 during the current calendar year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Lansing's basic financial statements. The City of Lansing's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Lansing's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City of Lansing's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lansing is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Government-wide financial statements distinguish functions of the City of Lansing that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Lansing include general government, public safety, public works (roads, utilities and traffic controls), parks and recreation, library and employee benefits. The business-type activities of the City of Lansing include wastewater and solid waste activities. The City of Lansing has no component units, which are entities that are legally separate, but for which the City is financially accountable.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City of Lansing, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Lansing can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**CITY OF LANSING, KANSAS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the calendar year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The basic governmental funds financial statements can be found on pages 12 and 14 of this report. The City of Lansing adopts an annual appropriated budget for all governmental funds as required by state statute.

**Proprietary funds.** The City of Lansing maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Lansing uses enterprise funds to account for its Wastewater and Solid Waste activities. The basic proprietary fund financial statements can be found on pages 16-18 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* available to support the City of Lansing's own programs and therefore are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 19 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Lansing, assets exceeded liabilities by \$20,273,217 at the close of 2021.

By far, the largest portion of the City of Lansing's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City of Lansing used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Lansing's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.



**CITY OF LANSING, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF LANSING CONDENSED NET POSITION**  
**December 31, 2021**

	Governmental Activities	Business-Type Activities	Total 2021	Total 2020
<b>Assets</b>				
Current and Other Assets	\$ 13,804,239	3,459,448	<b>17,263,687</b>	14,796,589
Capital Assets, Net of Depreciation	19,369,801	16,615,150	<b>35,984,951</b>	37,901,748
<b>Total Assets</b>	<u>33,174,040</u>	<u>20,074,598</u>	<u><b>53,248,638</b></u>	<u>52,698,337</u>
<b>Deferred Outflows of Resources</b>	<u>1,064,698</u>	<u>73,113</u>	<u><b>1,137,811</b></u>	<u>1,339,633</u>
<b>Liabilities</b>				
Current and Other Liabilities	1,276,701	268,004	<b>1,544,705</b>	602,859
Long-Term Liabilities	17,006,387	10,222,522	<b>27,228,909</b>	31,180,066
<b>Total Liabilities</b>	<u>18,283,088</u>	<u>10,490,526</u>	<u><b>28,773,614</b></u>	<u>31,782,925</u>
<b>Deferred Inflows of Resources</b>	<u>5,268,232</u>	<u>71,386</u>	<u><b>5,339,618</b></u>	<u>3,873,013</u>
<b>Net Position</b>				
Net Investment in Capital Assets	7,694,468	6,604,386	<b>14,298,854</b>	13,616,282
Restricted for Expendable - Debt Service	135,290	-	<b>135,290</b>	91,434
Unrestricted	2,857,660	2,981,413	<b>5,839,073</b>	4,674,316
<b>Total Net Position</b>	<u>\$ 10,687,418</u>	<u>9,585,799</u>	<u><b>20,273,217</b></u>	<u>18,382,032</u>

A portion of the City of Lansing's net assets \$135,290 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$5,839,073 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current calendar year, the City of Lansing can report positive balances in all three categories of net assets for the government as a whole.

**CITY OF LANSING, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF LANSING CONDENSED STATEMENT OF ACTIVITIES**  
**December 31, 2021**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position		Totals	
		Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2021	2020
<b>Governmental Activities</b>							
General Government	\$ (2,001,425)	636,999	1,821	(1,362,605)	-	<b>(1,362,605)</b>	(233,674)
Public Safety	(2,103,459)	8,730	-	(2,094,729)	-	<b>(2,094,729)</b>	(2,112,417)
Public Works	(2,963,174)	92,123	138,051	(2,733,000)	-	<b>(2,733,000)</b>	(2,271,725)
Library	(324,260)	4,453	16,882	(302,925)	-	<b>(302,925)</b>	(302,553)
Culture and Recreation	(1,212,051)	50,447	-	(1,161,604)	-	<b>(1,161,604)</b>	(892,739)
Interest	(390,238)	-	-	(390,238)	-	<b>(390,238)</b>	(449,617)
<b>Total Governmental Activities</b>	<b>(8,994,607)</b>	<b>792,752</b>	<b>156,754</b>	<b>(8,045,101)</b>	<b>-</b>	<b>(8,045,101)</b>	<b>(6,262,725)</b>
<b>Business-Type Activities</b>							
Sewer Utility	(2,458,196)	3,339,659	-	-	881,463	<b>881,463</b>	43,500
Refuse Utility	(559,824)	606,716	-	-	46,892	<b>46,892</b>	(121,717)
<b>Total Business-Type Activities</b>	<b>(3,018,020)</b>	<b>3,946,375</b>	<b>-</b>	<b>-</b>	<b>928,355</b>	<b>928,355</b>	<b>(78,217)</b>
<b>Total</b>	<b>\$ (12,012,627)</b>	<b>4,739,127</b>	<b>156,754</b>	<b>(8,045,101)</b>	<b>928,355</b>	<b>(7,116,746)</b>	<b>(6,340,942)</b>
<b>General Revenues and Transfers</b>							
Property Tax				\$ 4,379,249	-	<b>4,379,249</b>	4,174,186
Sales Tax				3,176,677	-	<b>3,176,677</b>	2,810,259
Franchise Tax				680,517	-	<b>680,517</b>	654,021
Motor Fuel Tax				489,023	-	<b>489,023</b>	460,657
Alcoholic Beverage Tax				53,826	-	<b>53,826</b>	48,926
Transient Guest Tax				200,109	-	<b>200,109</b>	135,739
Use of Money or Property				122	75	<b>197</b>	13,372
Gain (Loss) on Sale of Assets				28,333	-	<b>28,333</b>	24,108
<b>Total General Revenues and Transfers</b>				<b>9,007,856</b>	<b>75</b>	<b>9,007,931</b>	<b>8,321,268</b>
<b>Change in Net Position</b>				<b>962,755</b>	<b>928,430</b>	<b>1,891,185</b>	<b>1,980,326</b>
<b>Net Position - Beginning of Year</b>				<b>9,835,245</b>	<b>8,546,787</b>	<b>18,382,032</b>	<b>16,165,586</b>
<b>Prior Period Restatement</b>				<b>(110,582)</b>	<b>110,582</b>	<b>-</b>	<b>236,120</b>
<b>Net Position - End of Year</b>				<b>\$ 10,687,418</b>	<b>9,585,799</b>	<b>20,273,217</b>	<b>18,382,032</b>

As further explained in Note 11, the financial statements have been restated to accurately reflect the General Obligation Bonds for various sewer projects in the Wastewater Fund that was previously recorded in the Bond and Interest Fund.

**Financial Analysis of the Government's Funds**

As noted earlier, the City of Lansing uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The financial reporting focus of the City of Lansing's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City of Lansing's financing requirements. In particular, *unreserved fund balance* may serve as useful measure of a government's net resources available for spending at the end of the calendar year.

As of the end of the current calendar year, the City of Lansing's governmental funds reported combined ending fund balances of \$6,376,109. Of this total amount \$3,323,891 constitutes the portion of the fund balance which is available to meet the future financial needs of the City. The remainder of the fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been expended.

The general fund is the chief operating fund of the City of Lansing. At the end of the current calendar year, unassigned fund balance of the general fund was \$3,323,891. The City of Lansing's general fund balance increased by \$313,205 during the current calendar year.

**CITY OF LANSING, KANSAS**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Proprietary funds.** The City of Lansing's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. The ending net assets for the proprietary funds were \$9,585,799, a net increase of \$1,039,012.

The unrestricted net assets of the two enterprise funds totaled \$2,981,413.

### **General Fund Budgetary Highlights**

The City continues to develop long term strategies to manage debt, while limiting the fiscal burden on the citizens of Lansing. Management is watching the City's debt load to ensure that future revenues will be sufficient to retire the debt without jeopardizing essential City services.

Revenues for the general fund operations were more than estimated by \$714,789, and departmental expenditures on the budgetary basis were less than appropriated amounts by \$1,014,849.

Transfers out of the general fund totaled \$1,035,000 for the year ended December 31, 2021 (see Statement of Revenues, Expenditures and Change in Fund Balances on page 14 of this report).

Revenues from ad valorem taxes represented the largest general fund revenue source with collections totaling \$2.37 million or 41% of all general fund revenues. At \$2.60 million or 40% of all general fund revenue collected, current year retail sales and use taxes represent the second largest revenue source for the general fund. The Mill Levy increased by .016 mills in 2021, to 41.571 mills.

### **Enterprise Operations**

The City's enterprise operations consist of two separately accounted for operations which are administered by two different departments: Finance and Wastewater. Operating revenues for the City's combined enterprise operations *increased* by \$941,206.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Lansing's investment in capital assets for its governmental and business type activities as of December 31, 2021 amount to \$35,984,951 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, park and municipal facilities, roads, highways and sidewalks. The total increase in the City of Lansing's investment in capital assets for the current calendar year was \$720,198. Details of the City of Lansing's capital assets are continued in Note 3 to financial statements on page 29.

**Long-term debt.** At the end of the current calendar year, the City of Lansing had total bonded debt outstanding of \$23,933,489, which comprises debt backed by the full faith and credit of the City. (More detailed information about the agency's long-term liabilities is presented in Note 4 to the financial statement on pages 30-31).

The City of Lansing's total debt decreased by 10.19% during the current year.

### **Economic Factors and Next Year's Budgets and Rates**

The local economy of City of Lansing continues to show growth despite the impact of COVID-19. Sales tax revenues continue to increase. The city still endeavors to limit expenditures to ensure long-term financial sustainability. The assessed valuation is estimated to change significantly for 2022. The most recent data indicates that valuations will increase between 11% and 13%.

In adopting the budget for the ensuing calendar year 2022, City officials considered many factors in making judgments and estimates about the finances of the upcoming year. The biggest consideration was still the impact of COVID-19 on revenues such as sales and use tax. The Revenue Neutral Rate (SB 13)

**CITY OF LANSING, KANSAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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was also a factor in budget preparation. Thus, City officials remained conservative with revenue projections.

Upcoming and current capital projects scheduled are:

- Street, Sidewalk and Drainage Projects
- Construction of a Baseball/Softball Complex at Bernard Park
- K7 & Eisenhower Intersection Improvements
- Development in Towne Centre
- McIntyre Sewer Project

The primary objective of the Council was to continue to provide basic city services to the citizens, while attempting to keep the property tax rate substantially the same. The City's Mill Levy rate of 41.571 in 2021 decreased to 41.027 for 2022.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Lansing's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the Finance Department, 800 1<sup>st</sup> Terrace, Lansing, Kansas 66043.

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**Elizabeth Sanford**  
Finance Director  
City of Lansing, Kansas

**CITY OF LANSING, KANSAS**  
Statement of Net Position  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

<u><b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b></u>	Governmental Activities	Business-Type Activities	Totals	
			2021	2020
<b>Assets</b>				
Cash and Cash Equivalents	\$ 7,357,755	2,825,843	<b>10,183,598</b>	8,169,184
Receivables, Net of Allowance	3,959,406	630,806	<b>4,590,212</b>	4,341,098
Prepaid Expenses	410,174	2,799	<b>412,973</b>	135,541
Assets Held for Sale	2,076,904	-	<b>2,076,904</b>	2,150,765
Capital Assets				
Land	1,353,970	19,547	<b>1,373,517</b>	1,311,517
Depreciable Buildings, Property and Equipment, Net of Depreciation	18,015,831	16,595,603	<b>34,611,434</b>	36,488,485
Construction in Progress	-	-	-	35,465
Asset Not in Use	-	-	-	66,281
<b>Total Assets</b>	<b>33,174,040</b>	<b>20,074,598</b>	<b>53,248,638</b>	52,698,336
<b>Deferred Outflows of Resources</b>				
Pension Plan	1,064,698	73,113	<b>1,137,811</b>	1,339,633
<b>Total Assets and Deferred Outflows of Resources</b>	<b>34,238,738</b>	<b>20,147,711</b>	<b>54,386,449</b>	54,037,969
 <u><b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b></u>				
<b>Liabilities</b>				
Accounts Payable	169,694	115,156	<b>284,850</b>	253,153
Customer Deposits	-	21,150	<b>21,150</b>	20,925
Accrued Interest Payable	121,912	98,457	<b>220,369</b>	242,619
Salaries and Wages Payable	73,332	33,241	<b>106,573</b>	86,161
Deferred Revenue - Grants	911,763	-	<b>911,763</b>	-
Noncurrent Liabilities				
Net Pension Liability	3,083,662	211,758	<b>3,295,420</b>	4,531,090
Due Within One Year	1,233,750	1,293,819	<b>2,527,569</b>	2,692,209
Due in More Than One Year	12,688,975	8,716,945	<b>21,405,920</b>	23,956,767
<b>Total Liabilities</b>	<b>18,283,088</b>	<b>10,490,526</b>	<b>28,773,614</b>	31,782,924
<b>Deferred Inflows of Resources</b>				
Deferred Receivable - Property Taxes	4,196,436	-	<b>4,196,436</b>	3,732,851
Pension Plan	1,039,544	71,386	<b>1,110,930</b>	102,535
Early Debt Refunding	32,252	-	<b>32,252</b>	37,627
<b>Total Deferred Inflows of Resources</b>	<b>5,268,232</b>	<b>71,386</b>	<b>5,339,618</b>	3,873,013
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>23,551,320</b>	<b>10,561,912</b>	<b>34,113,232</b>	35,655,937
 <u><b>NET POSITION</b></u>				
Net Investment in Capital Assets	7,694,468	6,604,386	<b>14,298,854</b>	13,578,656
Restricted for Expendable - Debt Service	135,290	-	<b>135,290</b>	91,434
Unrestricted	2,857,660	2,981,413	<b>5,839,073</b>	4,711,942
<b>Total Net Position</b>	<b>\$ 10,687,418</b>	<b>9,585,799</b>	<b>20,273,217</b>	18,382,032

Notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Statement of Activities  
For the Year Ended December 31, 2020  
(With Comparative Totals as of December 31, 2020)

	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Position		Totals	
		Charges For Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	2021	2020
<b>Governmental Activities</b>							
General Government	\$ (2,001,425)	636,999	1,821	(1,362,605)	-	<b>(1,362,605)</b>	(233,674)
Public Safety	(2,103,459)	8,730	-	(2,094,729)	-	<b>(2,094,729)</b>	(2,112,417)
Public Works	(2,963,174)	92,123	138,051	(2,733,000)	-	<b>(2,733,000)</b>	(2,271,725)
Library	(324,260)	4,453	16,882	(302,925)	-	<b>(302,925)</b>	(302,553)
Culture and Recreation	(1,212,051)	50,447	-	(1,161,604)	-	<b>(1,161,604)</b>	(892,739)
Interest	(390,238)	-	-	(390,238)	-	<b>(390,238)</b>	(449,617)
<b>Total Governmental Activities</b>	<b>(8,994,607)</b>	<b>792,752</b>	<b>156,754</b>	<b>(8,045,101)</b>	<b>-</b>	<b>(8,045,101)</b>	<b>(6,262,725)</b>
<b>Business-Type Activities</b>							
Wastewater Utility	(2,458,196)	3,339,659	-	-	881,463	<b>881,463</b>	43,500
Solid Waste Utility	(559,824)	606,716	-	-	46,892	<b>46,892</b>	(121,717)
<b>Total Business-Type Activities</b>	<b>(3,018,020)</b>	<b>3,946,375</b>	<b>-</b>	<b>-</b>	<b>928,355</b>	<b>928,355</b>	<b>(78,217)</b>
<b>Total</b>	<b>\$ (12,012,627)</b>	<b>4,739,127</b>	<b>156,754</b>	<b>(8,045,101)</b>	<b>928,355</b>	<b>(7,116,746)</b>	<b>(6,340,942)</b>
		<b>General Revenues</b>					
				\$ 4,379,249	-	<b>4,379,249</b>	4,174,186
				3,176,677	-	<b>3,176,677</b>	2,810,259
				680,517	-	<b>680,517</b>	654,021
				489,023	-	<b>489,023</b>	460,657
				53,826	-	<b>53,826</b>	48,926
				200,109	-	<b>200,109</b>	135,739
				122	75	<b>197</b>	13,372
				28,333	-	<b>28,333</b>	24,108
			<b>Total General Revenues</b>	<b>9,007,856</b>	<b>75</b>	<b>9,007,931</b>	<b>8,321,268</b>
			<b>Change in Net Position</b>	<b>962,755</b>	<b>928,430</b>	<b>1,891,185</b>	<b>1,980,326</b>
			<b>Net Position - Beginning of Year</b>	<b>9,835,245</b>	<b>8,546,787</b>	<b>18,382,032</b>	<b>16,165,586</b>
			<b>Prior Period Restatement</b>	<b>(110,582)</b>	<b>110,582</b>	<b>-</b>	<b>236,120</b>
			<b>Net Position - End of Year</b>	<b>\$ 10,687,418</b>	<b>9,585,799</b>	<b>20,273,217</b>	<b>18,382,032</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
 Balance Sheet  
 Governmental Funds  
 December 31, 2021  
 (With Comparative Totals as of December 31, 2020)

	General Fund	Bond and Interest Fund	Capital Improvement Fund	ARPA Fund	Other Governmental Funds	Totals	
						2021	2020
<b><u>ASSETS</u></b>							
<b>Assets</b>							
Cash and Cash Equivalents	\$ 3,519,779	372,321	965,724	511,763	1,988,168	<b>7,357,755</b>	5,993,544
Property Taxes Receivable	2,744,033	904,041	-	-	311,332	<b>3,959,406</b>	3,732,851
Prepaid Expenses	10,174	-	-	400,000	-	<b>410,174</b>	130,475
<b>Total Assets</b>	<b>\$ 6,273,986</b>	<b>1,276,362</b>	<b>965,724</b>	<b>911,763</b>	<b>2,299,500</b>	<b>11,727,335</b>	<b>9,856,870</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u></b>							
<b>Liabilities</b>							
Accounts Payable	\$ 104,017	-	-	-	65,677	<b>169,694</b>	202,607
Salaries and Wages Payable	64,428	-	-	-	8,905	<b>73,333</b>	54,016
Deferred Revenue - Grants	-	-	-	911,763	-	<b>911,763</b>	-
<b>Total Liabilities</b>	<b>168,445</b>	<b>-</b>	<b>-</b>	<b>911,763</b>	<b>74,582</b>	<b>1,154,790</b>	<b>256,623</b>
<b>Deferred Inflows of Resources</b>							
Deferred Receivable - Property Taxes	2,744,033	1,141,072	-	-	311,331	<b>4,196,436</b>	3,732,851
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,912,478</b>	<b>1,141,072</b>	<b>-</b>	<b>911,763</b>	<b>385,913</b>	<b>5,351,226</b>	<b>3,989,474</b>
<b>Fund Balance</b>							
Nonspendable	10,174	-	-	-	-	<b>10,174</b>	130,475
Restricted	27,443	135,290	965,724	-	1,812,058	<b>2,940,515</b>	1,824,753
Assigned	-	-	-	-	101,529	<b>101,529</b>	994,340
Unassigned	3,323,891	-	-	-	-	<b>3,323,891</b>	2,917,828
<b>Total Fund Balance</b>	<b>3,361,508</b>	<b>135,290</b>	<b>965,724</b>	<b>-</b>	<b>1,913,587</b>	<b>6,376,109</b>	<b>5,867,396</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 6,273,986</b>	<b>1,276,362</b>	<b>965,724</b>	<b>911,763</b>	<b>2,299,500</b>	<b>11,727,335</b>	<b>9,856,870</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
 Reconciliation of the Statement of Net Position to the  
 Balance Sheet for Governmental Funds  
 December 31, 2021

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Fund balances of governmental funds from the balance sheet.	\$	6,376,109
<p>Amounts reported for governmental activities in the statement of net position differ from the fund balances of governmental funds on the preceding balance sheet as shown in the following reconciliation:</p>		
Capital assets and construction in process, net of depreciation, have not been included as financial resources in governmental fund activity on the balance sheet.		21,446,705
Long-term debt has not been included in the governmental funds activity on the balance sheet.		
General Obligation Bonds		(13,710,564)
Capital Leases		(9,421)
Compensated Absences		(202,740)
Net pension liability has not been included in the governmental fund activity on the balance sheet.		(3,083,662)
Deferred pension contributions and other resulting from the pension liability are recognized as deferred outflows and inflows on the balance sheet.		25,154
Early debt refunding has not been included in the governmental fund activity on the balance sheet.		(32,252)
Accrued interest payable for the current portion of interest due on bonds and capital leases has not been reported in the governmental funds on the balance sheet.		<u>(121,911)</u>
Net position of governmental activities as reported.	\$	<u><u>10,687,418</u></u>

The notes to the financial statements are an integral part of these statements.



**CITY OF LANSING, KANSAS**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
December 31, 2021  
(With Comparative Totals for the Year Ended December 31, 2020)

	General Fund	Bond and Interest Fund	Capital Improvement Fund	ARPA Fund	Other Governmental Funds	Totals	
						2021	2020
<b>Revenues</b>							
Taxes	\$ 5,300,470	1,441,838	-	-	1,556,577	<b>8,298,885</b>	7,629,767
Intergovernmental	1,821	-	138,051	-	16,882	<b>156,754</b>	2,053,924
Licenses, Permits and Franchise Fees	833,046	-	-	-	-	<b>833,046</b>	764,893
Fines and Forfeitures	409,697	-	-	-	-	<b>409,697</b>	293,848
Interest	33	6	1	-	82	<b>122</b>	5,798
Other	34,084	391	91,916	-	224,226	<b>350,617</b>	160,149
<b>Total Revenues</b>	<b>6,579,151</b>	<b>1,442,235</b>	<b>229,968</b>	<b>-</b>	<b>1,797,767</b>	<b>10,049,121</b>	10,908,379
<b>Expenditures</b>							
General Government	1,901,199	-	-	-	179,281	<b>2,080,480</b>	4,171,175
Public Safety	2,067,892	-	-	-	44,333	<b>2,112,225</b>	2,166,669
Public Works	628,099	-	1,070,045	-	469,805	<b>2,167,949</b>	2,047,263
Culture and Recreation	633,756	-	-	-	611,127	<b>1,244,883</b>	971,493
Construction and Engineering	-	-	14,295	-	135,922	<b>150,217</b>	1,412,958
Debt Service	-	1,784,654	-	-	-	<b>1,784,654</b>	3,036,333
Small Business Grants	-	-	-	-	-	<b>-</b>	220,000
<b>Total Expenditures</b>	<b>5,230,946</b>	<b>1,784,654</b>	<b>1,084,340</b>	<b>-</b>	<b>1,440,468</b>	<b>9,540,408</b>	14,025,891
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>1,348,205</b>	<b>(342,419)</b>	<b>(854,372)</b>	<b>-</b>	<b>357,299</b>	<b>508,713</b>	<b>(3,117,512)</b>
<b>Other Financing Sources (Uses)</b>							
Proceeds - General Obligation Bonds	-	-	-	-	-	<b>-</b>	1,000,000
Proceeds - Temporary Notes	-	-	-	-	-	<b>-</b>	2,210,000
Original Issue Premium	-	-	-	-	-	<b>-</b>	62,922
Bond Costs of Issuance	-	-	-	-	-	<b>-</b>	(55,262)
Transfers In	-	386,275	840,000	-	195,000	<b>1,421,275</b>	1,789,282
Transfers Out	(1,035,000)	-	-	-	(386,275)	<b>(1,421,275)</b>	(1,726,782)
<b>Net Other Financing Sources (Uses)</b>	<b>(1,035,000)</b>	<b>386,275</b>	<b>840,000</b>	<b>-</b>	<b>(191,275)</b>	<b>-</b>	3,280,160
<b>Net Change in Fund Balance</b>	<b>313,205</b>	<b>43,856</b>	<b>(14,372)</b>	<b>-</b>	<b>166,024</b>	<b>508,713</b>	162,648
<b>Fund Balance - Beginning of Year</b>	<b>3,048,303</b>	<b>91,434</b>	<b>980,096</b>	<b>-</b>	<b>1,747,563</b>	<b>5,867,396</b>	5,704,748
<b>Fund Balance - End of Year</b>	<b>\$ 3,361,508</b>	<b>135,290</b>	<b>965,724</b>	<b>-</b>	<b>1,913,587</b>	<b>6,376,109</b>	5,867,396

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balance of Governmental Funds  
 to the Statement of Activities  
 December 31, 2021

Net change in fund balance - total governmental funds	\$	508,713
<p>Amounts reported for governmental activities in the statement of activities are different because of the following:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,149,584) and loss on sale of assets (\$91,757) and exceeded capital outlays (\$210,700) in the current period.</p>		(1,030,641)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Bond repayments were paid (\$1,374,553) and capital lease payments were made (\$4,208), which are recorded in the governmental funds as receipts and expenditures.</p>		1,378,761
<p>The amortization of bond premiums and discounts affects long-term liabilities on the Statement of Net Position, but does not provide or consume current financial resources of the governmental</p>		53,934
<p>Deferred refunding costs reduce current financial resources of governmental funds, but do not decrease long-term liabilities in the Statement of Net Position.</p>		5,375
<p>An expense is recorded for pension liability when incurred. In the governmental funds, an expense is recorded when the benefits are paid.</p>		15,689
<p>Accrued interest payable decreased from the prior year. This balance is not accounted for in the governmental funds. However, the changes are reflected in the statement of activities.</p>		20,919
<p>An expense is recorded for compensated absences when incurred. In the governmental funds, an expense is recorded when the benefits are paid.</p>		<u>10,005</u>
Change in net position of governmental activities.	\$	<u><u>962,755</u></u>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Statement of Net Position  
Proprietary Funds  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

	<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>Enterprise Funds</b>		<b>2021</b>	<b>2020</b>
	<b>Wastewater Fund</b>	<b>Solid Waste Fund</b>		
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 2,659,153	166,690	<b>2,825,843</b>	2,175,640
Receivables, Net of Allowance	547,202	83,604	<b>630,806</b>	608,247
Prepaid Expenses	2,799	-	<b>2,799</b>	5,066
<b>Total Current Assets</b>	<b>3,209,154</b>	<b>250,294</b>	<b>3,459,448</b>	<b>2,788,953</b>
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Land	19,547	-	<b>19,547</b>	19,547
Depreciable Buildings, Property, and Equipment, Net of Depreciation	16,595,603	-	<b>16,595,603</b>	17,520,155
Construction in Progress	-	-	-	35,465
<b>Total Noncurrent Assets</b>	<b>16,615,150</b>	<b>-</b>	<b>16,615,150</b>	<b>17,575,167</b>
<b>Deferred Outflows of Resources</b>				
Pension Plan	73,113	-	<b>73,113</b>	89,388
<b>Total Assets and Deferred Outflows of Resources</b>	<b>19,897,417</b>	<b>250,294</b>	<b>20,147,711</b>	<b>20,453,508</b>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>				
<b>Current Liabilities</b>				
Accounts Payable	68,718	46,438	<b>115,156</b>	50,545
Salaries and Wages Payable	33,241	-	<b>33,241</b>	32,145
Customer Deposits	21,150	-	<b>21,150</b>	20,925
Accrued Interest Payable	98,457	-	<b>98,457</b>	99,790
Current Portion of General Obligation Bonds Payable	1,293,819	-	<b>1,293,819</b>	1,294,067
<b>Total Current Liabilities</b>	<b>1,515,385</b>	<b>46,438</b>	<b>1,561,823</b>	<b>1,497,472</b>
<b>Noncurrent Liabilities</b>				
Net Pension Liability	211,758	-	<b>211,758</b>	302,341
General Obligation Bonds Payable	8,716,945	-	<b>8,716,945</b>	10,100,066
<b>Total Noncurrent Liabilities</b>	<b>8,928,703</b>	<b>-</b>	<b>8,928,703</b>	<b>10,402,407</b>
<b>Total Liabilities</b>	<b>10,444,088</b>	<b>46,438</b>	<b>10,490,526</b>	<b>11,899,879</b>
<b>Deferred Inflows of Resources</b>				
Pension Plan	71,386	-	<b>71,386</b>	6,842
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>10,515,474</b>	<b>46,438</b>	<b>10,561,912</b>	<b>11,906,721</b>
<b><u>NET POSITION</u></b>				
<b>Net Position</b>				
Invested in Capital Assets, Net of Related Debt	6,604,386	-	<b>6,604,386</b>	6,181,034
Unrestricted	2,777,557	203,856	<b>2,981,413</b>	2,365,753
<b>Total Net Position</b>	<b>\$ 9,381,943</b>	<b>203,856</b>	<b>9,585,799</b>	<b>8,546,787</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
December 31, 2021  
(With Comparative Totals for the Year Ended December 31, 2020)

	<b>Business-Type Activities</b>		<b>Enterprise Funds</b>	
	<b>Wastewater</b>	<b>Solid Waste</b>	<b>Totals</b>	
	<b>Fund</b>	<b>Fund</b>	<b>2021</b>	<b>2020</b>
<b>Operating Revenue</b>				
Wastewater Service Charges	\$ 3,098,623	-	<b>3,098,623</b>	2,570,644
Solid Waste Service Charges	-	605,178	<b>605,178</b>	429,814
Other Income	241,036	1,538	<b>242,574</b>	4,711
<b>Total Operating Revenues</b>	<b>3,339,659</b>	<b>606,716</b>	<b>3,946,375</b>	<b>3,005,169</b>
<b>Operating Expenses</b>				
Salaries, Wages, and Benefits	413,832	-	<b>413,832</b>	431,178
Purchased Services	213,345	-	<b>213,345</b>	258,564
Commodities	27,057	-	<b>27,057</b>	36,907
Insurance	39,183	-	<b>39,183</b>	31,068
Sewer Maintenance	439,822	-	<b>439,822</b>	413,230
Waste Collection	-	559,824	<b>559,824</b>	553,826
Depreciation and Amortization	1,018,898	-	<b>1,018,898</b>	985,917
<b>Total Operating Expenses</b>	<b>2,152,137</b>	<b>559,824</b>	<b>2,711,961</b>	<b>2,710,690</b>
<b>Net Operating Income</b>	<b>1,187,522</b>	<b>46,892</b>	<b>1,234,414</b>	<b>294,479</b>
<b>Nonoperating Revenues (Expenses)</b>				
Interest Income	69	6	<b>75</b>	7,574
Bond Issuance Costs	-	-	-	(52,215)
Bond Interest	(306,059)	-	<b>(306,059)</b>	(320,481)
<b>Total Nonoperating Revenues</b>	<b>(305,990)</b>	<b>6</b>	<b>(305,984)</b>	<b>(365,122)</b>
<b>Net Income Before Capital Contributions and Transfers</b>	<b>881,532</b>	<b>46,898</b>	<b>928,430</b>	<b>(70,643)</b>
<b>Capital Contributions and Transfers</b>				
Transfers Out	-	-	-	(62,500)
Contributed Capital	-	-	-	2,054,058
<b>Net Capital Contributions and Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,991,558</b>
<b>Change in Net Position</b>	<b>881,532</b>	<b>46,898</b>	<b>928,430</b>	<b>1,920,915</b>
<b>Net Position - Beginning of Year</b>	<b>8,389,829</b>	<b>156,958</b>	<b>8,546,787</b>	<b>13,202,652</b>
<b>Prior Period Restatement</b>	<b>110,582</b>	<b>-</b>	<b>110,582</b>	<b>(6,576,780)</b>
<b>Net Position - End of Year</b>	<b>\$ 9,381,943</b>	<b>203,856</b>	<b>9,585,799</b>	<b>8,546,787</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Statement of Cash Flows  
Proprietary Funds  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

	<b>Business-type Activities</b>		<b>Totals</b>	
	<b>Enterprise Funds</b>		<b>2021</b>	<b>2020</b>
	<b>Wastewater Fund</b>	<b>Solid Waste Fund</b>		
<b>Cash Flows From Operating Activities</b>				
Receipts From Customers	\$ 3,313,612	610,204	<b>3,923,816</b>	3,421,586
Payments to Suppliers	(652,373)	(559,755)	<b>(1,212,128)</b>	(1,336,675)
Payments to Employees	(422,500)	-	<b>(422,500)</b>	(431,177)
<b>Net Cash Provided by Operating Activities</b>	<b>2,238,739</b>	<b>50,449</b>	<b>2,289,188</b>	<b>1,653,734</b>
<b>Cash Flows From Investing Activities</b>				
Interest on Investments and Deposits	69	6	<b>75</b>	7,574
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers to Other Funds	-	-	-	(62,500)
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchase and Construction of Capital Assets	(107,948)	-	<b>(107,948)</b>	(388,679)
General Obligation Bond Proceeds	-	-	-	3,180,000
Principal Payments - General Obligation Bonds	(1,210,447)	-	<b>(1,210,447)</b>	(4,355,000)
Bond Refunding	-	-	-	135,599
Interest Payments	(320,665)	-	<b>(320,665)</b>	(362,796)
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(1,639,060)</b>	<b>-</b>	<b>(1,639,060)</b>	<b>(1,790,876)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>599,748</b>	<b>50,455</b>	<b>650,203</b>	<b>(192,068)</b>
<b>Cash - Beginning of Year</b>	<b>2,059,405</b>	<b>116,235</b>	<b>2,175,640</b>	<b>2,367,708</b>
<b>Cash - End of Year</b>	<b>\$ 2,659,153</b>	<b>166,690</b>	<b>2,825,843</b>	<b>2,175,640</b>
<b>Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities</b>				
Net Operating Income	\$ 1,187,522	46,892	<b>1,234,414</b>	294,479
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities</b>				
Depreciation and Amortization	1,018,898	-	<b>1,018,898</b>	985,917
(Increase) Decrease in Accounts Receivable	(26,046)	3,488	<b>(22,558)</b>	450,818
(Increase) Decrease in Prepaid Expenses	2,267	-	<b>2,267</b>	(5,065)
(Increase) Decrease in Deferred Outflows	16,275	-	<b>16,275</b>	(36,470)
Increase (Decrease) in Accounts Payable	64,541	69	<b>64,610</b>	(82,592)
Increase (Decrease) in Accrued Liabilities	1,096	-	<b>1,096</b>	(10,307)
Increase (Decrease) in Customer Deposits	225	-	<b>225</b>	1,650
Increase (Decrease) in Net Pension Liability	(90,583)	-	<b>(90,583)</b>	58,780
Increase (Decrease) in Deferred Inflows	64,544	-	<b>64,544</b>	(3,476)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,238,739</b>	<b>50,449</b>	<b>2,289,188</b>	<b>1,653,734</b>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Statement of Fiduciary Net Position  
Combined Fiduciary Funds  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

		<u>2021</u>	<u>2020</u>
	<b><u>ASSETS</u></b>		
Cash and Cash Equivalents		\$ <u>35,371</u>	<u>35,979</u>
	<b><u>LIABILITIES</u></b>		
Due to Others		\$ 17,453	17,935
Bonds Posted Escrow		<u>17,918</u>	<u>18,044</u>
<b>Total Liabilities</b>		<b>\$ <u>35,371</u></b>	<b><u>35,979</u></b>

**CITY OF LANSING, KANSAS**  
Statement of Changes in Fiduciary Net Position  
Combined Fiduciary Funds  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

		<u>2021</u>	<u>2020</u>
<b>Revenues</b>	\$	-	-
<b>Expenditures</b>		<u>-</u>	<u>-</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>		-	-
<b>Net Change in Fund Balance</b>		<u>-</u>	<u>-</u>
<b>Fund Balance - Beginning of Year</b>	\$	<u>-</u>	<u>-</u>

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of **City of Lansing, Kansas**, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments (GASB 34 Edition), and by the Financial Accounting Standards Board, when applicable. The following is a summary of such significant policies.

**Financial Reporting Entity**

The City is a municipal corporation governed by an elected mayor and eight-member council. The City receives funding from local, state, and federal governmental sources and must comply with the requirements of these funding sources. The financial statements of the City consist of all the funds of the City and governmental entities that are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The City does not have a legally separate component unit.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect certain reported amounts and disclosures that can affect these financial statements. Actual results could differ from those estimates.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements, (i.e. the statement of net position and the statement of activities) report financial information for the City as a whole excluding fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include charges for services which report fees, fines and forfeitures, and other charges to users of the City's services, operating grants which finance annual operating activities including investment income, and capital grants which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Governmental fund financial statements distinguish revenues and expenditures from other financing sources and uses. Other financing sources and uses are increases or decreases in the fund balance of a governmental fund that are not considered revenues or expenditures. Only items identified as other financing sources and uses by authoritative standards may be classified as such (e.g. proceeds from the issuance of long-term debt and transfers between funds).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

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charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major proprietary funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

#### **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for custodial funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Special assessments are recognized as revenue when levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### **Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are franchise taxes, special assessments, investment earnings, and certain Federal and State grants and entitlements. Licenses, permits, fees for services, and fines are not susceptible to accrual, because generally they are not measurable until received in cash. While property taxes and special assessments are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year-end, because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by deferred inflows accounts.

The government reports the following major governmental funds:

**General Fund** – The general fund is the main operating fund of the City. This fund is used to account for all financial resources of the City, except those required to be accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the general fund.

**Bond and Interest Fund** – The bond and interest fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the bond and interest fund is reserved, to signify that amounts are restricted exclusively for bond and interest expenditures.

**Capital Improvement Fund** – The capital improvement fund accounts for the financial resources to be used for the acquisition or construction of major capital improvement projects of the City.

**ARPA Fund** – The ARPA fund accounts for the financial resources to be used for allowable expenditures under the American Rescue Plan Act of 2021.



**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

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The government reports the following major proprietary funds:

**Wastewater Fund** – This fund provides accountability for all phases of operation and maintenance of the City’s public sewer system.

**Solid Waste Fund** – This fund accounts for solid waste operations and maintenance.

The government also reports the following fund types:

**Special Revenue Fund** – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**Capital Projects Fund** – to account for financial resources to be used for the acquisition of major capital facilities and capital assets.

**Custodial Fund** – to account for assets held by the City either as trustee or agent for others.

**Budgetary Information**

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

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2021.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbrances outstanding at year end in the governmental funds

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

are reported as reservations of fund balances and do not constitute liabilities because the commitments will be honored during subsequent years.

A legal operating budget is not required for capital project funds, fiduciary funds and the following special revenue fund: Police Equipment Reserve Fund, Equipment Reserve Fund, and ARPA Fund.

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.

Fund	Expenses and Transfers Out Per Fund Statement	Encumbrances	Prepaid Expenses	Expenditures and Transfers Out Per Budget Basis
General Fund	\$ 6,265,946	27,443	(120,303)	6,173,086

**Accounting for Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of three years. These assets are recorded at historical cost, estimated historical cost if actual cost is not available, or estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Capital assets of proprietary funds are capitalized and depreciated over the remaining useful lives of the related capital asset categories, as applicable.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Office Equipment .....	5 years
Infrastructure .....	30 years
Machinery and Equipment .....	7 to 10 years
Sewer Treatment Plant and Improvements .....	30 to 40 years

The City reports its infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements, regardless of their amount.

**Statement of Cash Flows**

For purposes of the statement of cash flows, the City considers all restricted and unrestricted, highly liquid deposits as cash.

**Deposits and Investments**

The City follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the combining balance sheet.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such institution has been designated as an official depository and the banks provide an

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

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 rating of the City's investments is noted below.

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

Investment Type	Fair Value	Investment Maturities (in years) Less than One	Rating
Kansas Municipal Investment Pool	\$ 2,232,720	2,232,720	N/A

**Concentration of Credit Risk**

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2021, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not use "peak periods" during 2021. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's and Fiduciary's carrying amount of deposits, including certificates of deposit, was \$7,950,878 and \$35,371, respectively. The bank balance was \$8,204,933. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance and \$7,954,933 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.

**Receivables**

The City records utility revenues on a monthly basis. The balance shown as accounts receivable at December 31, 2021 is comprised of accounts considered to be collectible by management. Balances are stated at net of anticipated uncollectible accounts. For the year ended December 31, 2021, allowance for doubtful accounts was estimated at \$1,043,662.

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1<sup>st</sup> are due one-half by December 20<sup>th</sup> and one-half by May 10<sup>th</sup>. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore, are not susceptible to accrual. At December 31, such taxes are recorded as taxes receivable, net of anticipated delinquencies with a corresponding amount recorded as deferred inflows of resources on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes at the end of the year and, further, the amounts are not material in relation to the basic government financial statements.

Recognized state-shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year end are not due and receivable until the ensuing year.

**Prepaid Expenses**

Payments made to vendors for goods or services that will benefit periods beyond the date of this report are recorded as prepaid expenses.

**Compensated Absences**

The City's policy is a general leave policy of paid time off (PTO). PTO shall be accrued by full-time employees and shall have a maximum amount of PTO accrual based on the chart below. Full-time employees are permitted to carryover 200 hours of PTO. Regular part-time employees shall accrue 1.85 hours per pay period and are permitted to carryover 80 hours. Upon separation from employment with the City, employees who terminate in good standing will be paid for all accrued but unused PTO at their current rate of pay. The City's maximum potential liability under the plan at December 31, 2021 has been estimated at \$202,740.

	Per Pay Period (26)		Per Year		*Employees Hired on or after 1/1/2018	
	Hours	Days	Hours	Days	Hours	Days
1st Year (Group 1)	3.08	0.38	80	10.00	*80	*10
2nd - 5th Year (Group 2)	3.69	0.46	96	12.00	*96	*12
6th - 9th Year (Group 3)	5.54	0.69	144	18.00	*144	*18
10th Year & Beyond (Group 4)	7.38 or *6.46	0.92 or *0.81	192	24.00	*168	*21

**Deferred Compensation Plan**

City employees may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. The employee is responsible for the amount of deferred compensation to be contributed. The amount selected is invested for the employee. The City is not required to make any contributions. The deferred compensation is not available to employees until termination, retirement, death, or in case of limited specific circumstances.

**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 these financial statements.

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

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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 City for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021. However, the cost of this benefit has not been quantified in these financial statements.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a collective deferred inflow of resources related to pensions, which is described in more detail in Note 5 – Defined Benefit Pension Plan.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from several sources: long-term accounts and notes receivable, forgivable loans, property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Additionally, the City reports collective deferred inflow of resources related to pensions, which is described in more detail in Note 5 – Defined Benefit Pension Plan. The City also reports deferred charges on refunding which is the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Net Position and Fund Balance**

In the government-wide and proprietary fund financial statements net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

In the governmental fund financial statements, fund balance is comprised of five different classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent. The fund balance is classified as follows:

**CITY OF LANSING, KANSAS**  
Notes to Financial Statements  
December 31, 2021

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- Non-spendable - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- Restricted - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- Committed - Assets with a purpose formally imposed by resolution by the City Council, binding unless modified or rescinded by the City Council.
- Assigned - Comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Council or (2) a body or official to whom the City Council has delegated the authority to assign amounts to be used for specific purposes as prescribed by the City's fund balance and cash policy.
- Unassigned - All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**Adoption of New Governmental Accounting Standards Board Statements**

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**Pending Governmental Accounting Standards Board Statements**

At December 31, 2021, the Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The Statements that might impact the City are as follows:

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for periods beginning after June 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

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GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by classifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this statement are effective for periods beginning after December 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The requirements of this Statement are effective for periods beginning after June 15, 2021, as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements for this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements for this statement are effective for periods beginning after June 15, 2021.

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**City of Lansing, Kansas** did not remit or provide a certificate to the state fiscal agent stating that funds are on deposit and held in trust for the payment of interest and principal at least 20 days prior to maturity of the bonds, which is a violation of K.S.A. 10-130.

**NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental</b>				
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 1,291,970	62,000	-	1,353,970
Capital Assets Not in Use	66,281	-	(66,281)	-
<b>Total Non-Depreciable Capital Assets</b>	<b>1,358,251</b>	<b>62,000</b>	<b>(66,281)</b>	<b>1,353,970</b>
<b>Depreciable Capital Assets</b>				
Buildings, Improvements, and Infrastructure	27,601,357	-	-	27,601,357
Vehicles	982,893	98,700	(195,484)	886,109
Machinery and Equipment	2,026,914	116,281	(21,750)	2,121,445
<b>Total Depreciable Capital Assets</b>	<b>30,611,164</b>	<b>214,981</b>	<b>(217,234)</b>	<b>30,608,911</b>
Accumulated Depreciation	(11,642,834)	(1,149,584)	199,338	(12,593,080)
<b>Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>18,968,330</b>	<b>(934,603)</b>	<b>(17,896)</b>	<b>18,015,831</b>
<b>Governmental Activities, Capital Assets Net of Accumulated Depreciation</b>	<b>\$ 20,326,581</b>	<b>(872,603)</b>	<b>(84,177)</b>	<b>19,369,801</b>
<b>Business-Type Activities</b>				
<b>Non-Depreciable Capital Assets</b>				
Land	\$ 19,547	-	-	19,547
Construction in Progress	35,465	107,948	(143,413)	-
<b>Total Non-Depreciable Capital Assets</b>	<b>55,012</b>	<b>107,948</b>	<b>(143,413)</b>	<b>19,547</b>
<b>Depreciable Capital Assets</b>				
Buildings, Improvements, and Infrastructure	31,626,169	143,413	-	31,769,582
Furniture and Fixtures	133,203	-	-	133,203
Vehicles	263,566	-	-	263,566
Machinery and Equipment	653,147	-	-	653,147
<b>Total Depreciable Capital Assets</b>	<b>32,676,085</b>	<b>143,413</b>	<b>-</b>	<b>32,819,498</b>
Accumulated Depreciation	(15,155,930)	(1,067,965)	-	(16,223,895)
<b>Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<b>17,520,155</b>	<b>(924,552)</b>	<b>-</b>	<b>16,595,603</b>
<b>Business-Type Activities, Capital Assets Net of Accumulated Depreciation</b>	<b>\$ 17,575,167</b>	<b>(816,604)</b>	<b>(143,413)</b>	<b>16,615,150</b>



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**NOTE 4 – LONG-TERM DEBT**

**General Obligation Bonds and Temporary Notes**

The City issues General Obligation Bonds (G.O. Bonds) and Temporary Notes to provide funds for the acquisition and construction or improvement of major capital assets. G.O. Bonds and Temporary Notes have been issued and are listed as outstanding by type as follows:

**Governmental Activities**

	<u>Date Issued</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
General Obligation Bonds					
Street and Infrastructure Improvements and Refunding	2015	2030	\$ 7,130,000	\$ 5,320,000	2.25-4.00%
Street and Infrastructure Improvements and Refunding	2016	2021	1,615,000	-	3.00%
Street Improvements	2018	2038	5,500,000	4,875,000	3.00-4.00%
Street Improvements Refunding	2020	2028	891,029	891,029	1.00-3.00%
Temporary Note					
Towne Centre Land Acquisition	2020	2024	2,210,000	2,210,000	0.30%
Capital Lease - Direct Borrowing					
Computer Equipment	2019	2023	22,800	9,421	7.49%

**Business Activities**

General Obligation Bonds					
Street and Infrastructure Improvements and Refunding	2016	2036	6,520,000	5,235,000	3.00%
Sewer Improvements	2019	2039	2,065,000	1,960,000	3.00-4.00%
Sewer Improvements Refunding	2020	2028	2,208,971	2,208,971	1.00-3.00%

The annual requirements to retire G.O. Bonds and Temp Notes as of December 31, 2021 are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2022	\$ 2,430,000	653,878	<b>3,083,878</b>
2023	2,505,000	570,478	<b>3,075,478</b>
2024	4,220,000	484,428	<b>4,704,428</b>
2025	1,505,000	414,348	<b>1,919,348</b>
2026	1,465,000	371,560	<b>1,836,560</b>
2027-2031	5,205,000	1,322,919	<b>6,527,919</b>
2032-2036	4,220,000	638,710	<b>4,858,710</b>
2037-2039	1,150,000	72,695	<b>1,222,695</b>
<b>Total</b>	<b>\$ 22,700,000</b>	<b>4,529,016</b>	<b>27,229,016</b>

The annual requirements to retire capital leases as of December 31, 2021 are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
2022	\$ 4,535	730	<b>5,265</b>
2023	4,886	379	<b>5,265</b>
<b>Total</b>	<b>\$ 9,421</b>	<b>1,109</b>	<b>10,530</b>

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Long-term debt activity for the year ended December 31, 2021 was as follows:

<b>Governmental Activities</b>	Beginning Balance	Prior Period Restatement	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 12,350,000	110,582	-	1,374,553	<b>11,086,029</b>	1,185,248
Temporary Notes	2,210,000	-	-	-	<b>2,210,000</b>	-
Original Issue Premiums	468,469	-	-	53,934	<b>414,535</b>	43,968
Capital Leases - Direct Borrowing	13,629	-	-	4,208	<b>9,421</b>	4,534
Compensated Absences	212,745	-	-	10,005	<b>202,740</b>	-
<b>Total</b>	<b>\$ 15,254,843</b>	<b>110,582</b>	<b>-</b>	<b>1,442,700</b>	<b>13,922,725</b>	<b>1,233,750</b>
<b>Business Activities</b>						
	Beginning Balance	Prior Period Restatement	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds	\$ 10,725,000	(110,582)	-	1,210,447	<b>9,403,971</b>	1,244,752
Original Issue Premiums	576,220	-	-	49,067	<b>527,153</b>	49,067
Early Debt Refunding	92,913	-	-	13,273	<b>79,640</b>	-
<b>Total</b>	<b>\$ 11,394,133</b>	<b>(110,582)</b>	<b>-</b>	<b>1,272,787</b>	<b>10,010,764</b>	<b>1,293,819</b>

**NOTE 5 – DEFINED BENEFIT PENSION PLAN**

**Plan Description**

**City of Lansing, Kansas** participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERs), a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public Employees, which includes
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the Library are included in the Local employees group.

KPERs issues a stand-alone comprehensive annual financial report, which is available on the KPERs website at [www.kpers.org](http://www.kpers.org).

**Benefits**

Benefits are established by statute and may only be changed by the Legislature. Members with ten or more years of credited service, may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 "points". Police and firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service.

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Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new cash balance retirement plan (KPERS 3) was created for new hires starting after January 1, 2015. Normal retirement age for KPERS 3 is 65 with 5 years of service or 60 with 30 years of service. Early retirement is available at age 55 with 10 years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

### **Contributions**

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2021.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for local government employees are both 8.87%. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory employer capped contribution rate for police and firemen employees are both 22.80%. The member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2021 was 6.00% for local government employees and 7.15% for police and firemen.

Contributions to the pension plan for the City were \$201,266 for local government and \$262,227 for police and firemen for the year ended December 31, 2021.

### **Employer Allocations**

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

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- State/School
- Local
- Police and Fireman
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2021 were based on the ratio of each employer's contributions to the total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2021.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

**Net Pension Liability**

Net pension liability activity for the year ended December 31, 2021 was as follows:

	Local Government	Police and Firemen
Net Pension Liability	\$1,423,369	\$1,872,051
Measurement Date	June 30, 2021	June 30, 2021
Valuation Date	December 31, 2020	December 31, 2020
City's Proportion	0.119%	0.196%
Change in Proportion	0.0018%	-0.0070%

**Actuarial Assumptions**

The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Price inflation	2.75%
Salary increase	3.50 to 12.00%, including inflation
Investment rate of return net of investment expense, including price inflation	7.25%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the three year period January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of

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return for each major asset class of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	%	<u>Long-Term Expected Real Rate of Return</u>	%
U.S. Equities	23.50	%	5.20	%
Non-U.S. Equities	23.50		6.40	
Private Equity	8.00		9.50	
Private Real Estate	11.00		4.45	
Yield Driven	8.00		4.70	
Real Return	11.00		3.25	
Fixed Income	11.00		1.55	
Short-term Investments	4.00		0.25	
<b>Total</b>	<u>100.00</u>	<u>%</u>		

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The local groups do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Local Employees	\$2,341,296	\$1,423,369	\$653,562
Police and Firemen	2,809,762	1,872,051	1,087,647

**Pension Expense**

For the year ended December 31, 2021, the City recognized pension expense of \$441,057, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for local employees and police and firemen:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between actual and expected experience	\$ 203,901	12,888
Net differences between projected and actual earnings on investments	-	996,567
Changes in assumptions	518,320	-
Changes in proportion	167,713	101,475
City contributions subsequent to measurement date	247,877	-
<b>Total</b>	<b>\$ 1,137,811</b>	<b>1,110,930</b>

The \$247,877 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2022	\$ 48,687
2023	3,133
2024	(54,775)
2025	(236,905)
2026	18,864
Thereafter	-

**NOTE 6 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas statutes. The City's operating transfers and statutory authority for the year ended December 31, 2021 were as follows:

From Fund	To Fund	Statutory Authority	Amount
General Fund	Consolidated Street and Highway Fund	K.S.A. 12-1,119	\$ 120,000
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	840,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	75,000
Sales Tax (\$.45) Fund	Bond and Interest Fund	K.S.A. 12-197	386,275

**NOTE 7 – CONTINGENCIES**

**City of Lansing, Kansas** is party to various legal proceedings, such as foreclosure actions and tax appeals, which normally occur in governmental operations. The legal proceedings are not likely to have a material financial impact on the funds of the City.

**City of Lansing, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

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**NOTE 8 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS**

**City of Lansing, Kansas** is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Eastern Region Insurance Trust (KERIT), a public entity risk pool currently operating as a common risk management and insurance program for 19 participating members. The agreement to participate provides that KERIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. During 2021, the City contributed \$65,332 to the fund for this insurance coverage. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERIT management.

The City carries commercial insurance for all other risks of loss including property, general liability, commercial, inland marine, crime, automobile, earthquake, cyber, umbrella, and public official/employment liability coverage. There were no significant reductions in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three calendar years.

**NOTE 9 – TAX ABATEMENTS**

The Neighborhood Revitalization Rebate Program provides property tax abatements to promote revitalization and development of the **City of Lansing, Kansas** by stimulating new construction and the rehabilitation, conservation or redevelopment of the area in order to protect the public health, safety or welfare of the residents. Abatements are obtained through application by the property owner, including proof that the improvements or construction have been made, and equal 95 percent in the first year of the additional property tax resulting from the increase in assessed value as a result of the improvements or construction. The abatement is on a sliding scale from 95% to 20% over a 10-year process. The amount of the abatement is deducted from the recipient's County property tax bill. The total tax abatements for the year ended December 31, 2021 were \$29,180.

**NOTE 10 – ENCUMBRANCES**

Encumbrances included in fund balances as of December 31, 2021 are reported in the following table:

Fund	Encumbrances
Major Funds	
General Fund	\$ 27,443
Capital Improvement Fund	33,643
ARPA Fund	400,000
Wastewater Fund	497,939
Nonmajor Governmental Funds	205,912
<b>Total Reporting Entity</b>	<b>\$ 1,164,937</b>

**NOTE 11 – COMPARATIVE DATA AND RECLASSIFICATIONS**

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of the changes in **City of Lansing, Kansas'** financial position and operations. The comparative totals appear in the government-wide financial statements, fund financial statements, and the

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accompanying supplemental financial statements. Certain amounts in the prior year have been reclassified to conform to the presentation of the financial statements in the current year. These reclassifications have no effect on the City's net position.

**NOTE 12 – RESTATEMENT OF PRIOR YEARS' FINANCIAL STATEMENTS**

General Obligation Bonds should be reflected in the funds in which the debt will be paid. A prior period restatement was needed to accurately reflect the General Obligation Bonds for various sewer projects in the Wastewater Fund that was previously recorded in the Bond and Interest Fund. The net amount of \$110,582 is reflected in the governmental activities and \$110,582 in the proprietary funds. The prior period restatement to the entity as a whole was \$0.

**NOTE 13 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 19, 2022, which is the date the financial statements were available to be issued.



**CITY OF LANSING, KANSAS**

Required Supplementary Information

**CITY OF LANSING, KANSAS**  
 General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Year Ended December 31, 2021  
 (With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>			2020 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
<b>Revenues</b>				
Property Tax	\$ 2,380,937	<b>2,372,950</b>	(7,987)	2,238,753
Motor Vehicle Tax	276,428	<b>308,071</b>	31,643	303,550
Local Alcoholic Liquor Tax	19,446	<b>17,942</b>	(1,504)	16,309
Sales Tax	1,129,000	<b>1,985,532</b>	856,532	1,839,359
Compensating Use Tax	854,000	<b>615,974</b>	(238,026)	465,355
Franchise Fees	667,450	<b>680,517</b>	13,067	654,021
Licenses and Permits	82,000	<b>152,530</b>	70,530	110,873
Fines and Forfeitures	353,600	<b>409,697</b>	56,097	293,848
Federal Aid	-	<b>1,821</b>	1,821	1,615,003
Interest	2,500	<b>33</b>	(2,467)	1,968
Other	99,000	<b>34,083</b>	(64,917)	38,992
<b>Total Revenues</b>	<b>5,864,361</b>	<b>6,579,150</b>	714,789	7,578,031
<b>Expenditures</b>				
General Government				
City Administrator	154,734	<b>160,075</b>	5,341	150,794
Administration	832,596	<b>572,628</b>	(259,968)	523,765
Municipal Court	204,689	<b>204,186</b>	(503)	196,983
Building Maintenance	74,118	<b>74,584</b>	466	65,010
Community Development	685,214	<b>523,500</b>	(161,714)	461,606
Information Technology	91,500	<b>81,952</b>	(9,548)	189,575
Finance Department	287,024	<b>279,799</b>	(7,225)	269,175
Public Safety				
Police	2,006,349	<b>1,952,622</b>	(53,727)	2,265,922
Emergency Preparedness	3,000	-	(3,000)	-
Public Works				
General	261,768	<b>304,895</b>	43,127	293,211
Streets	177,775	<b>180,257</b>	2,482	330,030
Street Lights	205,000	<b>170,389</b>	(34,611)	194,435
Culture and Recreation				
Parks and Recreation	563,520	<b>517,102</b>	(46,418)	517,513
Activity Center	134,692	<b>113,358</b>	(21,334)	115,750
Community Center	7,806	<b>2,739</b>	(5,067)	4,802
Contingency	463,150	-	(463,150)	-
<b>Total Expenditures</b>	<b>6,152,935</b>	<b>5,138,086</b>	(1,014,849)	5,578,571
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(288,574)</b>	<b>1,441,064</b>	1,729,638	1,999,460
<b>Other Financing Sources (Uses)</b>				
Transfers In	75,000	-	(75,000)	62,500
Transfers Out	(1,035,000)	<b>(1,035,000)</b>	-	(1,194,000)
<b>Net Other Financing Sources (Uses)</b>	<b>(960,000)</b>	<b>(1,035,000)</b>	(75,000)	(1,131,500)
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	<b>(1,248,574)</b>	<b>406,064</b>	1,654,638	867,960
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<b>1,260,484</b>	<b>2,917,827</b>	1,657,343	2,049,867
<b>Budgetary Basis Fund Balance - End of Year</b>	<b>\$ 11,910</b>	<b>3,323,891</b>	3,311,981	2,917,827
<b>GAAP Adjustments</b>				
Encumbrances		<b>27,443</b>		
Prepaid Expenses		<b>10,174</b>		
<b>Fund Balance - End of Year</b>	<b>\$</b>	<b>3,361,508</b>		

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Schedule of Proportionate Share of Collective Net Pension Liability  
Kansas Public Employees Retirement System  
December 31, 2021

Fiscal Year-End Measurement Date	December 31, 2021 June 30, 2021	December 31, 2020 June 30, 2020	December 31, 2019 June 30, 2019	December 31, 2018 June 30, 2018	December 31, 2017 June 30, 2017	December 31, 2016 June 30, 2016
<b>KPERS</b>						
The City's proportion of the collective net pension liability	0.119%	0.117%	0.118%	0.124%	0.110%	0.110%
The City's proportionate share of the net pension liability	\$ 1,423,369	2,025,861	1,649,682	1,727,017	1,595,387	1,701,593
The City's covered payroll	\$ 2,275,094	2,212,814	2,184,288	2,097,324	1,958,228	1,954,711
The City's proportionate share of the collective net pension liability as a percentage of its covered payroll	62.56%	91.55%	75.52%	82.34%	81.47%	87.05%
<b>KP&amp;F</b>						
The City's proportion of the collective net pension liability	0.196%	0.203%	0.197%	0.178%	0.176%	0.182%
The City's proportionate share of the net pension liability	\$ 1,872,051	2,505,229	1,990,780	1,716,770	1,651,496	1,687,619
The City's covered payroll	\$ 1,099,025	1,114,203	1,049,088	905,865	880,889	845,319
The City's proportionate share of the collective net pension liability as a percentage of its covered payroll	170.34%	224.84%	189.76%	189.52%	187.48%	199.64%
Plan fiduciary net position as a percentage of the total pension liability	76.40%	66.30%	69.88%	68.88%	67.12%	65.09%

GASB No. 68 requires presentation of ten years. Until a full 10 year trend is compiled, the City will present information for those years for which information is available.

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Schedule of the City's Contributions  
Kansas Public Employees Retirement System  
December 31, 2021

	2021	2020	2019	2018	2017	2016
<b>KPERS</b>						
Contractually required contribution	\$ 199,857	193,080	188,581	186,844	172,284	175,942
Contributions in relation to the contractually required contribution	<u>199,857</u>	<u>193,080</u>	<u>188,581</u>	<u>186,844</u>	<u>172,284</u>	<u>175,942</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City's covered payroll	\$ 2,275,094	2,212,814	2,184,288	2,097,324	1,958,228	1,954,711
Contributions as a percentage of covered payroll	8.78%	8.73%	8.63%	8.91%	8.80%	9.00%
<b>KP&amp;F</b>						
Contractually required contribution	\$ 245,781	245,882	222,322	177,496	173,590	180,472
Contributions in relation to the contractually required contribution	<u>245,781</u>	<u>245,882</u>	<u>222,322</u>	<u>177,496</u>	<u>173,590</u>	<u>180,472</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The City's covered payroll	\$ 1,099,025	1,114,203	1,049,088	905,865	880,889	845,319
Contributions as a percentage of covered payroll	22.36%	22.07%	21.19%	19.59%	19.71%	21.35%

GASB No. 68 requires presentation of ten years. Until a full 10 year trend is compiled, the City will present information for those years for which information is available.

The notes to the financial statements are an integral part of these statements.

**CITY OF LANSING, KANSAS**  
Notes to Required Supplementary Information  
December 31, 2021

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KPERs Pension Plan

*Changes in assumptions.*

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

**KPERs**

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERs groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERs 3 members was lowered from 6.50% to 6.25%.

**KP&F**

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.25%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

**KPERs**

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERs groups.

**CITY OF LANSING, KANSAS**  
Notes to Required Supplementary Information  
December 31, 2021

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- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%

**CITY OF LANSING, KANSAS**

Supplementary Information

**CITY OF LANSING, KANSAS**  
Combining Balance Sheet  
Nonmajor Governmental Fund Types  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

		<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Totals</b>	
				<b>2021</b>	<b>2020</b>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$	1,886,639	101,529	<b>1,988,168</b>	1,772,384
Property Taxes Receivable		311,332	-	<b>311,332</b>	301,195
<b>Total Assets</b>	\$	<b>2,197,971</b>	<b>101,529</b>	<b>2,299,500</b>	<b>2,073,579</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u></b>					
<b>Liabilities</b>					
Accounts Payable	\$	65,677	-	<b>65,677</b>	17,961
Salaries and Wages Payable		8,905	-	<b>8,905</b>	6,860
<b>Total Liabilities</b>		<b>74,582</b>	<b>-</b>	<b>74,582</b>	<b>24,821</b>
<b>Deferred Inflows of Resources</b>					
Deferred Receivable - Property Taxes		311,331	-	<b>311,331</b>	301,195
<b>Total Liabilities and Deferred Inflows of Resources</b>		<b>385,913</b>	<b>-</b>	<b>385,913</b>	<b>326,016</b>
<b>Fund Balance</b>					
Restricted		1,812,058	-	<b>1,812,058</b>	1,710,996
Assigned		-	101,529	<b>101,529</b>	36,567
<b>Total Fund Balance</b>		<b>1,812,058</b>	<b>101,529</b>	<b>1,913,587</b>	<b>1,747,563</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	\$	<b>2,197,971</b>	<b>101,529</b>	<b>2,299,500</b>	<b>2,073,579</b>

See independent auditors' report.



**CITY OF LANSING, KANSAS**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

	Transient	Mayor's	Special	Special	Sales	Park	Consolidated	Police	Equipment	Library	Totals	
	Guest Tax Fund	Christmas Fund	Alcohol Liquor Fund	Parks and Recreation Fund	Tax (\$.45) Fund	Land Trust Fund	Street and Highway Fund	Equipment Reserve Fund	Reserve Fund	Fund	2021	2020
<b>ASSETS</b>												
<b>Assets</b>												
Cash and Cash Equivalents	\$ 235,284	16,756	38,597	181,636	660,514	24	333,009	40,479	208,340	172,000	<b>1,886,639</b>	1,720,329
Property Taxes Receivable	-	-	-	-	-	-	-	-	-	311,332	<b>311,332</b>	301,195
<b>Total Assets</b>	<b>\$ 235,284</b>	<b>16,756</b>	<b>38,597</b>	<b>181,636</b>	<b>660,514</b>	<b>24</b>	<b>333,009</b>	<b>40,479</b>	<b>208,340</b>	<b>483,332</b>	<b>2,197,971</b>	<b>2,021,524</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>												
<b>Liabilities</b>												
Accounts Payable	\$ -	-	-	-	62,111	-	1,064	-	-	2,502	<b>65,677</b>	2,473
Salaries and Wages Payable	-	-	-	-	-	-	4,772	-	-	4,133	<b>8,905</b>	6,860
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,111</b>	<b>-</b>	<b>5,836</b>	<b>-</b>	<b>-</b>	<b>6,635</b>	<b>74,582</b>	9,333
<b>Deferred Inflows of Resources</b>												
Deferred Receivable - Property Taxes	-	-	-	-	-	-	-	-	-	311,331	<b>311,331</b>	301,195
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,111</b>	<b>-</b>	<b>5,836</b>	<b>-</b>	<b>-</b>	<b>317,966</b>	<b>385,913</b>	310,528
<b>Fund Balance</b>												
Restricted	235,284	16,756	38,597	181,636	598,403	24	327,173	40,479	208,340	165,366	<b>1,812,058</b>	1,710,996
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 235,284</b>	<b>16,756</b>	<b>38,597</b>	<b>181,636</b>	<b>660,514</b>	<b>24</b>	<b>333,009</b>	<b>40,479</b>	<b>208,340</b>	<b>483,332</b>	<b>2,197,971</b>	<b>2,021,524</b>

See independent auditors' report.

**CITY OF LANSING, KANSAS**  
Combining Balance Sheet  
Nonmajor Capital Project Funds  
December 31, 2021  
(With Comparative Totals as of December 31, 2020)

	<u>Towne Centre Fund</u>	<u>DeSoto Road Project Fund</u>	<u>Totals</u>	
			<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 94,429	7,100	<b>101,529</b>	52,055
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>Liabilities</b>				
Accounts Payable	\$ -	-	-	15,488
<b>Fund Balance</b>				
Assigned	94,429	7,100	<b>101,529</b>	36,567
<b>Total Liabilities and Fund Balance</b>	<b>\$ 94,429</b>	<b>7,100</b>	<b>101,529</b>	<b>52,055</b>

See independent auditors' report.

**CITY OF LANSING, KANSAS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Fund Types  
December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	Special Revenue Funds	Capital Project Funds	Totals	
			2021	2020
<b>Revenues</b>				
Taxes	\$ 1,556,577	-	<b>1,556,577</b>	1,375,346
Intergovernmental	16,882	-	<b>16,882</b>	227,057
Interest	82	-	<b>82</b>	2,542
Other	152,120	72,106	<b>224,226</b>	53,801
<b>Total Revenues</b>	<b>1,725,661</b>	<b>72,106</b>	<b>1,797,767</b>	1,658,746
<b>Expenditures</b>				
General Government	179,281	-	<b>179,281</b>	2,328,305
Public Safety	44,333	-	<b>44,333</b>	16,018
Public Works	469,805	-	<b>469,805</b>	494,668
Culture and Recreation	611,127	-	<b>611,127</b>	334,595
Construction and Engineering	128,778	7,144	<b>135,922</b>	1,412,958
Small Business Grants	-	-	<b>-</b>	220,000
<b>Total Expenditures</b>	<b>1,433,324</b>	<b>7,144</b>	<b>1,440,468</b>	4,806,544
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<b>292,337</b>	<b>64,962</b>	<b>357,299</b>	(3,147,798)
<b>Other Financing Sources (Uses)</b>				
Proceeds - General Obligation Bonds	-	-	<b>-</b>	2,210,000
Bond Costs of Issuance	-	-	<b>-</b>	(36,912)
Transfers In	195,000	-	<b>195,000</b>	597,507
Transfers Out	(386,275)	-	<b>(386,275)</b>	(532,782)
<b>Net Other Financing Sources (Uses)</b>	<b>(191,275)</b>	<b>-</b>	<b>(191,275)</b>	2,237,813
<b>Net Change in Fund Balance</b>	<b>101,062</b>	<b>64,962</b>	<b>166,024</b>	(909,985)
<b>Fund Balance - Beginning of Year</b>	<b>1,710,996</b>	<b>36,567</b>	<b>1,747,563</b>	2,657,548
<b>Fund Balance - End of Year</b>	<b>\$ 1,812,058</b>	<b>101,529</b>	<b>1,913,587</b>	1,747,563

See independent auditors' report.

**CITY OF LANSING, KANSAS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	Transient Guest Tax Fund	Mayor's Christmas Fund	Special Alcohol Liquor Fund	Special Parks and Recreation Fund	Sales Tax (\$.45) Fund	Park Land Trust Fund	Consolidated Street and Highway Fund	Police Equipment Reserve Fund	Equipment Reserve Fund	Library Fund	Totals	
											2021	2020
<b>Revenues</b>												
Taxes	\$ 200,109	-	17,942	17,942	575,171	-	404,257	-	-	341,156	<b>1,556,577</b>	1,375,345
Intergovernmental	-	-	-	-	-	-	-	-	-	16,882	<b>16,882</b>	227,057
Interest	1	-	-	32	41	-	6	-	2	-	<b>82</b>	2,542
Other	2,021	2,560	80	50,447	-	-	207	34,450	57,902	4,453	<b>152,120</b>	53,801
<b>Total Revenues</b>	<u>202,131</u>	<u>2,560</u>	<u>18,022</u>	<u>68,421</u>	<u>575,212</u>	<u>-</u>	<u>404,470</u>	<u>34,450</u>	<u>57,904</u>	<u>362,491</u>	<b><u>1,725,661</u></b>	<u>1,658,745</u>
<b>Expenditures</b>												
General Government	93,725	2,656	-	-	-	-	-	-	82,900	-	<b>179,281</b>	177,540
Public Safety	-	-	32,900	-	-	-	-	11,433	-	-	<b>44,333</b>	16,018
Public Works	-	-	-	-	-	-	469,805	-	-	-	<b>469,805</b>	494,668
Culture and Recreation	-	-	-	286,867	-	-	-	-	-	324,260	<b>611,127</b>	334,595
Construction and Engineering	-	-	-	-	128,778	-	-	-	-	-	<b>128,778</b>	39,474
Small Business Grants	-	-	-	-	-	-	-	-	-	-	<b>-</b>	220,000
<b>Total Expenditures</b>	<u>93,725</u>	<u>2,656</u>	<u>32,900</u>	<u>286,867</u>	<u>128,778</u>	<u>-</u>	<u>469,805</u>	<u>11,433</u>	<u>82,900</u>	<u>324,260</u>	<b><u>1,433,324</u></b>	<u>1,282,295</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<u>108,406</u>	<u>(96)</u>	<u>(14,878)</u>	<u>(218,446)</u>	<u>446,434</u>	<u>-</u>	<u>(65,335)</u>	<u>23,017</u>	<u>(24,996)</u>	<u>38,231</u>	<b><u>292,337</u></b>	<u>376,450</u>
<b>Other Financing Sources (Uses)</b>												
Transfers In	-	-	-	-	-	-	120,000	-	75,000	-	<b>195,000</b>	397,507
Transfers Out	-	-	-	-	(386,275)	-	-	-	-	-	<b>(386,275)</b>	(532,782)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(386,275)</u>	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<b><u>(191,275)</u></b>	<u>(135,275)</u>
<b>Net Change in Fund Balance</b>	<u>108,406</u>	<u>(96)</u>	<u>(14,878)</u>	<u>(218,446)</u>	<u>60,159</u>	<u>-</u>	<u>54,665</u>	<u>23,017</u>	<u>50,004</u>	<u>38,231</u>	<b><u>101,062</u></b>	<u>241,175</u>
<b>Fund Balance - Beginning of Year</b>	<u>126,878</u>	<u>16,852</u>	<u>53,475</u>	<u>400,082</u>	<u>538,244</u>	<u>24</u>	<u>272,508</u>	<u>17,462</u>	<u>158,336</u>	<u>127,135</u>	<b><u>1,710,996</u></b>	<u>1,469,821</u>
<b>Fund Balance - End of Year</b>	<u>\$ 235,284</u>	<u>16,756</u>	<u>38,597</u>	<u>181,636</u>	<u>598,403</u>	<u>24</u>	<u>327,173</u>	<u>40,479</u>	<u>208,340</u>	<u>165,366</u>	<b><u>1,812,058</u></b>	<u>1,710,996</u>

See independent auditors' report.

**CITY OF LANSING, KANSAS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Capital Project Funds  
December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	Towne Centre Fund	DeSoto Road Project Fund	Totals	
			2021	2020
<b>Revenues</b>				
Other	\$ 72,106	-	<b>72,106</b>	-
<b>Expenditures</b>				
Construction and Engineering	-	7,144	<b>7,144</b>	3,524,248
<b>Excess (Deficit) of Revenues Over Expenditures</b>	<u>72,106</u>	<u>(7,144)</u>	<b><u>64,962</u></b>	<u>(3,524,248)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds - Temporary Notes	-	-	-	2,210,000
Bond Costs of Issuance	-	-	-	(36,912)
Transfers In	-	-	-	200,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,373,088</u>
<b>Net Change in Fund Balances</b>	72,106	(7,144)	<b>64,962</b>	(1,151,160)
<b>Fund Balance - Beginning of Year</b>	<u>22,323</u>	<u>14,244</u>	<b><u>36,567</u></b>	<u>1,187,727</u>
<b>Fund Balance - End of Year</b>	<u>\$ 94,429</u>	<u>7,100</u>	<b><u>101,529</u></b>	<u>36,567</u>

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**CITY OF LANSING, KANSAS**  
**Transient Guest Tax Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>		Variance Over (Under)	2020 Actual
	Original and Final Budget	<b>Actual</b>		
<b>Revenues</b>				
Taxes	\$ 70,000	<b>200,109</b>	130,109	135,739
Interest	50	<b>1</b>	(49)	51
Other	23,000	<b>2,021</b>	(20,979)	5,740
<b>Total Revenues</b>	<u>93,050</u>	<u><b>202,131</b></u>	<u>109,081</u>	<u>141,530</u>
<b>Expenditures</b>				
Contractual	41,447	<b>23,692</b>	(17,755)	24,121
Commodities	12,750	<b>10,846</b>	(1,904)	16,334
Events	82,060	<b>59,187</b>	(22,873)	45,628
<b>Total Expenditures</b>	<u>136,257</u>	<u><b>93,725</b></u>	<u>(42,532)</u>	<u>86,083</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(43,207)	<b>108,406</b>	151,613	55,447
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<u>43,207</u>	<u><b>126,878</b></u>	<u>83,671</u>	<u>71,431</u>
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <u>-</u>	<u><b>235,284</b></u>	<u>235,284</u>	<u>126,878</u>

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**CITY OF LANSING, KANSAS**  
**Mayor's Christmas Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>		Variance Over (Under)	2020 Actual
	Original and Final Budget	<b>Actual</b>		
<b>Revenues</b>				
Other	\$ 4,000	<b>2,560</b>	(1,440)	2,329
<b>Expenditures</b>				
Personal Services	4,000	<b>2,656</b>	(1,344)	1,432
Contingency	15,954	-	(15,954)	-
<b>Total Expenditures</b>	<u>19,954</u>	<u><b>2,656</b></u>	<u>(17,298)</u>	<u>1,432</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(15,954)	<b>(96)</b>	15,858	897
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<u>15,954</u>	<u><b>16,852</b></u>	<u>898</u>	<u>15,955</u>
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <u><u>-</u></u>	<u><u><b>16,756</b></u></u>	<u><u>16,756</u></u>	<u><u>16,852</u></u>

See independent auditors' report.

**CITY OF LANSING, KANSAS**  
**Special Alcohol Liquor Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>		Variance Over (Under)	2020 Actual
	Original and Final Budget	<b>Actual</b>		
<b>Revenues</b>				
Taxes	\$ 19,446	<b>17,942</b>	(1,504)	16,309
Interest	35	-	(35)	35
Other	-	<b>80</b>	80	-
<b>Total Revenues</b>	<u>19,481</u>	<u><b>18,022</b></u>	<u>(1,459)</u>	<u>16,344</u>
<b>Expenditures</b>				
Contractual	750	-	(750)	-
Capital Outlay	43,500	<b>32,900</b>	(10,600)	-
Contingency	26,052	-	(26,052)	-
<b>Total Expenditures</b>	<u>70,302</u>	<u><b>32,900</b></u>	<u>(37,402)</u>	<u>-</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(50,821)	<b>(14,878)</b>	35,943	16,344
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<u>50,821</u>	<u><b>53,475</b></u>	<u>2,654</u>	<u>37,131</u>
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <u>-</u>	<u><b>38,597</b></u>	<u>38,597</u>	<u>53,475</u>

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**CITY OF LANSING, KANSAS**  
**Special Parks and Recreation Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>		Variance Over (Under)	2020 Actual
	Original and Final Budget	<b>Actual</b>		
<b>Revenues</b>				
Taxes	\$ 19,446	<b>17,942</b>	(1,504)	16,309
Interest	525	<b>32</b>	(493)	962
Other	71,585	<b>50,447</b>	(21,138)	9,527
<b>Total Revenues</b>	91,556	<b>68,421</b>	(23,135)	26,798
<b>Expenditures</b>				
Culture and Recreation	465,007	<b>286,867</b>	(178,140)	20,243
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(373,451)	<b>(218,446)</b>	155,005	6,555
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	177,507
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	(373,451)	<b>(218,446)</b>	155,005	184,062
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	373,451	<b>400,082</b>	26,631	216,020
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ -	<b>181,636</b>	181,636	400,082

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**CITY OF LANSING, KANSAS**

**Sales Tax (\$.45) Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2021

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

	2021			2020 Actual
	Original and Final Budget	Actual	Variance Over (Under)	
<b>Revenues</b>				
Taxes	\$ 390,000	<b>575,171</b>	185,171	505,545
Interest	200	<b>41</b>	(159)	711
<b>Total Revenues</b>	390,200	<b>575,212</b>	185,012	506,256
<b>Expenditures</b>				
Capital Outlay	333,410	<b>220,690</b>	(112,720)	39,473
<b>Excess (Deficit) of Revenues Over Expenditures</b>	56,790	<b>354,522</b>	297,732	466,783
<b>Other Financing Uses</b>				
Transfers Out	386,275	<b>386,275</b>	-	389,275
<b>Net Change in Fund Balance</b>	(329,485)	<b>(31,753)</b>	297,732	77,508
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	329,485	<b>538,244</b>	208,759	460,736
<b>Budgetary Basis Fund Balance - End of Year</b>	-	<b>506,491</b>	506,491	538,244
<b>GAAP Adjustments</b>				
Encumbrances		<b>91,912</b>		
<b>Fund Balance - End of Year</b>	\$	<b>598,403</b>		

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**CITY OF LANSING, KANSAS**  
**Park Land Trust Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>			2020 Actual
	Original and Final Budget	<b>Actual</b>	Variance Over (Under)	
<b>Revenues</b>	\$ -	-	-	-
<b>Expenditures</b>				
Capital Outlay	24	-	(24)	-
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(24)	-	24	-
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	24	<b>24</b>	-	24
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ -	<b>24</b>	24	24

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**CITY OF LANSING, KANSAS**  
**Consolidated Street and Highway Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>2021</b>		Variance Over (Under)	2020 Actual
	Original and Final Budget	<b>Actual</b>		
<b>Revenues</b>				
Intergovernmental	\$ 297,520	<b>404,257</b>	106,737	365,130
Interest	230	<b>6</b>	(224)	269
Other	500	<b>207</b>	(293)	437
<b>Total Revenues</b>	<u>298,250</u>	<u><b>404,470</b></u>	<u>106,220</u>	<u>365,836</u>
<b>Expenditures</b>				
Personal Services	303,994	<b>301,600</b>	(2,394)	276,859
Contractual	113,500	<b>71,428</b>	(42,072)	83,244
Commodities	58,000	<b>52,665</b>	(5,335)	66,651
Capital Outlay	65,000	<b>44,112</b>	(20,888)	67,913
Contingency	99,422	-	(99,422)	-
<b>Total Expenditures</b>	<u>639,916</u>	<u><b>469,805</b></u>	<u>(170,111)</u>	<u>494,667</u>
<b>Excess (Deficit) of Revenues Over Expenditures</b>	(341,666)	<b>(65,335)</b>	276,331	(128,831)
<b>Other Financing Sources</b>				
Transfers In	120,000	<b>120,000</b>	-	120,000
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	(221,666)	<b>54,665</b>	276,331	(8,831)
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<u>221,666</u>	<u><b>272,508</b></u>	<u>50,842</u>	<u>281,339</u>
<b>Budgetary Basis Fund Balance - End of Year</b>	<u>\$ -</u>	<u><b>327,173</b></u>	<u>327,173</u>	<u>272,508</u>

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**CITY OF LANSING, KANSAS**

**Library Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2021

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

	2021		Variance Over (Under)	2020 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
Taxes	\$ 337,401	<b>341,156</b>	3,755	336,313
Intergovernmental	1,700	<b>16,882</b>	15,182	7,057
Interest	50	-	(50)	61
Other	3,700	<b>4,453</b>	753	4,742
<b>Total Revenues</b>	<u>342,851</u>	<u><b>362,491</b></u>	<u>19,640</u>	<u>348,173</u>
<b>Expenditures</b>				
Personal Services	265,039	<b>244,692</b>	(20,347)	245,383
Contractual	9,400	<b>3,737</b>	(5,663)	4,177
Commodities	18,840	<b>16,557</b>	(2,283)	14,366
Capital Outlay	66,500	<b>59,274</b>	(7,226)	50,427
Contingency	37,000	-	(37,000)	-
<b>Total Expenditures</b>	<u>396,779</u>	<u><b>324,260</b></u>	<u>(72,519)</u>	<u>314,353</u>
<b>Excess Revenues Over (Under) Expenditures</b>	(53,928)	<b>38,231</b>	92,159	33,820
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<u>55,434</u>	<u><b>127,135</b></u>	<u>71,701</u>	<u>93,315</u>
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <u><u>1,506</u></u>	<u><u><b>165,366</b></u></u>	<u><u>163,860</u></u>	<u><u>127,135</u></u>

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**CITY OF LANSING, KANSAS**

**Bond and Interest Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended December 31, 2021

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

	2021		Variance Over (Under)	2020 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
Taxes	\$ 1,173,016	<b>1,441,838</b>	268,822	1,391,096
Interest	1,000	<b>6</b>	(994)	1,192
Other	257,015	<b>392</b>	(256,623)	-
<b>Total Revenues</b>	<u>1,431,031</u>	<u><b>1,442,236</b></u>	<u>11,205</u>	<u>1,392,288</u>
<b>Expenditures</b>				
Principal - Bonds	2,620,000	<b>1,374,553</b>	(1,245,447)	2,575,000
Interest and Commissions	704,990	<b>410,102</b>	(294,888)	461,333
Contingency	250,000	-	(250,000)	-
<b>Total Expenditures</b>	<u>3,574,990</u>	<u><b>1,784,655</b></u>	<u>(1,790,335)</u>	<u>3,036,333</u>
<b>Excess Revenues Over (Under) Expenditures</b>	<u>(2,143,959)</u>	<u><b>(342,419)</b></u>	<u>1,801,540</u>	<u>(1,644,045)</u>
<b>Other Financing Sources (Uses)</b>				
Bond Proceeds	-	-	-	1,000,000
Original Issue Premium	-	-	-	62,922
Bond Costs of Issuance	-	-	-	(18,350)
Transfers In	1,927,373	<b>386,275</b>	(1,541,098)	389,275
<b>Net Other Financing Sources (Uses)</b>	<u>1,927,373</u>	<u><b>386,275</b></u>	<u>(1,541,098)</u>	<u>1,433,847</u>
<b>Excess Revenues and Other Financing Sources (Uses) Over (Under) Expenditures</b>	<u>(216,586)</u>	<u><b>43,856</b></u>	<u>260,442</u>	<u>(210,198)</u>
<b>Budgetary Basis Fund Balance - Beginning of Year</b>	<u>221,835</u>	<u><b>91,434</b></u>	<u>(130,401)</u>	<u>301,632</u>
<b>Budgetary Basis Fund Balance - End of Year</b>	\$ <u>5,249</u>	<u><b>135,290</b></u>	<u>130,041</u>	<u>91,434</u>

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**CITY OF LANSING, KANSAS**  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>Bonds and Fines Escrow Fund</b>	<b>Hillbrook Subdivision Escrow 04-24 Fund</b>	<b>Totals</b>	
			<b>2021</b>	<b>2020</b>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 17,918	17,453	<b>35,371</b>	35,979
<b><u>LIABILITIES</u></b>				
<b>Liabilities</b>				
Due to Others	\$ -	17,453	<b>17,453</b>	17,935
Bonds Posted Escrow	17,918	-	<b>17,918</b>	18,044
<b>Total Liabilities</b>	<b>\$ 17,918</b>	<b>17,453</b>	<b>35,371</b>	<b>35,979</b>

**CITY OF LANSING, KANSAS**  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
December 31, 2021  
(With Comparative Totals for the Prior Year Ended December 31, 2020)

	<b>Bonds and Fines Escrow Fund</b>	<b>Hillbrook Subdivision Escrow 04-24 Fund</b>	<b>Totals</b>	
			<b>2021</b>	<b>2020</b>
<b>Revenues</b>	\$ -	-	-	-
<b>Expenditures</b>	-	-	-	-
<b>Excess (Deficit) of Revenues Over Expenditures</b>	-	-	-	-
<b>Fund Balance - Beginning of Year</b>	-	-	-	-
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

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