CITY OF WELLINGTON, KANSAS

Financial Statements

For the Year Ended December 31, 2024

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CITY OF WELLINGTON, KANSAS
Financial Statements
For the Year Ended December 31, 2024
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Wellington, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Wellington, Kansas and its related municipal entities, the Wellington Public Library, the Public Building Commission of the City of Wellington, Kansas, and the Wellington Health Care Authority (collectively, the City), as of and for the year ended December 31, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

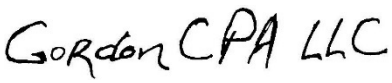
In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2023 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Wellington, Kansas as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated July 22, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2023, on the basis of accounting described in Note 1.



Certified Public Accountant
Lawrence, Kansas

July 30, 2025

CITY OF WELLINGTON, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 3,074,242	$ 2,931	$ 10,703,451	$ 10,317,353	$ 3,463,271	429,906	$ 3,893,177
Special Purpose Funds:							
Ambulance and Fire Fighting Equipment	106,404	-	337,362	290,899	152,867	-	152,867
Library	[261]	-	274,631	274,000	370	-	370
Special Highway	185,185	-	215,967	222,257	178,895	-	178,895
Employee Benefit	143,068	-	1,350,545	985,383	508,230	13,035	521,265
Special Liability	207,207	-	906,133	970,451	142,889	17	142,906
Hospital Sales Tax	-	-	1,706,272	1,706,272	-	-	-
Special Alcohol and Drug	9,425	-	20,067	23,500	5,992	-	5,992
Special Parks and Recreation	28,512	-	21,217	25,545	24,184	10,585	34,769
Tourism and Convention	47,882	-	37,732	39,992	45,622	-	45,622
Land Bank	2,371	-	7,649	1,067	8,953	-	8,953
Permanent Cemetery Endowment	157,471	-	11,210	6,013	162,668	-	162,668
Hazmat Response	5,195	-	245	50	5,390	-	5,390
Fire Prevention and Education	449	-	21	-	470	-	470
Police VIN	17,096	-	26,931	23,444	20,583	941	21,524
Asset Forfeiture	4,656	-	221	-	4,877	-	4,877
Equipment Reserve	331,111	-	1,522,753	1,517,840	336,024	-	336,024
Sanitation Equipment Reserve	31,877	-	167,582	131,621	67,838	-	67,838
Housing Authority Reserve	121,075	-	-	-	121,075	-	121,075
SCCDAT Grant	8,722	-	115,367	117,043	7,046	3,200	10,246
ARPA Grant	582,094	-	-	582,094	-	-	-
Wellington Airport FAA Grant	[11,336]	-	535,139	646,243	[122,440]	35,622	[86,818]
Opioid Settlement	22,824	-	27,391	84	50,131	-	50,131
Bond and Interest Funds:							
Bond and Interest	102,710	-	627,796	580,117	150,389	[2]	150,387
Capital Project Funds:							
Capital Improvements	1,270,888	10,432	1,468,281	1,048,141	1,701,460	101,909	1,803,369
Special Improvements	105,141	-	11,913	-	117,054	-	117,054
Sanitation Improvement	100,769	-	2,479	87,500	15,748	-	15,748
Electric, Waterworks & Sewage Capital Improvement	4,970,777	1,980	2,317,713	1,152,804	6,137,666	808,064	6,945,730
Auditorium A/C	35,891	-	1,716	-	37,607	-	37,607
Hospital Emergency Department Project	309,113	-	-	100,000	209,113	-	209,113
Electric, Waterworks & Sewage Project	238,515	-	11,408	-	249,923	-	249,923
Plum Street Waterline Project	[478,035]	21,000	591,844	137,214	[2,405]	4,405	2,000
Business Funds:							
Municipal Airport	36,421	-	352,527	314,998	73,950	2,458	76,408
Municipal Golf Course	[702]	-	538,655	548,823	[10,870]	11,011	141
Electric, Waterworks & Sewage Utility	8,004,930	-	18,963,954	19,966,076	7,002,808	1,015,864	8,018,672
Sanitation Utility	170,639	-	2,089,702	2,098,485	161,856	67,456	229,312

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

CITY OF WELLINGTON, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash - Continued
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Trust Funds:							
Public Library Trust	163,053	-	7,799	-	170,852	-	170,852
Annie Hamilton Trust	1,813	-	87	-	1,900	-	1,900
Mildred Share McLean Trust	5,582	-	267	-	5,849	-	5,849
Mausoleum Maintenance Trust	13,863	-	660	1,350	13,173	-	13,173
Regional Park Trust	41,603	-	9,867	2,983	48,487	-	48,487
Memorial Auditorium Renovation Trust	43,674	-	3,137	-	46,811	-	46,811
Recreation Trust	70,825	-	5,562	-	76,387	-	76,387
Municipal Golf Course Trust	10,529	-	30,409	40,232	706	-	706
Ambulance Service Trust	4,289	-	205	-	4,494	-	4,494
Municipal Airport Trust	1,615	-	77	-	1,692	-	1,692
Nichols Family Trust	201	-	867	759	309	-	309
Drug Tax Distribution Trust	7,634	-	433	-	8,067	-	8,067
Cemetery Beautification Trust	12,766	-	1,594	4,820	9,540	-	9,540
Cara Saunders Memorial Trust	551	-	27	-	578	-	578
Drug Awareness Trust	7,814	-	12,524	11,018	9,320	-	9,320
Employee Community Service Trust	3	-	-	-	3	-	3
Total Primary Government	20,328,141	36,343	45,039,389	43,976,471	21,427,402	2,504,471	23,931,873
Related Municipal Entities:							
Wellington Public Library	278,717	-	323,821	307,423	295,115	320	295,435
Wellington Public Building Commission	-	-	68,725	68,725	-	-	-
Wellington Health Care Authority	427,785	-	1,570,350	1,536,625	461,510	-	461,510
Total Reporting Entity (excluding Agency Funds)	$ 21,034,643	$ 36,343	$ 47,002,285	$ 45,889,244	$ 22,184,027	$ 2,504,791	$ 24,688,818

COMPOSITION OF CASH:	
Bank of Commerce	
Checking	$ 3,804,244
Checking - Health Care Authority	461,510
Certificates of Deposit	3,050,196
Impact Bank	
Checking - Library	295,237
Certificates of Deposit	6,000,000
Security State Bank	
Checking	2,034
Certificates of Deposit	3,000,000
RCB Bank	
Savings	10
Certificates of Deposit	1,014,653
Kansas Municipal Investment Pool	
OMIP Overnight Pool	7,126,827
Cash on Hand	2,650
Cash on Hand - Library	198
Total Cash	24,757,559
Less: Agency Funds per Schedule 3	[68,741]
Total Reporting Entity (excluding Agency Funds)	$ 24,688,818

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

NOTE 1 - Summary of Significant Accounting Policies

The City of Wellington, Kansas (the City) is incorporated as a city of the second class under the provisions of the Kansas Constitution, Article 12, Section 5 and K.S.A. 14-101 et seq. The City operates under a Council - Manager form of government and provides the following services as authorized by its charter:

- Highways and Streets
- Public Improvements
- Culture & Recreation
- Planning & Zoning
- General Administrative Service
- Public Safety
  - Police
  - Fire
  - Emergency Medical Services
- Utilities
  - Electric
  - Water
  - Sewer
  - Refuse

The financial statement and schedules of the City of Wellington, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow below. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Financial Reporting Entity

The City is a municipal corporation governed by an elected Mayor and six-member Council. This financial statement presents the City (the municipality) and its related municipal entities, the Wellington Public Library, the Public Building Commission of the City of Wellington, Kansas, and the Wellington Health Care Authority (collectively, the City). These related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents. This financial statement does not include the related municipal entity, The Housing Authority of the City of Wellington, Kansas.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the *Kansas Municipal Audit and Accounting Guide* (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Wellington Housing Authority - The Housing Authority of the City of Wellington, Kansas is a municipal corporation responsible for operating the City's housing projects. The Housing Authority is governed by a City appointed five-member board. The Housing Authority can sue and be sued. Bond ordinances and the purchase of real property must be approved by the City. These financial statements do not include the Housing Authority. Separate audited financial statements are prepared and are available at the Housing Authority's administrative office.

Wellington Public Library - The City of Wellington Library Board operates the City's public library. The Library is governed by a City appointed eight-member board. Acquisition or disposition of real property or bond issuances must be approved by the City. These financial statements include the Library.

Public Building Commission - The Public Building Commission of the City of Wellington, Kansas was created to oversee the construction of public facilities as directed by the City Council. The Commission is governed by a City appointed five-member board. Acquisition or disposition of real property or bond issuances must be approved by the City. The City is acting as the fiduciary agent for the Commission. These financial statements include the Commission.

Wellington Health Care Authority - The Wellington Health Care Authority was created for the purpose of providing integrated hospital and other health care services in the City. The Authority is governed by a City appointed five-member board. Acquisition or disposition of real property or bond issuances must be approved by the City. The City collects and appropriates a dedicated health-care sales tax to the Authority. These financial statements include the Authority.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2024:

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

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

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

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

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

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

Agency Funds - to account for assets held by the City in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Budgetary Information

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

If the City is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The original budget was amended during the year ended December 31, 2024 for the General, Debt Service, Ambulance and Fire Fighting Equipment, Municipal Airport, Municipal Golf Course and Sanitation Utility funds.

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

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

A legal operating budget is not required for capital improvement funds, capital project funds, trust funds and the following special purpose funds:

- Permanent Cemetery Endowment Fund
- Hazmat Response Fund
- Fire Prevention and Education Fund
- Police VIN Fund
- Asset Forfeiture Fund
- Equipment Reserve Fund
- Sanitation Equipment Reserve Fund
- Housing Authority Reserve Fund
- SCCDAT Grant Fund
- CDBG Housing Grant Fund
- ARPA Grant Fund
- Wellington Airport FAA Grant Fund
- Opioid Settlement 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 city commission.

NOTE 2 - Deposits and Investments

As of December 31, 2024, the City had the following investments and maturities.

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	More than 1	Rating U.S.
Kansas Municipal Investment Pool	$ 4,126,827	$ 4,126,827	$ -	N/A
Total Fair Value	$ 4,126,827	$ 4,126,827	$ -	

NOTE 2 - Deposits and Investments (Continued)

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

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2024, the City held no such investments.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2024, was as follows:

Investment	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 has no designated "peak periods." All deposits were fully secured as of December 31, 2024.

As of December 31, 2024, the City's carrying amount of deposits was $16,873,782 and the bank balance was $17,564,019. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, $1,000,000 was covered by federal depository insurance and $16,564,019 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

As of December 31, 2024, the Library's carrying amount of deposits was $295,435 and the bank balance was $299,946. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $49,946 was collateralized with securities held by the pledging financial institution's agents in the Library's name.

As of December 31, 2024, the Health Care Authority's carrying amount of deposits was $461,510 and the bank balance was $461,510. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and $211,510 was collateralized with securities held by the pledging financial institution's agents in the Health Care Authority'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.

As of December 31, 2024, the Municipality had invested $7,126,827 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 3 - Defined Benefit Pension Plan

Plan Description. The City and Library participate in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024. Contributions to the pension plan from the City were $428,237 for KPERS and $509,800 for KP&F for the year ended December 31, 2024. Contributions to the pension plan from the Library were $13,636.

Net Pension Liability. As of December 31, 2024, the City's proportionate share of the collective net pension liability reported by KPERS was $4,676,300 and $4,912,552 for KP&F. The Library's proportionate share of the collective net pension liability reported by KPERS was $120,210. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 4 - Other Long-Term Obligations from Operations

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2024.

NOTE 5 - Compensated Absences

Each full-time employee of the service of the City shall accrue paid time off with each pay date. The number of hours accrued per pay period is based on the employee's years of service and shift length as detailed by the following table:

	Regular (80/Hr Pay Period)		Law Enforcement (86/Hr Pay Period)		Fire & EMS (106/Hr Pay Period)	
Years of Service	Per Pay Period Accrual	Maximum Accrual	Per Pay Period Accrual	Maximum Accrual	Per Pay Period Accrual	Maximum Accrual
1 - 10	4	144	4.5	155	7.385	264
11 - 12	4.75	164	5.25	176	8.135	284
13 - 15	5.25	177	5.75	190	8.635	297
16 +	5.5	192	6	207	8.885	312

Employees separating from the City with more than 6 months of service are entitled to payment for all accrued but unused vacation earned prior to separation up to the maximum accrual. An employee's maximum accrual is based on the employee's years of service and shift length as detailed by the above table.

All employees accumulate sick leave based on shift length as detailed by the below table. This sick leave accumulates first in a short- term sick leave account up to a maximum accrual based on shift length as detailed by the below table, then into a reserve sick leave account, with a maximum accrual based on shift length as detailed by the below table. The short- term account can be replenished during the year from the reserve sick leave account when the balance falls below the applicable short- term maximum. If an employee has used less than the applicable short- term maximum hours during a calendar year, they have the option of receiving one half of the balance of those remaining hours in cash with their last paycheck of the year.

	Per Pay Period Accrual	Short-Term Maximum	Reserve Maximum	Maximum Payout
Regular (80/Hr Pay Period)	4	64	960	104
Law Enforcement (86/Hr Pay Period)	4.5	69	1,032	112
Fire & EMS (106/Hr Pay Period)	7.385	120	1,771	180

Upon termination of employment for medical reasons, retirement, or death, an employee or the employee's beneficiary receives payment at their regular hourly rate of pay for the balance in the short- term and reserve sick leave accounts, up to a maximum number of hours based on shift length as detailed by the above table.

The City has not estimated the liability for paid time off or sick leave which has been earned, but not taken, by City employees, as the amount cannot be reasonably estimated.

NOTE 6 - Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the City as of December 31, 2024.

NOTE 7 - Interfund Transfers

Operating transfers were as follows during the year ended December 31, 2024:

From	To	Amount	Regulatory Authority
General	Equipment Reserve	$ 311,249	K.S.A. 12-1, 117
General	Capital Improvements	350,000	K.S.A. 12-1, 118
General	Municipal Airport	55,000	Bond Covenant
General	Municipal Golf Course	309,000	Council Motion
General	Land Bank	5,000	Council Motion
Permanent Cemetery Endowment	General	6,013	K.S.A. 12-1410
Wellington Airport FAA Grant	Municipal Airport	6,861	Council Motion
Municipal Airport	Special Improvement	6,861	Council Motion
Electric, Waterworks, and Sewage Utility	General	1,648,247	K.S.A. 12-825d
Electric, Waterworks, and Sewage Utility	Electric, Waterworks, & Sewage Capital Improvement	2,040,170	K.S.A. 12-825d
Sanitation Utility	General	37,138	K.S.A. 12-825d
Sanitation Utility	Sanitation Equipment Reserve	45,000	K.S.A. 12-825d
Sanitation Utility	Bond and Interest	123,225	K.S.A. 12-825d
		$ 4,943,764	

NOTE 8 - Interfund Charges

The City uses interfund charges to share the cost of certain activities and projects across funds. Interfund charges are reported as interfund revenue in the reimbursed fund and as expenses in the reimbursing fund according to the underlying expense's natural function and department.

The General Fund is used to account for various administrative functions, which are partially allocated to other funds. Utility billing and collection, financial and management services were paid through the General Fund and reimbursed by other funds as detailed by the following table during the year ended December 31, 2024:

Reimbursing Fund	Amount
Special Highway	$ 135,000
Electric, Waterworks, and Sewage Utility	944,538
Sanitation Utility	92,143
	$ 1,171,681

The Employee Benefit Fund is used to account for various employee benefit expenses which are partially allocated to other funds. Health care benefits were paid through the Employee Benefit Fund and reimbursed by other funds as detailed by the following table during the year ended December 31, 2024:

Reimbursing Fund	Amount
General	$ 610,113
Municipal Golf Course	30,656
Electric, Waterworks, and Sewage Utility	259,725
Sanitation Utility	80,748
Municipal Airport	9,924
Liability Insurance	$ 991,165

NOTE 8 - Interfund Charges (Continued)

The Special Liability Fund is used to account for various insurance expenses which are partially allocated to other funds. Insurance premiums were paid through the Special Liability Fund and reimbursed by other funds as detailed by the following table during the year ended December 31, 2024:

Reimbursing Fund	Amount
General	$ 287,348
Municipal Golf Course	11,555
Electric, Waterworks, and Sewage Utility	484,416
Sanitation Utility	28,142
Municipal Airport	16,517
	$ 827,978

The City meters but does not bill other City funds for utility services.

NOTE 9 - Long-Term Debt

The following table summarizes changes in the City's long-term debt for the year ended December 31, 2024:

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
Primary Government:					
General Obligation Bonds	$ 14,475,289	$ 970,000	$ 2,226,194	$ 13,219,095	$ 286,448
Revenue Bonds	3,555,000	-	200,000	3,355,000	112,280
KDHE Loans	303,906	183,048	10,996	475,958	3,891
Finance Leases	657,001	1,503,745	301,210	1,859,535	38,668
Total Primary Government	18,991,196	2,656,793	2,738,400	18,909,588	441,287
Related Municipal Entity:					
Public Building Commission Revenue Bonds	555,000	-	45,000	510,000	23,725
Total Reporting Entity	$ 19,546,196	$ 2,656,793	$ 2,783,400	$ 19,419,588	$ 465,012

General Obligation Bonds. The following table details the City's outstanding general obligation debt as of December 31, 2024:

Issue	Date of Issue	Final Maturity	Interest Rate	Original Amount	Amount Outstanding
General Obligation Bonds, Series 2011-C	9/22/2011	9/22/2031	4.00%	$ 394,200	$ 174,095
General Obligation Elec Wtrwks & Sew Util Sys Refunding Bonds, Series 2015	8/1/2015	11/1/2027	2.00 - 3.00%	5,035,000	2,605,000
General Obligation Bonds, Series 2018	11/6/2018	8/1/2039	3.00 - 4.00%	1,125,000	920,000
General Obligation Bonds, Series 2019-A	4/9/2019	11/1/2039	2.50 - 3.00%	1,765,000	1,435,000
Taxable General Obligation Bonds, Series 2019-B	4/9/2019	11/1/2034	3.50 - 4.00%	555,000	415,000
General Obligation Bonds, Series 2021	3/1/2021	3/1/2026	0.00%	500,000	200,000
General Obligation Refunding Bonds, Series 2021-B	6/8/2021	9/1/2028	1.00 - 2.00%	1,270,000	695,000
General Obligation Bonds, Series 2021-C	7/27/2021	9/1/2030	1.00 - 1.10%	7,665,000	5,260,000
General Obligation Bonds, Series 2021-D	7/27/2021	11/1/2041	0.30 - 2.10%	630,000	545,000
General Oglibtaion Bonds, Series 2024	10/3/2024	9/1/2039	4.00 - 5.00%	970,000	970,000
					$ 13,219,095

NOTE 9 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the City's outstanding general obligation debt is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 2,237,042	$ 280,027	$ 2,517,069
2026	2,267,924	237,443	2,505,367
2027	2,213,841	192,271	2,406,112
2028	1,349,794	145,912	1,495,706
2029 - 2033	3,295,494	472,186	3,767,680
2034 - 2038	1,475,000	206,181	1,681,181
2039 - 2041	380,000	13,431	393,431
	$ 13,219,095	$ 1,547,451	$ 14,766,546

Revenue Bonds. The following table details the City's outstanding revenue bond debt as of December 31, 2024:

Issue	Date of Issue	Final Maturity	Interest Rate	Original Amount	Amount Outstanding
Elec, Wtrwks & Sew Util Sys Revenue Bonds, Series 2016	4/7/2016	11/1/2036	2.00 - 3.50%	$ 4,755,000	$ 3,355,000

Annual debt service requirements to maturity for the City's outstanding revenue bond debt is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 230,000	$ 108,280	$ 338,280
2026	240,000	101,380	341,380
2027	250,000	94,180	344,180
2028	260,000	85,430	345,430
2029 - 2033	1,415,000	299,300	1,714,300
2034 - 2036	960,000	67,280	1,027,280
	$ 3,355,000	$ 755,850	$ 4,110,850

NOTE 9 - Long-Term Debt (Continued)

Finance Leases. The following table details the City's outstanding finance leases as of December 31, 2024:

Issue	Date of Issue	Final Maturity	Interest Rate	Original Amount	Amount Outstanding
Fire Engine/Tender Truck	1/5/2015	7/5/2025	2.40%	$ 560,435	$ 34,991
Refuse Truck	1/22/2020	4/1/2025	3.40%	134,766	2,424
Bucket Truck	9/25/2020	9/25/2025	2.60%	250,000	39,691
Street Sweeper	7/8/2021	7/8/2025	1.65%	200,000	25,740
Rec Comm Parking Lot	2/18/2022	12/1/2031	1.75%	70,000	50,089
2023 Ambulance	7/14/2023	7/14/2028	3.40%	172,000	126,193
Wheel Loader	2/8/2023	1/25/2028	4.46%	158,737	102,168
Aerial Fire Truck	8/8/2024	8/7/2039	5.25%	1,183,080	1,165,511
2024 Ambulance	10/23/2024	10/23/2029	4.94%	220,095	213,599
2025 Sanitation Truck	10/28/2024	11/1/2029	4.66%	100,570	99,129
					$ 1,859,535

Annual debt service requirements to maturity for the City's finance lease obligations are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 287,750	$ 83,057	$ 370,807
2026	193,448	73,807	267,255
2027	202,402	64,856	267,258
2028	162,360	56,326	218,686
2029	134,945	49,050	183,995
2030 - 2034	407,185	178,823	586,008
2035 - 2039	471,447	61,171	532,618
	$ 1,859,536	$ 567,090	$ 2,426,626

Revolving Loan. The following table details the City's outstanding revolving loan as of December 31, 2024:

Issue	Date of Issue	Final Maturity	Interest Rate	Original Amount	Amount Outstanding
KDHE Revolving Loan #3071	2/1/2022	2/1/2044	1.31%	$ 485,481	$ 475,958

Annual debt service requirements to maturity for the City's outstanding revolving loan is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 21,573	$ 6,165	$ 27,738
2026	21,857	5,881	27,738
2027	22,144	5,594	27,738
2028	22,435	5,303	27,738
2029	22,730	5,008	27,738
2030 - 2034	118,209	20,479	138,688
2035 - 2039	126,184	12,504	138,688
2040 - 2044	120,828	3,992	124,820
	$ 475,959	$ 64,925	$ 540,885

NOTE 9 - Long-Term Debt (Continued)

Related Municipal Entity - Revenue Bond. The following table details the Public Building Commission's outstanding revenue bond debt as of December 31, 2024:

Issue	Date of Issue	Final Maturity	Interest Rate	Original Amount	Amount Outstanding
Public Building Commission					
Revenue Bonds, Series 2014	1/1/2014	12/1/2033	3.00 - 4.50%	$ 960,000	$ 510,000

Annual debt service requirements to maturity for the Public Building Commission's outstanding revenue bond debt are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	$ 50,000	$ 21,925	$ 71,925
2026	50,000	19,925	69,925
2027	50,000	17,925	67,925
2028	55,000	15,925	70,925
2029 - 2033	305,000	42,300	347,300
	$ 510,000	$ 118,000	$ 628,000

NOTE 10 - Landfill Closure Costs and Post-Closure Costs

In 2006, the City entered into an agreement with Sumner County to purchase the municipal landfill formerly operated by Sumner County. The municipal solid waste landfill was closed and capped in 1994. State and federal laws and regulations require certain maintenance and monitoring functions to continue for 30 years after closure. Estimates of future costs are not maintained for this closed landfill. The City continues to operate the transfer station and construction and demolition disposal site at this location.

NOTE 11 - Health Care Authority

The Wellington Health Care Authority (HCA) is a separate legal entity of the City. The City owns a hospital building which it previously leased to the HCA. The HCA operated a hospital at this location under the name of Sumner Regional Medical Center. The HCA sold its hospital business to a private entity in October 2018. The private entity leased a portion of the hospital building from the City until it ceased operations in March 2020. The City has since leased a portion of the hospital building to a different private entity who operates the emergency department.

In 2015, the citizens of Wellington authorized a 1% dedicated sales tax which is collected by the City and remitted to the HCA. The HCA continues to use the 1% dedicated sales tax for payments on HCA debts and improvements and the maintenance of the hospital building. The amount of sales tax collected by the City and remitted to the HCA during the year ended December 31, 2024, was $1,569,013.

City Forbearance Agreement. The HCA received financial assistance from the City in the form of utility services, bond payments, loans, and a loan guarantee prior to selling its hospital business in 2018. This financial support was codified in a forbearance agreement dated September 1, 2015, between the City and HCA. The total sum covered by the agreement was $1,519,343. The agreement called for the HCA to repay this amount at 3.00% interest before December 31, 2017. The HCA made no payments against the agreement until August 2021 when the HCA began repaying $40,000 per month against the agreement. The balance of the forbearance agreement as of December 31, 2024, was $120,657 plus accrued and unpaid interest.

NOTE 11 - Health Care Authority (Continued)

KPERS Unfunded Actuarial Liability. Prior to selling its hospital business in 2018, the HCA participated in KPERS. Upon withdrawing from KPERS the HCA's unfunded actuarial liability became due and payable. The HCA has made no payments against this liability. The balance of the liability as of December 31, 2024, was $2,918,099. The HCA is negotiating with KPERS to have this liability discharged.

KPERS Reporting Liability. Prior to selling its hospital business in 2018, the HCA incurred both employer and employee reporting liabilities to KPERS. The original balance of this liability was approximately $1,400,000. The HCA reached an agreement with KPERS to make monthly payments against the balance. The balance of the liability as of December 31, 2024, was $90,000.

Accounts Payable. Prior to selling its hospital business in 2018 the HCA incurred accounts payable due to vendors. The HCA did not remit payment to these vendors due to an insufficiency of cash. Should a vendor pursue repayment, the HCA would consider repayment based on current financial resources. Management estimates the balance of potential accounts payable as of December 31, 2024, was $619,288. These balances are not reported as accounts payable as the vendors are not pursuing repayment.

Vendor Settlement. On March 28, 2019, the HCA entered into a settlement with a vendor to settle an outstanding balance. At the time of settlement, the balance was $2,418,134. The settlement calls for the HCA to make monthly payments of $20,000 to the vendor and for the vendor to discharge any outstanding balance upon the expiration of the dedicated sales tax in 2025.

Pledge to City. During 2020, the HCA pledged to appropriate $20,000 per month to the City for improvements and the maintenance of the Hospital Building. These appropriations will continue until the dedicated sales tax expires in 2025. The HCA also made a one-time $100,000 appropriation to the City during 2021. The total appropriated to the City by the HCA during the year ended December 31, 2024, was $240,000.

NOTE 12 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. In the opinion of management and legal counsel, no such claims, legal actions or complaints would not have a material effect on any of the financial statements of the City as of December 31, 2024.

NOTE 13 - Stewardship, Compliance, and Accountability

Expenditures in the Special Liability, Electric, Waterworks & Sewage Utility, and Sanitation Utility funds exceeded the adopted budgets for the year ended December 31, 2024, which is a violation of K.S.A. 79-2935.

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CITY OF WELLINGTON, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over [Under]
General Funds:					
General	$ 11,682,118	$ -	$ 11,682,118	$ 10,317,353	$ [1,364,765]
Special Purpose Funds:					
Ambulance and Fire Fighting Equipment	294,010	220,095	514,105	290,899	[223,206]
Library	283,000	-	283,000	274,000	[9,000]
Special Highway	222,257	-	222,257	222,257	-
Employee Benefit	1,527,922	-	1,527,922	985,383	[542,539]
Special Liability	905,614	60,257	965,871	970,451	4,580
Hospital Sales Tax	1,800,000	-	1,800,000	1,706,272	[93,728]
Special Alcohol and Drug	28,884	-	28,884	23,500	[5,384]
Special Parks and Recreation	49,155	-	49,155	25,545	[23,610]
Tourism and Convention	77,710	-	77,710	39,992	[37,718]
Land Bank	3,200	-	3,200	1,067	[2,133]
Bond and Interest Funds:					
Bond and Interest	1,672,467	-	1,672,467	580,117	[1,092,350]
Business Funds:					
Municipal Airport	322,838	-	322,838	314,998	[7,840]
Municipal Golf Course	565,389	-	565,389	548,823	[16,566]
Electric, Waterworks & Sewage Utility	19,870,655	10,326	19,880,981	19,966,076	85,095
Sanitation Utility	1,954,289	1,992	1,956,281	2,098,485	142,204

CITY OF WELLINGTON, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 1,984,489	$ 2,022,464	$ 1,986,621	$ 35,843
NRP Rebate	[42,818]	[35,843]	[28,231]	[7,612]
Delinquent Tax	98,584	103,335	103,335	-
Motor Vehicle Tax	235,109	294,451	235,239	59,212
Recreational Vehicle Tax	3,637	4,473	3,750	723
16/20 M Vehicle Tax	527	760	760	-
Commercial Vehicle Tax	5,875	7,275	7,073	202
Watercraft Tax	141	89	89	-
Weed Tax	7,343	8,140	8,100	40
Franchise Tax	256,304	204,133	232,000	[27,867]
Sales Tax	1,402,017	1,377,175	1,149,647	227,528
Compensating Use Tax	326,714	329,524	283,718	45,806
Intergovernmental				
Local Alcohol Liquor Tax	20,841	19,604	22,110	[2,506]
Special Highway Tax	84,710	84,768	84,000	768
Federal Grants	84,968	141,234	546,234	[405,000]
State Grants	34,145	32,374	17,387	14,987
County Shared Revenue	332,878	332,079	288,015	44,064
Licenses and Permits	318,448	347,840	336,297	11,543
Fines, Forfeitures and Penalties	70,958	81,786	27,553	54,233
Charges for Services				
Ambulance Fees	852,931	674,693	-	674,693
Other Charges for Service	44,866	43,170	-	43,170
Use of Money and Property				
Interest Income	245,044	303,561	272,992	30,569
Property Sale/Rent	46,866	45,422	45,317	105
Other Receipts				
Reimbursed Expense	91,105	651,937	-	651,937
Miscellaneous	564,024	765,928	1,209,227	[443,299]
Interfund Revenue	1,171,721	1,171,681	1,171,679	2
Operating Transfers In	1,809,658	1,691,398	1,686,885	4,513
Total Receipts	10,051,085	10,703,451	$ 9,689,797	$ 1,013,654

CITY OF WELLINGTON, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Expenditures				
Mayor and City Council				
Personal Services	$ 10,563	$ 10,134	$ 10,355	$ [221]
Contractual Services	1,629	1,784	2,650	[866]
Commodities	301	377	550	[173]
	12,493	12,295	13,555	[1,260]
City Manager's Office				
Personal Services	275,393	283,785	285,399	[1,614]
Contractual Services	6,330	12,892	6,250	6,642
Commodities	305	547	1,700	[1,153]
	282,028	297,224	293,349	3,875
City Clerk's Office				
Personal Services	301,571	286,914	307,338	[20,424]
Contractual Services	40,220	41,687	41,900	[213]
Commodities	3,756	5,365	3,650	1,715
	345,547	333,966	352,888	[18,922]
Utility Collections				
Personal Services	262,445	280,508	280,860	[352]
Contractual Services	64,931	69,735	65,940	3,795
Commodities	19,547	16,825	18,750	[1,925]
	346,923	367,068	365,550	1,518
General Services				
Contractual Services	73,149	78,445	82,765	[4,320]
Commodities	27,218	23,319	26,750	[3,431]
	100,367	101,764	109,515	[7,751]
Janitorial				
Personal Services	48,026	51,374	51,046	328
Contractual Services	5,395	4,052	3,725	327
Commodities	9,071	7,012	7,575	[563]
	62,492	62,438	62,346	92
IT/GIS				
Personal Services	81,278	145,697	164,643	[18,946]
Contractual Services	440	770	3,800	[3,030]
Commodities	542	1,644	2,520	[876]
	82,260	148,111	170,963	[22,852]

CITY OF WELLINGTON, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Expenditures - Continued				
Police Department				
Personal Services	$ 1,532,215	$ 1,619,935	$ 1,848,530	$ [228,595]
Contractual Services	210,235	169,683	172,230	[2,547]
Commodities	79,987	222,762	129,750	93,012
Capital Outlay	-	-	-	-
	1,822,437	2,012,380	2,150,510	[138,130]
Fire Department				
Personal Services	1,951,049	1,983,196	2,159,768	[176,572]
Contractual Services	198,236	162,944	178,800	[15,856]
Commodities	183,694	168,794	192,950	[24,156]
	2,332,979	2,314,934	2,531,518	[216,584]
Municipal Auditorium				
Contractual Services	34,098	29,109	37,800	[8,691]
Commodities	9,641	8,574	13,100	[4,526]
Capital Outlay	5,000	-	-	-
	48,739	37,683	50,900	[13,217]
Park Department				
Personal Services	267,823	203,505	166,340	37,165
Contractual Services	28,742	22,745	23,265	[520]
Commodities	54,351	40,219	41,700	[1,481]
Capital Outlay	-	4,620	18,500	[13,880]
	350,916	271,089	249,805	21,284
Swimming Pool				
Contractual Services	53,730	54,554	54,554	-
Commodities	5,518	9,106	9,106	-
	59,248	63,660	63,660	-
Street Department				
Personal Services	614,338	740,911	799,773	[58,862]
Contractual Services	170,490	248,294	224,920	23,374
Commodities	191,540	171,566	237,760	[66,194]
Capital Outlay	-	9,013	11,000	[1,987]
	976,368	1,169,784	1,273,453	[103,669]
Cemetery				
Personal Services	126,908	150,352	134,373	15,979
Contractual Services	7,283	7,734	8,850	[1,116]
Commodities	29,282	33,952	30,325	3,627
Capital Outlay	25,698	24,143	25,202	[1,059]
	189,171	216,181	198,750	17,431

CITY OF WELLINGTON, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Expenditures - Continued				
Engineering, Planning and Inspection				
Personal Services	239,713	176,049	154,102	21,947
Contractual Services	30,042	21,552	28,150	[6,598]
Commodities	8,608	9,267	10,700	[1,433]
	278,363	206,868	192,952	13,916
Legal and Police Court				
Personal Services	$ 159,061	$ 158,781	$ 171,585	$ [12,804]
Contractual Services	59,904	90,744	68,855	21,889
Commodities	2,387	716	1,540	[824]
	221,352	250,241	241,980	8,261
Lake Recreation				
Personal Services	255,597	257,129	236,350	20,779
Contractual Services	14,011	16,885	14,950	1,935
Commodities	49,708	53,003	47,900	5,103
Capital Outlay	5,065	-	-	-
	324,381	327,017	299,200	27,817
Facilities				
Personal Services	90,509	98,155	98,411	[256]
Contractual Services	183,976	427,895	460,000	[32,105]
Commodities	12,723	21,385	17,750	3,635
Capital Outlay	-	199,248	187,500	11,748
	287,208	746,683	763,661	[16,978]
Appropriations				
Appropriation to Chisholm Trail Museum	7,500	7,500	7,500	-
Appropriation to Senior Citizens Center	5,000	6,000	6,000	-
Appropriation to Futures Unlimited	12,500	15,000	15,000	-
Miscellaneous Appropriation	12,000	12,000	12,000	-
	37,000	40,500	40,500	-
Non-Departmental				
Contractual Services	24,172	19,870	301,865	[281,995]
Commodities	4,574	-	-	-
Reimbursement to Special Liability	225,596	287,348	265,000	22,348
	254,342	307,218	566,865	[259,647]
Operating Transfers Out	905,945	1,030,249	1,690,198	[659,949]
Total Expenditures	9,320,559	10,317,353	$ 11,682,118	$ [1,364,765]
Receipts Over [Under] Expenditures	730,526	386,098		
Unencumbered Cash, Beginning	2,343,716	3,074,242		
Prior Year Cancelled Encumbrances	-	2,931		
Unencumbered Cash, Ending	$ 3,074,242	$ 3,463,271		

See independent auditor's report on the financial statements.

CITY OF WELLINGTON, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 211,959	$ 233,421	$ 249,440	$ [16,019]
NRP Rebate	[4,572]	[4,137]	[2,973]	[1,164]
Delinquent Tax	13,472	12,341	8,000	4,341
Motor Vehicle Tax	31,133	31,641	30,677	964
Recreational Vehicle Tax	481	478	475	3
16/20 M Vehicle Tax	78	100	105	[5]
Commercial Vehicle Tax	775	778	710	68
Watercraft Tax	19	9	152	[143]
Total Receipts	253,345	274,631	$ 286,586	$ [11,955]
Expenditures				
Appropriation to Library Board	254,560	274,000	$ 283,000	$ [9,000]
Total Expenditures	254,560	274,000	$ 283,000	$ [9,000]
Receipts Over [Under] Expenditures	[1,215]	631		
Unencumbered Cash, Beginning	954	[261]		
Unencumbered Cash, Ending	$ [261]	$ 370		

CITY OF WELLINGTON, KANSAS
Ambulance and Fire Fighting Equipment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 84,784	$ 93,350	$ 99,765	$ [6,415]
NRP Rebate	[1,829]	[1,655]	[1,184]	[471]
Delinquent Tax	5,389	4,936	2,600	2,336
Motor Vehicle Tax	12,452	12,656	12,270	386
Recreational Vehicle Tax	193	191	190	1
16/20 M Vehicle Tax	31	40	42	[2]
Commercial Vehicle Tax	310	311	284	27
Watercraft Tax	7	4	61	[57]
Use of Money and Property				
Lease Proceeds	172,000	220,095	-	220,095
Use of Money and Property				
Interest Income	3,514	7,434	9,100	[1,666]
Miscellaneous Revenue	-	-	220,095	[220,095]
Total Receipts	276,851	337,362	$ 343,223	$ [5,861]
Expenditures				
Capital Outlay	207,622	290,899	$ 269,010	$ 21,889
Transfers Out	-	-	25,000	[25,000]
Adjustment for Qualifying Budget Credits	-	-	220,095	[220,095]
Total Expenditures	207,622	290,899	$ 514,105	$ [223,206]
Receipts Over [Under] Expenditures	69,229	46,463		
Unencumbered Cash, Beginning	37,175	106,404		
Unencumbered Cash, Ending	$ 106,404	$ 152,867		

CITY OF WELLINGTON, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Intergovernmental				
Fuel Tax	$ 206,934	$ 206,647	$ 207,320	$ [673]
Use of Money and Property				
Interest Income	8,072	9,320	5,500	3,820
Other Receipts				
Lease Proceeds	158,737	-	-	-
Total Receipts	373,743	215,967	$ 212,820	$ 3,147
Expenditures				
Contractual Services	135,000	135,000	$ 135,000	$ -
Capital Outlay	250,605	87,257	87,257	-
Total Expenditures	385,605	222,257	$ 222,257	$ -
Receipts Over [Under] Expenditures	[11,862]	[6,290]		
Unencumbered Cash, Beginning	197,047	185,185		
Unencumbered Cash, Ending	$ 185,185	$ 178,895		

CITY OF WELLINGTON, KANSAS
Employee Benefit Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Use of Money and Property				
Interest Income	$ 8,580	$ 15,096	$ 8,400	$ 6,696
Other Receipts				
Employee Contributions	279,995	289,514	300,000	[10,486]
COBRA and Component Unit Contributions	41,609	41,349	45,000	[3,651]
Miscellaneous	-	13,421	-	13,421
Interfund Revenue	1,002,577	991,165	1,003,000	[11,835]
Total Receipts	1,332,761	1,350,545	$ 1,356,400	$ [5,855]
Expenditures				
Insurance Premiums	1,365,220	473,890	$ 1,383,000	$ [909,110]
Contractual Services	35,295	511,493	12,700	498,793
Miscellaneous	-	-	132,222	[132,222]
Total Expenditures	1,400,515	985,383	$ 1,527,922	$ [542,539]
Receipts Over [Under] Expenditures	[67,754]	365,162		
Unencumbered Cash, Beginning	210,822	143,068		
Unencumbered Cash, Ending	$ 143,068	$ 508,230		

See independent auditor's report on the financial statements.

CITY OF WELLINGTON, KANSAS
Special Liability Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Use of Money and Property				
Interest Income	$ 9,665	$ 17,898	$ 5,200	$ 12,698
Other Receipts				
Reimbursed Expense	87,756	60,257	75,000	[14,743]
Interfund Revenue	747,260	827,978	798,500	29,478
Total Receipts	844,681	906,133	$ 878,700	$ 27,433
Expenditures				
Contractual Services	777,568	961,827	$ 855,000	$ 106,827
Contingency	2,560	8,624	50,614	[41,990]
Adjustment for Qualifying Budget Credits	-	-	60,257	[60,257]
Total Expenditures	780,128	970,451	$ 965,871	$ 4,580
Receipts Over [Under] Expenditures	64,553	[64,318]		
Unencumbered Cash, Beginning	142,654	207,207		
Unencumbered Cash, Ending	$ 207,207	$ 142,889		

CITY OF WELLINGTON, KANSAS
Hospital Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenue				
Sales Tax	$ 1,401,314	$ 1,376,748	$ 1,500,000	$ [123,252]
Compensating Use Tax	326,714	329,524	300,000	29,524
Total Receipts	1,728,028	1,706,272	$ 1,800,000	$ [93,728]
Expenditures				
Appropriation to Health Care Authority	1,728,028	1,706,272	$ 1,800,000	$ [93,728]
Total Expenditures	1,728,028	1,706,272	$ 1,800,000	$ [93,728]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF WELLINGTON, KANSAS
Special Alcohol and Drug Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Intergovernmental				
Local Alcohol Liquor Tax	$ 20,841	$ 19,604	$ 22,110	$ [2,506]
Use of Money and Property				
Interest Income	350	463	270	193
Total Receipts	21,191	20,067	$ 22,380	$ [2,313]
Expenditures				
Miscellaneous Appropriation	20,000	23,500	$ 28,884	$ [5,384]
Total Expenditures	20,000	23,500	$ 28,884	$ [5,384]
Receipts Over [Under] Expenditures	1,191	[3,433]		
Unencumbered Cash, Beginning	8,234	9,425		
Unencumbered Cash, Ending	$ 9,425	$ 5,992		

CITY OF WELLINGTON, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Intergovernmental				
Local Alcohol Liquor Tax	$ 20,841	$ 19,604	$ -	$ 19,604
Use of Money and Property				
Interest Income	1,169	1,613	1,070	543
Total Receipts	22,010	21,217	$ 1,070	$ 20,147
Expenditures				
Capital Outlay	31,963	25,545	$ 13,700	$ 11,845
Contingency	-	-	35,455	[35,455]
Total Expenditures	31,963	25,545	$ 49,155	$ [23,610]
Receipts Over [Under] Expenditures	[9,953]	[4,328]		
Unencumbered Cash, Beginning	38,465	28,512		
Unencumbered Cash, Ending	$ 28,512	$ 24,184		

CITY OF WELLINGTON, KANSAS
Tourism and Convention Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenue				
Transient Guest Tax	$ 42,651	$ 35,400	$ 36,000	$ [600]
Use of Money and Property				
Interest Income	1,641	2,332	1,060	1,272
Total Receipts	44,292	37,732	$ 37,060	$ 672
Expenditures				
Contractual Services	15,000	19,992	$ 20,000	$ [8]
Miscellaneous Appropriation	20,000	20,000	57,710	[37,710]
Total Expenditures	35,000	39,992	$ 77,710	$ [37,718]
Receipts Over [Under] Expenditures	9,292	[2,260]		
Unencumbered Cash, Beginning	38,590	47,882		
Unencumbered Cash, Ending	$ 47,882	$ 45,622		

See independent auditor's report on the financial statements.

CITY OF WELLINGTON, KANSAS
Land Bank Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Other Receipts				
Reimbursed Expense	$ 343	$ -	$ -	$ -
Sale of Property	-	2,498	-	2,498
Interest Income	-	151	-	151
Operating Transfers In	2,500	5,000	5,000	-
Total Receipts	2,843	7,649	$ 5,000	$ 2,649
Expenditures				
Contractual Services	472	1,067	$ 3,200	$ [2,133]
Total Expenditures	472	1,067	$ 3,200	$ [2,133]
Receipts Over [Under] Expenditures	2,371	6,582		
Unencumbered Cash, Beginning	-	2,371		
Unencumbered Cash, Ending	$ 2,371	$ 8,953		

CITY OF WELLINGTON, KANSAS
Non-Budgeted Special Purpose Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Permanent Cemetery Endowment Fund	Hazmat Response Fund	Fire Prevention and Education Fund	Police VIN Fund	Asset Forfeiture Fund	Equipment Reserve Fund	Sanitation Equipment Reserve Fund	Housing Authority Reserve Fund
Receipts								
Fees	$ -	$ -	$ -	$ 25,900	$ -	$ -	$ -	$ -
Grants	-	-	-	-	-	10,724	-	-
Use of Money and Property								
Interest Income	7,527	245	21	1,031	221	-	1,712	-
Property Sale/Rent	3,683	-	-	-	-	-	20,300	-
Other Receipts								
Reimbursed Expense	-	-	-	-	-	17,700	-	-
Lease Proceeds	-	-	-	-	-	1,183,080	100,570	-
Operating Transfers In	-	-	-	-	-	311,249	45,000	-
Total Receipts	11,210	245	21	26,931	221	1,522,753	167,582	-
Expenditures								
Commodities	-	-	-	23,444	-	-	-	-
Capital Outlay	-	-	-	-	-	1,517,840	131,621	-
Miscellaneous	-	50						
Operating Transfers Out	6,013	-	-	-	-	-	-	-
Total Expenditures	6,013	50	-	23,444	-	1,517,840	131,621	-
Receipts Over [Under] Expenditures	5,197	195	21	3,487	221	4,913	35,961	-
Unencumbered Cash, Beginning	157,471	5,195	449	17,096	4,656	331,111	31,877	121,075
Unencumbered Cash, Ending	$ 162,668	$ 5,390	$ 470	$ 20,583	$ 4,877	$ 336,024	$ 67,838	$ 121,075

* - These funds are not required to be budgeted.

See independent auditor's report on the financial statements.

CITY OF WELLINGTON, KANSAS
Grant Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	SCCDAT Grant Fund	ARPA Grant Fund	Wellington Airport FAA Grant Fund	Opioid Settlement Fund
Receipts				
Intergovernmental				
Federal Grants	$ 114,977	$ -	$ 535,139	$ -
Other Receipts				
Miscellaneous	-	-	-	26,068
Use of Money and Property				
Interest Income	390	-	-	1,323
Total Receipts	115,367	-	535,139	27,391
Expenditures				
Personal Services	80,667	-	-	-
Contractual Services	31,469	426,168	639,382	-
Commodities	4,907	-	-	84
Capital Outlay	-	155,926	-	-
Transfers Out	-	-	6,861	-
Total Expenditures	117,043	582,094	646,243	84
Receipts Over [Under] Expenditures	[1,676]	[582,094]	[111,104]	27,307
Unencumbered Cash, Beginning	8,722	582,094	[11,336]	22,824
Unencumbered Cash, Ending	$ 7,046	$ -	$ [122,440]	$ 50,131

* - These funds are not required to be budgeted.

CITY OF WELLINGTON, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	$ 303,306	$ 343,747	$ 367,366	$ [23,619]
NRP Rebate	[6,535]	[6,093]	[4,556]	[1,537]
Special Assessments	89,876	75,886	75,885	1
Delinquent Tax	42,373	28,245	28,245	-
Motor Vehicle Tax	100,671	47,076	43,840	3,236
Recreational Vehicle Tax	1,555	689	679	10
16/20 M Vehicle Tax	282	323	322	1
Commercial Vehicle Tax	2,497	1,124	1,093	31
Watercraft Tax	60	14	217	[203]
Use of Money and Property				
Interest Income	12,859	13,560	8,500	5,060
Sale of City Obligations	-	-	970,000	[970,000]
Operating Transfers In	120,160	123,225	123,225	-
Total Receipts	667,104	627,796	$ 1,614,816	$ [987,020]
Expenditures				
Debt Service				
Principal	560,379	456,194	$ 456,194	$ -
Interest	137,323	123,923	123,923	-
Costs of Issuance	-	-	5,000	[5,000]
Transfers Out	-	-	970,000	[970,000]
Contingency	-	-	117,350	[117,350]
Total Expenditures	697,702	580,117	$ 1,672,467	$ [1,092,350]
Receipts Over [Under] Expenditures	[30,598]	47,679		
Unencumbered Cash, Beginning	133,308	102,710		
Unencumbered Cash, Ending	$ 102,710	$ 150,389		

See independent auditor's report on the financial statements.

CITY OF WELLINGTON, KANSAS
Capital Improvement Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Capital Improvements Fund	Special Improvements Fund	Sanitation Improvement Fund	Electric, Waterworks & Sewage Capital Improvement Fund	Memorial A/C Fund
Receipts					
Intergovernmental					
State Grants	$ 105,744	$ -	$ -	$ -	$ -
Use of Money and Property					
Interest Income	-	5,051	2,479	255,705	1,716
Other Receipts					
Miscellaneous	19,768	-	-	21,838	-
Debt Proceeds	992,769				
Operating Transfers In	350,000	6,862	-	2,040,170	-
Total Receipts	1,468,281	11,913	2,479	2,317,713	1,716
Expenditures					
Contractual Services	178,848	-	-	348	-
Capital Outlay	869,293	-	87,500	1,152,456	-
Total Expenditures	1,048,141	-	87,500	1,152,804	-
Receipts Over [Under] Expenditures	420,140	11,913	[85,021]	1,164,909	1,716
Unencumbered Cash, Beginning	1,270,888	105,141	100,769	4,970,777	35,891
Prior Year Cancelled Encumbrances	10,432	-	-	1,980	-
Unencumbered Cash, Ending	$ 1,701,460	$ 117,054	$ 15,748	$ 6,137,666	$ 37,607

* - These funds are not required to be budgeted.

CITY OF WELLINGTON, KANSAS
Capital Project Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Hospital Emergency Department Project Fund	Electric, Waterworks & Sewage Project Fund	Plum Street Waterline Project Fund
Receipts			
Use of Money and Property			
Interest Income	$ -	$ 11,408	$ -
Intergovernmental			
Federal Grants	-	-	187,000
Miscellaneous Revenue	-	-	222,815
Loan Proceeds	-	-	182,029
Total Receipts	-	11,408	591,844
Expenditures			
Contractual Services	-	-	9,642
Capital Outlay	-	-	127,572
Principal	100,000	-	-
Total Expenditures	100,000	-	137,214
Receipts Over [Under] Expenditures	[100,000]	11,408	454,630
Unencumbered Cash, Beginning	309,113	238,515	[478,035]
Prior Year Cancelled Encumbrances	-	-	21,000
Unencumbered Cash, Ending	$ 209,113	$ 249,923	$ [2,405]

* - These funds are not required to be budgeted.

CITY OF WELLINGTON, KANSAS
Municipal Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for Service				
Fuel Sales	$ 203,547	$ 220,186	$ 243,767	$ [23,581]
Use of Money and Property				
Interest Income	-	867	-	867
Land Rent	32,966	32,076	32,076	-
Hangar Rent	34,445	36,420	36,420	-
Other Receipts				
Reimbursed Expense	381	517	-	517
Miscellaneous	100	600	-	600
Operating Transfers In	81,000	61,861	61,861	-
Total Receipts	352,439	352,527	$ 374,124	$ [21,597]
Expenditures				
Personal Services	78,878	83,137	$ 82,566	$ 571
Contractual Services	37,772	48,153	31,500	16,653
Commodities	5,333	8,691	10,000	[1,309]
Capital Outlay	-	8,922	8,921	1
Cost of Goods Sold	192,106	159,234	189,851	[30,617]
Operating Transfers Out	-	6,861	-	6,861
Total Expenditures	314,089	314,998	$ 322,838	$ [7,840]
Receipts Over [Under] Expenditures	38,350	37,529		
Unencumbered Cash, Beginning	[1,929]	36,421		
Unencumbered Cash, Ending	$ 36,421	$ 73,950		

CITY OF WELLINGTON, KANSAS
Municipal Golf Course Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for Service				
Golf licenses	$ 64,163	$ 44,950	$ 44,950	$ -
Golf green fees	113,068	87,736	87,736	-
Golf cart licenses and fees	20,719	12,408	12,408	-
Golf cart storage and rental	81,426	71,155	67,686	3,469
Use of Money and Property				
Interest Income	2,353	-	-	-
Property Sale/Rent	450	11,375	12,000	[625]
Other Receipts				
Miscellaneous	400	-	2,000	[2,000]
Reimbursed Expense	5,685	2,031	-	2,031
Operating Transfers In	150,000	309,000	345,189	[36,189]
Total Receipts	438,264	538,655	$ 571,969	$ [33,314]
Expenditures				
Personal Services	276,806	295,796	$ 281,174	$ 14,622
Contractual Services	90,181	75,215	62,780	12,435
Commodities	122,174	174,794	173,685	1,109
Capital Outlay	-	1,000	1,000	-
Miscellaneous	-	2,018	22,750	[20,732]
Transfer Out	-	-	24,000	[24,000]
Total Expenditures	489,161	548,823	$ 565,389	$ [16,566]
Receipts Over [Under] Expenditures	[50,897]	[10,168]		
Unencumbered Cash, Beginning	50,195	[702]		
Unencumbered Cash, Ending	$ [702]	$ [10,870]		

CITY OF WELLINGTON, KANSAS
Electric, Waterworks, and Sewage Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over [Under]
Receipts				
Charges for Service				
Water Sales	$ 2,120,415	$ 2,185,375	$ 2,116,307	$ 69,068
Sewer Sales	2,099,406	2,113,374	2,378,094	[264,720]
Electric Sales	12,945,207	13,539,938	12,855,572	684,366
Penalties	127,545	139,321	106,000	33,321
Intergovernmental				
Federal Grants	62,376	158,000	-	158,000
Community Improvement District	16,568	1,133	-	1,133
Use of Money and Property				
Interest Income	365,345	414,995	269,000	145,995
Property Sale/Rent	15,449	16,367	10,928	5,439
Other Receipts				
Reimbursed Expense	55,390	10,326	-	10,326
Miscellaneous	383,267	385,125	289,260	95,865
Total Receipts	18,190,968	18,963,954	18,025,161	$ 938,793
Expenditures				
Electric Production				
Personal Services	664,519	686,674	$ 675,809	$ 10,865
Contractual Services	6,749,598	8,067,728	7,027,466	1,040,262
Commodities	50,258	55,224	83,100	[27,876]
Capital Outlay	-	42,234	-	42,234
	7,464,375	8,851,860	7,786,375	1,065,485
Electric Distribution				
Personal Services	668,772	636,426	769,786	[133,360]
Contractual Services	180,352	184,754	190,200	[5,446]
Commodities	335,185	548,532	494,800	53,732
	1,184,309	1,369,712	1,454,786	[85,074]
Electric Non-Departmental				
Contractual Services	768,132	768,109	766,026	2,083
Commodities	12,387	-	10,000	[10,000]
	780,519	768,109	776,026	[7,917]
Water Production				
Personal Services	316,132	336,223	357,514	[21,291]
Contractual Services	59,614	14,940	83,080	[68,140]
Commodities	300,912	459,297	279,400	179,897
Capital Outlay	1,908	-	-	-
	678,566	810,460	719,994	90,466

CITY OF WELLINGTON, KANSAS
Electric, Waterworks, and Sewage Utility Fund (Continued)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Expenditures - Continued				
Water Distribution				
Personal Services	$ 379,314	$ 369,589	$ 447,593	$ [78,004]
Contractual Services	23,393	26,530	33,400	[6,870]
Commodities	192,717	223,497	262,750	[39,253]
Capital Outlay	7,517	15,669	15,124	545
	602,941	635,285	758,867	[123,582]
Water Treatment				
Personal Services	294,285	346,708	353,577	[6,869]
Contractual Services	136,337	114,994	90,000	24,994
Commodities	125,647	92,588	120,000	[27,412]
Capital Outlay	-	5,000	-	5,000
	556,269	559,290	563,577	[4,287]
Water Non-Departmental				
Contractual Services	179,601	180,220	179,462	758
Non-Departmental				
Personal Services	169,651	191,317	182,821	8,496
Contractual Services	773,395	749,688	701,775	47,913
Commodities	2,878	3,044	6,550	[3,506]
	945,924	944,049	891,146	52,903
Debt Service				
Principal	1,840,000	1,880,996	1,870,000	10,996
Interest	307,205	277,678	282,005	[4,327]
	2,147,205	2,158,674	2,152,005	6,669
Operating Transfers Out	3,702,208	3,688,417	3,688,417	-
Contingency	-	-	900,000	[900,000]
Adjustments for Qualifying Budget Credits	-	-	10,326	[10,326]
Total Expenditures	18,241,917	19,966,076	$ 19,880,981	$ 85,095
Receipts Over [Under] Expenditures	[50,949]	[1,002,122]		
Unencumbered Cash, Beginning	8,055,879	8,004,930		
Unencumbered Cash, Ending	$ 8,004,930	$ 7,002,808		

CITY OF WELLINGTON, KANSAS
Sanitation Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended December 31, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for Service				
Sanitation Sales	$ 1,841,979	$ 2,049,923	$ 1,932,586	$ 117,337
Intergovernmental				
Federal Grants	1,816	-	-	-
Use of Money and Property				
Interest Income	5,899	12,286	11,070	1,216
Property Sale/Rent	17,172	20,852	1,085	19,767
Other Receipts				
Reimbursed Expense	-	1,992	-	1,992
Miscellaneous	5,348	4,649	22,572	[17,923]
Total Receipts	1,872,214	2,089,702	$ 1,967,313	$ 122,389
Expenditures				
Collections				
Personal Services	434,920	427,792	$ 424,848	$ 2,944
Contractual Services	313,791	308,996	308,996	-
Commodities	43,216	47,046	47,046	-
Capital Outlay	-	123,500	123,500	-
	791,927	907,334	904,390	2,944
Transfer Station				
Personal Services	165,336	222,486	225,702	[3,216]
Contractual Services	569,494	658,117	398,393	259,724
Commodities	16,076	27,685	22,656	5,029
Capital Outlay	-	77,500	77,500	-
	750,906	985,788	724,251	261,537
Debt Service	-	-	123,225	[123,225]
Operating Transfers Out	187,115	205,363	202,423	2,940
Adjustments for Qualifying Budget Credits	-	-	1,992	[1,992]
Total Expenditures	1,729,948	2,098,485	$ 1,956,281	$ 142,204
Receipts Over [Under] Expenditures	142,266	[8,783]		
Unencumbered Cash, Beginning	28,373	170,639		
Unencumbered Cash, Ending	$ 170,639	$ 161,856		

CITY OF WELLINGTON, KANSAS
Trust Funds
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Public Library Trust Fund	Annie Hamilton Trust Fund	Mildred Share McLean Trust Fund
Receipts			
Use of Money and Property			
Interest Income	$ 7,799	$ 87	$ 267
Property Sale/Rent	-	-	-
Other Receipts			
Donations	-	-	-
Miscellaneous	-	-	-
Total Receipts	7,799	87	267
Expenditures			
Contractual Services	-	-	-
Commodities	-	-	-
Total Expenditures	-	-	-
Receipts Over [Under] Expenditures	7,799	87	267
Unencumbered Cash, Beginning	163,053	1,813	5,582
Unencumbered Cash, Ending	$ 170,852	$ 1,900	$ 5,849

* - These funds are not required to be budgeted.

Mausoleum Maintenance Trust Fund	Regional Park Trust Fund	Memorial Auditorium Renovation Trust Fund	Recreation Trust Fund	Municipal Golf Course Trust Fund
$ 660	$ 2,067	$ 2,116	$ 3,417	$ 709
-	7,800	-	-	-
-	-	1,021	2,145	29,700
-	-	-	-	-
660	9,867	3,137	5,562	30,409
-	2,983	-	-	-
1,350	-	-	-	40,232
1,350	2,983	-	-	40,232
[690]	6,884	3,137	5,562	[9,823]
13,863	41,603	43,674	70,825	10,529
$ 13,173	$ 48,487	$ 46,811	$ 76,387	$ 706

CITY OF WELLINGTON, KANSAS
Trust Funds (Continued)
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Ambulance Service Trust Fund	Municipal Airport Trust Fund	Nichols Family Trust Fund
Receipts			
Use of Money and Property			
Interest Income	$ 205	$ 77	$ 17
Property Sale/Rent	-	-	-
Other Receipts			
Donations	-	-	850
Miscellaneous	-	-	-
Total Receipts	205	77	867
Expenditures			
Contractual Services	-	-	-
Commodities	-	-	759
Total Expenditures	-	-	759
Receipts Over [Under] Expenditures	205	77	108
Unencumbered Cash, Beginning	4,289	1,615	201
Unencumbered Cash, Ending	$ 4,494	$ 1,692	$ 309

* - These funds are not required to be budgeted.

Drug Tax Distribution Trust Fund	Cemetery Beautification Trust Fund	Cara Saunders Memorial Trust Fund	Drug Awareness Trust Fund	Employee Community Service Trust Fund
$ 366	$ 484	$ 27	$ 300	$ -
-	-	-	-	-
-	-	-	12,224	-
67	1,110	-	-	-
433	1,594	27	12,524	-
-	4,820	-	-	-
-	-	-	11,018	-
-	4,820	-	11,018	-
433	[3,226]	27	1,506	-
7,634	12,766	551	7,814	3
$ 8,067	$ 9,540	$ 578	$ 9,320	$ 3

Schedule 3

CITY OF WELLINGTON, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2024

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
FUNDS				
Claims	$ 38,977	$ -	$ 23,993	$ 14,984
Fire Insurance Proceeds	6,610	47,147	-	53,757
Total Agency Funds	$ 45,587	$ 47,147	$ 23,993	$ 68,741

See independent auditor's report on the financial statements.

CITY OF WELLINGTON, KANSAS
Related Municipal Entity - Wellington Public Library
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Actual
Receipts	
Intergovernmental	
City Appropriations	$ 274,040
State Aid	2,144
SCKLS Grants	26,769
Use of Money and Property	
Interest Income	348
Royalty Income	4,920
Other Receipts	
Donations	12,675
Grants	800
Miscellaneous	2,125
Total Receipts	323,821
Expenditures	
Personal Services	190,057
Contractual Services	80,919
Commodities	22,493
Capital Outlay	13,954
Total Expenditures	307,423
Receipts Over [Under] Expenditures	16,398
Unencumbered Cash, Beginning	278,717
Unencumbered Cash, Ending	$ 295,115

* - This fund is not required to be budgeted.

Schedule 4 - 2

CITY OF WELLINGTON, KANSAS
Related Municipal Entity - Wellington Public Building Commission
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Actual
Receipts	
Use of Money and Property	
Property Sale/Rent	$ 68,725
Total Receipts	68,725
Expenditures	
Debt Service	
Principal	45,000
Interest	23,725
Receipts Over [Under] Expenditures	68,725
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ -

* - This fund is not required to be budgeted.

CITY OF WELLINGTON, KANSAS
Related Municipal Entity - Wellington Health Care Authority
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2024

	Actual
Receipts	
Taxes and Shared Revenue	
Appropriation from City	$ 1,569,013
Use of Money and Property	
Interest Income	1,337
Total Receipts	1,570,350
Expenditures	
Contractual	36,625
Payment to City - share of boiler costs	180,000
Pledge to City	240,000
Payments On	
City Forbearance Agreement	480,000
KPERS Reporting Liability	360,000
Vendor Settlement	240,000
Receipts Over [Under] Expenditures	1,536,625
Receipts Over [Under] Expenditures	33,725
Unencumbered Cash, Beginning	427,785
Unencumbered Cash, Ending	$ 461,510

* - This fund is not required to be budgeted.

CITY OF WELLINGTON, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Expenditures
U.S. Department of the Treasury		
Passed Through Kansas Department of Commerce:		
Coronavirus State & Local Fiscal Recovery Funds	21.027	$ 606,390
Total U.S. Department of the Treasury		606,390
U.S. Department of Housing and Urban Development		
Community Development Block Grants/State's Program	14.228	2,000
Total U.S. Department of Housing and Urban Development		2,000
U.S. Department of Health and Human Services		
Drug-Free Communities Support Program Grants	93.276	117,155
Total U.S. Department of Health and Human Services		117,155
U.S. Department of Energy		
Passed Through Kansas Corporation Commission:		
Energy Efficiency and Conservation Block Program	81.128	154,456
Total U.S. Department of Energy		154,456
U.S. Department of Justice		
Passed Through Kansas Crime Victim's Compensation Board:		
Crime Victim Compensation	16.576	200
Passed Through Kansas Governor's Office:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	139,038
Total U.S. Department of Justice		139,238
U.S. Department of Transportation		
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	646,293
Passed Through Kansas Department of Transportation:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	2,196
Total Highway Safety Cluster		2,196
U.S. Department of Transportation		648,489
Total Expenditures of Federal Awards		$ 1,667,728

The accompanying notes are an integral part of this schedule.

CITY OF WELLINGTON, KANSAS
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

1. Organization

The City of Wellington, Kansas, (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2024.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2024.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF WELLINGTON, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)		
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?	____ Yes	X No	

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
16.738	Edward Byrne Memorial Justice Assistance Grant Program
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Program, and COVID-19 Airports Program

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	____ Yes	X No	

CITY OF WELLINGTON, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2024

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

CITY OF WELLINGTON, KANSAS
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2024

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Mayor and City Council
City of Wellington, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Wellington, Kansas (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions 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.

A deficiency in internal controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

July 30, 2025

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
City of Wellington, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Wellington, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2024, and have issued our report thereon dated July 30, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

July 30, 2025