

CITY OF HERINGTON, KANSAS

DECEMBER 31, 2019



CITY OF HERINGTON, KANSAS

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December 31, 2019

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Commission
City of Herington, Kansas

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Herington, Kansas (the City) as of and for the year ended December 31, 2019, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and KMAAG. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of accounting reporting provisions permitted in the KMAAG, 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City, as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions permitted by KMAAG described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the schedule of receipts and expenditures – regulatory basis – related municipal entity (Schedules 1 through 3, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions in KMAAG. 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.



Certified Public Accountants

Hutchinson, Kansas
September 10, 2020

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH -
REGULATORY BASIS
For Year Ended December 31, 2019

Page 1 of 2

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	\$ 158,540	\$ 1,768,556	\$ 1,683,681	\$ 243,415	\$ -	\$ 243,415
SPECIAL PURPOSE FUNDS						
Library	-	82,769	82,769	-	-	-
Employee Benefits	142,925	392,019	331,398	203,546	-	203,546
Special Highway	107,538	63,481	63,796	107,223	-	107,223
Park, Recreation, and Improvements	9,955	1,849	9,722	2,082	-	2,082
Guest Tax	10,634	11,200	12,695	9,139	-	9,139
2010 Sales Tax	451,299	128,036	298,070	281,265	-	281,265
2006 Sales Tax	11,817	128,036	-	139,853	-	139,853
Hospital	-	261,877	261,877	-	-	-
Storm Water Drainage	272,929	50,849	133,103	190,675	-	190,675
Police Diversion	-	2,134	-	2,134	-	2,134
Capital Improvement	50,098	1,051	-	51,149	-	51,149
Equipment Reserve	371,198	22,952	59,367	334,783	-	334,783
Hilltop Deposits	540	375	-	915	16,431	17,346
BOND AND INTEREST FUND						
Bond and Interest	(227)	192,703	190,219	2,257	-	2,257
TRUST FUND						
Cemetery Perpetual	138,834	1,555	-	140,389	-	140,389
BUSINESS FUNDS						
Airport	167,215	318,322	282,670	202,867	-	202,867
Water	283,349	846,301	734,083	395,567	-	395,567
Light	259,628	2,912,635	2,569,794	602,469	-	602,469
Sewer	49,828	278,798	193,992	134,634	-	134,634
Solid Waste	14,066	210,342	210,305	14,103	-	14,103
TOTAL PRIMARY GOVERNMENT	2,500,166	7,675,840	7,117,541	3,058,465	16,431	3,074,896
RELATED MUNICIPAL ENTITIES						
Herington Public Library	190,375	91,571	87,289	194,657	-	194,657
TOTAL REPORTING ENTITIES	\$ 2,690,541	\$ 7,767,411	\$ 7,204,830	\$ 3,253,122	\$ 16,431	\$ 3,269,553

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

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH -
REGULATORY BASIS
For Year Ended December 31, 2019

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COMPOSITION OF CASH

Checking accounts	
Central National Bank	\$ 2,634,493
Certificates of deposit and savings accounts	
Central National Bank	139,736
First National Bank of Hope	300,000
Cash and cash items	667
Related municipal entity	
Herington Public Library	<u>194,657</u>

TOTAL REPORTING ENTITIES	<u><u>\$ 3,269,553</u></u>
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The notes to the financial statement are an integral part of the financial statement.

CITY OF HERINGTON, KANSAS
Herington, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Herington, Kansas (the City) is a municipal corporation governed by an elected mayor and five-member commission. The financial statement presents the City (the municipality) and certain related municipal entities, described below, which are included in the City's reporting entity because of their operational or financial relationship with the City. Related municipal entities are entities for which the City is considered to be financially accountable. The blended related municipal entity, although a legally separate entity is, in substance, part of the City's operations. Data from this related municipal entity is combined with data from the City. The discretely presented related municipal entities are reported in a separate line in the financial statement to emphasize that it is legally separate from the City.

Blended Related Municipal Entity

The mayor and city council sit in a separate legal capacity as the Public Building Commission (the Commission). The Commission has authority to do all things that are necessary or incidental to construct, acquire, or enlarge; furnish and equip; and operate and maintain buildings for government use.

Discretely Presented Related Municipal Entities

The Herington Public Library (the Library) is governed by a board, which is appointed by the City. The Library is not a separate taxing entity under Kansas statutes, and the City levies taxes for the Library operation, which represents a significant portion of its total revenues. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City.

Related Municipal Entity Not Presented

Management has determined that Herington Municipal Hospital (the Hospital) is a related municipal entity of the City. Financial information for the Hospital has not been reported in the City's financial statement. The Hospital's financial statements can be obtained from the Hospital Board of Trustees at Herington Municipal Hospital, Herington, Kansas.

Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or objectives in accordance with special regulations, restrictions, or limitations.

Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

The following types of funds comprise the financial activities of the City for the year of 2019:

General Fund – to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are intended for specified purposes.

Bond and Interest Fund – to account for the accumulation of resources for the payment of interest and principal on long-term debt.

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

Trust Funds – funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America

The regulatory basis of accounting provisions in the Kansas Municipal Audit and Accounting Guide (KMAAG) 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 reporting the changes in unencumbered cash and investments of a fund resulting from the regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. 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 municipality to use the regulatory basis of accounting.

Compensated Absences

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 60 days' vacation and 120 days sick leave. Policies prohibit payment of vacation time in lieu of time off and all accumulated vacation pay is payable upon employment termination. Retiring employees, who are age 62, or with twenty years' service with the City, or that are KPERS eligible, are paid for accumulated sick leave at the ratio of one day per four days of accrued sick leave.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds or from other City funds.

Special Assessments

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

Interest Income

Unless specifically designated, all investment income is credited to the General Fund.

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

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 budget for the succeeding calendar year on or before August 1 of each year.
2. Publication of proposed budget on or before August 5 of each year.
3. Public hearing on or before August 15 of each year, but at least ten days after publication of notice of hearing.
4. Adoption of final budget on or before August 25 of each year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. Amended budgets were prepared for the General Fund, Capital Improvement Fund, Police Diversion Fund, Light Fund, Water Fund, Sewer Fund, and the Storm Water Fund for the year ended December 31, 2019.

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. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

Original appropriations are modified by supplemental appropriations and transfers among budget categories. The City Commission approves all significant changes.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Capital Improvement Fund, and Hilltop Deposits Fund.

Taxes levied to finance the budget become a lien against all property November 1. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. These taxes are made available to the City after January 1 and are distributed by the County Treasurer generally in the months of January and June. Delinquent tax collections are distributed throughout the year.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Management was not aware of any material statutory violations.

NOTE 3—DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the summary statement of receipts, expenditures, and unencumbered cash. In addition, investments are held separately by some of the City's Funds. The cash balances of certain funds are restricted as to their use.

K.S.A. 9-1401 established 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 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 Federal Deposit Insurance Corporation (FDIC) insurance coverage. The City has no other policies that would further limit interest rate risk.

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

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.

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 FDIC 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.

Deposits

At year end, the carrying amount of the City's deposits was \$3,074,229. The bank balance was \$3,280,712. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by FDIC insurance; \$2,530,712 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

At year end, the carrying amount of the Herington Public Library's deposits was \$194,657 and the bank balance was \$196,978. The differences between the carrying amounts and the bank balances are outstanding checks and deposits in transit. The bank balances of the Herington Public Library were entirely covered by FDIC insurance.

NOTE 4—LONG-TERM DEBT

Terms for long-term debt for the City for the year ended December 31, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Interest Due	Principal Due	Amount of Issue	Date of Final Maturity
General Obligation Bonds						
Series 2014	1.00% to 2.80%	08/28/14	03-01,09-01	03-01	945,000	03/01/25
Series 2017	3.00%	09/20/17	04-01,10-01	10-01	725,000	10/01/28
Capital leases						
Excavator	3.25%	03/23/17	03-23	03-23	44,300	03/23/23
Asphalt zipper	3.59%	05/26/17	05-26	05-26	105,290	05/26/22
WatchGuard camera system	3.65%	12/04/18	02-07	02-07	52,104	02/07/23
Street sweeper	4.52%	06/01/19	12-01	12-01	185,000	12/01/25
Other debt						
KWPCRF no. c20 1203-01	2.58%	09/12/03	03-01,09-01	03-01,09-01	605,000	09/01/25
KPWSLF no. 2357	3.68%	03/01/04	02-01,08-01	02-01,08-01	1,206,038	08/01/25
KDOT overpass	3.91%	11/16/04	02-01,08-01	08-01	150,000	08/01/25
KDOT overpass	3.64%	06/19/07	02-01,08-01	08-01	150,000	08/01/27

In January 2018, the City approved financing for construction of a water treatment facility through the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund (loan no. 2927). The total financing available for this project is \$3,409,000, with an interest rate of 2.14% and potential loan forgiveness of 30% one year after completion of the project if certain conditions are met. The City will drawdown funds to pay project costs as the project progresses. At December 31, 2019, total drawdowns received were \$307,185.

Changes in long-term debt for the City for the year ended December 31, 2019, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2014	\$ 685,000	\$ -	\$ 95,000	\$ 590,000	\$ 15,119
Series 2017	670,000	-	60,000	610,000	20,100
Public Building Commission					
Series 2010	115,000	-	115,000	-	2,156
Capital leases					
Excavator	37,494	-	7,027	30,467	1,219
Asphalt zipper	85,693	-	20,303	65,390	3,083
WatchGuard camera system	52,104	-	-	52,104	-
Street sweeper	-	185,000	26,499	158,501	4,251
Other debt					
KWPCRF no. c20 1203-01	234,287	-	33,318	200,969	6,396
KPWSLF no. 2357	596,438	-	65,393	531,045	21,353
KPWSLF no. 2927	215,261	91,924	-	307,185	3,083
KDOT overpass	58,438	-	9,477	48,961	2,285
KDOT overpass	38,451	-	10,101	28,350	1,400
Total bonded indebtedness	<u>\$ 2,788,166</u>	<u>\$ 276,924</u>	<u>\$ 442,118</u>	<u>\$ 2,622,972</u>	<u>\$ 80,445</u>

Current maturities of long-term debt and interest, excluding KPWSLF no. 2927, for the next five years and in five-year increments through maturity are as follows:

	Principal		
	General Obligation Bonds	Capital Leases	Other Debt
2020	\$ 155,000	\$ 64,201	\$ 122,406
2021	155,000	66,717	126,667
2022	160,000	69,325	126,869
2023	165,000	48,651	123,993
2024-2028	565,000	57,568	309,390
	<u>\$ 1,200,000</u>	<u>\$ 306,462</u>	<u>\$ 809,325</u>

	Interest		
	General Obligation Bonds	Capital Leases	Other Debt
2020	\$ 31,756	\$ 12,416	\$ 27,317
2021	28,104	9,901	23,056
2022	24,261	7,292	18,644
2023	19,890	4,580	14,230
2024-2028	38,660	3,932	17,897
	<u>\$ 142,671</u>	<u>\$ 38,121</u>	<u>\$ 101,144</u>

NOTE 5—TRANSFERS

Interfund transfers for the year ended December 31, 2019, were as follows:

Amount	From Fund	To Fund	Statutory Authority
\$ 110,000	Light	Bond and Interest	K.S.A. 12-825d
185,777	2010 Sales Tax	General	City Ordinance

NOTE 6—DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to substantially all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 7—DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of 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 and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in the Comprehensive Annual Financial Report, which can be found on KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009; KPERS 2 members were first employed in a covered position on or after July 1, 2009; and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, or 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.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, KPERS 3, and KP&F be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate was 8.89% for KPERS and 22.13% for KP&F for the year ended December 31, 2019. Contributions to the pension plan from the City were \$86,586 for KPERS and \$88,569 for KP&F for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, KPERS has determined the City's proportionate share of the collective net pension liability was \$661,656 for KPERS and \$703,070 for KP&F. The net pension liability was measured as of June 30, 2019, and the total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and nonemployer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under KMAAG does not recognize long-term debt, this liability is not reported in the 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 publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 8—OTHER LONG-TERM OBLIGATIONS

Other Post-Employment Benefits – Group Health Insurance

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% for the year ended December 31, 2019.

NOTE 9—RISK MANAGEMENT

The City is subject to certain risks such as torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from third parties. There have been no significant reductions in insurance coverage from the prior year and there have been no settled claims in excess of insurance coverage for the prior three years.

NOTE 10—LEASES

The City leases airport land to others through operating leases, the majority of which are cancelable. Future minimum rentals receivable under noncancellable operating leases at December 31, 2019, are as follows:

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 49,230
2021	49,241
2022	40,750
2023	3,929
2024	3,939
Later years	<u>47,605</u>
	<u>\$ 194,694</u>

NOTE 11—CONTINGENCIES

The City is involved in litigation and regulatory issues arising out of the normal course of business. Management believes that these matters will be resolved without materially affecting the City's future financial position.

NOTE 12—COMMITMENTS

The City has plans for the renovation of the City's water plant and other water system improvements with an estimated project cost of \$3,409,000. The City plans to finance these renovations through a Kansas Public Water Supply Loan.

NOTE 13—SUBSEQUENT EVENTS

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic, which resulted in federal, state, and local governments implementing restrictions and mitigation measures to slow the spread of the virus. The magnitude of COVID-19 and the related restrictions and mitigation measures effect on the City's operational and financial performance will depend upon the duration and severity of the pandemic. At this time, the effect of these uncertainties on the City's operations cannot be reasonably estimated; however, there could be a material adverse impact on the City's summary statement of receipts, expenditures, and unencumbered cash balances.

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUND	\$ 1,855,155	\$ -	\$ 1,855,155	\$ 1,683,681	\$ (171,474)
SPECIAL PURPOSE FUNDS					
Library	81,063	-	81,063	82,769	1,706
Employee Benefits	423,330	-	423,330	331,398	(91,932)
Special Highway	117,225	-	117,225	63,796	(53,429)
Park, Recreation, and Improvements	8,000	-	8,000	9,722	1,722
Guest Tax	12,775	-	12,775	12,695	(80)
2010 Sales Tax	492,916	-	492,916	298,070	(194,846)
2006 Sales Tax	100,000	-	100,000	-	(100,000)
Hospital	205,698	56,071	261,769	261,877	108
Storm Water Drainage	325,939	-	325,939	133,103	(192,836)
Police Diversion	10,000	-	10,000	-	(10,000)
Capital Improvement	451,598	-	451,598	-	(451,598)
BOND AND INTEREST FUND					
Bond and Interest	190,219	-	190,219	190,219	-
BUSINESS FUNDS					
Airport	181,600	223,638	405,238	282,670	(122,568)
Water	1,084,827	-	1,084,827	734,083	(350,744)
Light	3,102,045	-	3,102,045	2,569,794	(532,251)
Sewer	372,131	-	372,131	193,992	(178,139)
Solid Waste	232,000	-	232,000	210,305	(21,695)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Taxes			
Ad valorem property tax	\$ 415,718	\$ 440,278	\$ (24,560)
Delinquent tax collections	25,005	66	24,939
Motor vehicle tax	60,540	55,584	4,956
Recreational vehicle tax	846	1,244	(398)
16/20M truck tax	889	503	386
Commercial vehicle tax	-	2,363	(2,363)
Neighborhood revitalization rebate	-	(5,437)	5,437
Payments in lieu of tax	2,729	6,500	(3,771)
Special assessments	5,775	9,220	(3,445)
City sales tax	102,858	94,803	8,055
County sales tax	189,478	179,650	9,828
Compensating use tax	55,936	48,392	7,544
Liquor tax	-	2,517	(2,517)
Total Taxes	859,774	835,683	24,091
Intergovernmental			
Highway connecting links	12,280	9,241	3,039
Rural fire contracts	33,725	34,306	(581)
Total Intergovernmental	46,005	43,547	2,458
Licenses, Fees, and Permits			
Utility franchise tax	79,338	78,732	606
New lake licenses	7,554	-	7,554
Miscellaneous permits and licenses	10,790	13,071	(2,281)
Total Licenses, Fees, and Permits	97,682	91,803	5,879
Charges for Services			
Cemetery	3,565	4,620	(1,055)
Swimming pool	18,574	18,163	411
Total Charges for Services	22,139	22,783	(644)
Rental income			
Homestead rents	184,764	180,000	4,764
Community building rent	11,420	22,287	(10,867)
Farmland	2,132	-	2,132
Miscellaneous	524	-	524
Total Rental Income	198,840	202,287	(3,447)
Fines, Forfeitures, and Penalties	56,981	48,187	8,794
Interest on Idle Funds	53,999	5,940	48,059
Hilltop			
Bus	15,838	128,580	(112,742)
Building rent	43,372	-	43,372
Reimbursed expenses	32,377	-	32,377
Miscellaneous	2,203	-	2,203
Total Hilltop	93,790	128,580	(34,790)
Other Receipts			
Reimbursed expenses	111,402	31,000	80,402
Sale of surplus property	41,808	-	41,808
Transfer from:			
2006 Sales Tax Fund	-	100,000	(100,000)
2010 Sales Tax Fund	185,777	185,777	-
Miscellaneous	359	15,000	(14,641)
Total Other Receipts	339,346	331,777	7,569
TOTAL RECEIPTS	1,768,556	\$ 1,710,587	\$ 57,969

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
EXPENDITURES			
General Administration			
Personal services	\$ 23,910	\$ 21,600	\$ 2,310
Contractual services	53,519	50,065	3,454
Commodities	10,955	14,400	(3,445)
Capital outlay	8,061	29,500	(21,439)
Miscellaneous	572	300	272
Total departmental	97,017	115,865	(18,848)
Police			
Personal services	292,095	288,000	4,095
Contractual services	38,134	32,000	6,134
Commodities	68,032	48,450	19,582
Capital outlay	64,198	13,000	51,198
Total departmental	462,459	381,450	81,009
Fire			
Personal services	128,533	128,500	33
Contractual services	26,518	23,700	2,818
Commodities	71,110	43,600	27,510
Capital outlay	8,324	26,000	(17,676)
Total departmental	234,485	221,800	12,685
Street			
Personal services	129,520	146,950	(17,430)
Contractual services	33,407	22,000	11,407
Commodities	63,332	63,000	332
Capital outlay	32,544	31,274	1,270
Total departmental	258,803	263,224	(4,421)
Park, Cemetery, and Lake			
Personal services	22,629	30,000	(7,371)
Contractual services	3,323	3,200	123
Commodities	3,701	4,650	(949)
Capital outlay	1,761	2,000	(239)
Total departmental	31,414	39,850	(8,436)
Pool			
Personal services	26,166	37,000	(10,834)
Contractual services	2,558	5,335	(2,777)
Commodities	27,798	38,750	(10,952)
Total departmental	56,522	81,085	(24,563)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

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	Actual	Budget	Variance Over (Under)
EXPENDITURES (continued)			
Municipal Court			
Personal services	\$ 54,435	\$ 65,000	\$ (10,565)
Contractual services	10,520	14,200	(3,680)
Commodities	3,918	4,500	(582)
Capital outlay	699	2,000	(1,301)
Refunds and state assessments	11,563	-	11,563
Total departmental	<u>81,135</u>	<u>85,700</u>	<u>(4,565)</u>
New Lake			
Personal services	30,560	37,000	(6,440)
Contractual services	18,944	22,450	(3,506)
Commodities	16,090	20,600	(4,510)
Capital outlay	4,688	5,000	(312)
Other expense	-	1,000	(1,000)
Total departmental	<u>70,282</u>	<u>86,050</u>	<u>(15,768)</u>
Community Building			
Contractual services	16,995	17,950	(955)
Commodities	9,490	8,800	690
Capital outlay	1,000	1,000	-
Total departmental	<u>27,485</u>	<u>27,750</u>	<u>(265)</u>
Homestead Village			
Personal services	19,705	15,950	3,755
Contractual services	26,452	21,968	4,484
Commodities	9,970	20,850	(10,880)
Capital outlay	-	12,000	(12,000)
Bonded debt	117,842	117,156	686
Total departmental	<u>173,969</u>	<u>187,924</u>	<u>(13,955)</u>
Hilltop			
Personal services	81,232	92,200	(10,968)
Contractual services	58,617	67,775	(9,158)
Commodities	23,986	47,850	(23,864)
Capital outlay	25,000	25,000	-
Other expense	1,275	-	1,275
Total departmental	<u>190,110</u>	<u>232,825</u>	<u>(42,715)</u>
Capital lease payments	-	31,632	(31,632)
Transfer to - Capital Improvement Fund	-	100,000	(100,000)
TOTAL EXPENDITURES	<u>1,683,681</u>	<u>\$ 1,855,155</u>	<u>\$ (171,474)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	84,875		
UNENCUMBERED CASH, BEGINNING	<u>158,540</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 243,415</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	\$ 68,853	\$ 72,954	\$ (4,101)
Delinquent tax collections	4,183	-	4,183
Motor vehicle tax	9,420	8,389	1,031
Recreational vehicle tax	133	188	(55)
16/20M truck tax	180	76	104
Commercial vehicle tax	-	357	(357)
Neighborhood revitalization rebate	-	(901)	901
	<u>82,769</u>	<u>\$ 81,063</u>	<u>\$ 1,706</u>
TOTAL RECEIPTS	82,769	<u>\$ 81,063</u>	<u>\$ 1,706</u>
EXPENDITURES			
Appropriations to library board	<u>82,769</u>	<u>\$ 81,063</u>	<u>\$ 1,706</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	\$ 320,538	\$ 339,910	\$ (19,372)
Delinquent tax collections	18,047	-	18,047
Motor vehicle tax	38,904	32,750	6,154
Recreational vehicle tax	557	733	(176)
16/20M truck tax	793	297	496
Commercial vehicle tax	-	1,393	(1,393)
Neighborhood revitalization rebate	-	(4,198)	4,198
Miscellaneous	13,180	-	13,180
	<u>392,019</u>	<u>\$ 370,885</u>	<u>\$ 21,134</u>
TOTAL RECEIPTS			
EXPENDITURES			
Health insurance	143,394	\$ 212,398	\$ (69,004)
Social Security	60,392	58,000	2,392
Workers' compensation	6,379	36,092	(29,713)
KPERS	31,871	36,840	(4,969)
KP&F retirement	88,569	77,000	11,569
Unemployment insurance	793	3,000	(2,207)
	<u>331,398</u>	<u>\$ 423,330</u>	<u>\$ (91,932)</u>
TOTAL EXPENDITURES			
RECEIPTS OVER (UNDER) EXPENDITURES	60,621		
UNENCUMBERED CASH, BEGINNING	<u>142,925</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 203,546</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Gasoline taxes - state	\$ 63,481	\$ 64,040	\$ (559)
EXPENDITURES			
Contractual services	2,000	\$ 2,750	\$ (750)
Commodities	26,473	31,700	(5,227)
Capital outlay	35,323	82,775	(47,452)
TOTAL EXPENDITURES	63,796	\$ 117,225	\$ (53,429)
RECEIPTS OVER (UNDER) EXPENDITURES	(315)		
UNENCUMBERED CASH, BEGINNING	107,538		
UNENCUMBERED CASH, ENDING	\$ 107,223		

CITY OF HERINGTON, KANSAS
Herington, Kansas

PARK, RECREATION, AND IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Liquor enforcement tax	\$ 1,849	<u>\$ 2,517</u>	<u>\$ (668)</u>
EXPENDITURES			
Capital outlay	<u>9,722</u>	<u>\$ 8,000</u>	<u>\$ 1,722</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(7,873)		
UNENCUMBERED CASH, BEGINNING	<u>9,955</u>		
UNENCUMBERED CASH, ENDING	<u><u>\$ 2,082</u></u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
State payments	\$ 11,200	<u>\$ 13,088</u>	<u>\$ (1,888)</u>
EXPENDITURES			
Contractual services	12,695	\$ 12,775	\$ (80)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>12,695</u>	<u>\$ 12,775</u>	<u>\$ (80)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(1,495)		
UNENCUMBERED CASH, BEGINNING	<u>10,634</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 9,139</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

2010 SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Sales tax	\$ 102,858	\$ 87,574	\$ 15,284
Compensating use tax	<u>25,178</u>	<u>16,717</u>	<u>8,461</u>
TOTAL RECEIPTS	<u>128,036</u>	<u>\$ 104,291</u>	<u>\$ 23,745</u>
EXPENDITURES			
Contractual services	40,000	\$ 71,594	\$ (31,594)
Capital outlay	49,030	-	49,030
Capital improvements	-	59,282	(59,282)
Demolition/Fire equipment	-	153,000	(153,000)
Overpass payment	23,263	23,263	-
Transfer to - General Fund	<u>185,777</u>	<u>185,777</u>	<u>-</u>
TOTAL EXPENDITURES	<u>298,070</u>	<u>\$ 492,916</u>	<u>\$ (194,846)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(170,034)		
UNENCUMBERED CASH, BEGINNING	<u>451,299</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 281,265</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

2006 SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Sales tax	\$ 102,858	\$ 87,574	\$ 15,284
Compensating use tax	<u>25,178</u>	<u>16,717</u>	<u>8,461</u>
TOTAL RECEIPTS	128,036	<u><u>\$ 104,291</u></u>	<u><u>\$ 23,745</u></u>
EXPENDITURES			
Transfer to - General Fund	<u>-</u>	<u><u>\$ 100,000</u></u>	<u><u>\$ (100,000)</u></u>
RECEIPTS OVER (UNDER) EXPENDITURES	128,036		
UNENCUMBERED CASH, BEGINNING	<u>11,817</u>		
UNENCUMBERED CASH, ENDING	<u><u>\$ 139,853</u></u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

HOSPITAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	\$ 4,767	\$ 5,211	\$ (444)
Delinquent tax collections	424	-	424
Motor vehicle tax	596	512	84
Recreational vehicle tax	8	12	(4)
16/20M truck tax	11	5	6
Commercial vehicle tax	-	22	(22)
Neighborhood revitalization rebate	-	(64)	64
Sales tax	205,716	154,000	51,716
Compensating use tax	50,355	46,000	4,355
	<u>261,877</u>	<u>\$ 205,698</u>	<u>\$ 56,179</u>
TOTAL RECEIPTS	<u>261,877</u>	<u>\$ 205,698</u>	<u>\$ 56,179</u>
EXPENDITURES			
Tax distribution to Hospital	261,877	\$ 205,698	\$ 56,179
Adjustments for qualifying budget credits	<u>-</u>	<u>56,071</u>	<u>(56,071)</u>
TOTALS FOR COMPARISON	<u>261,877</u>	<u>\$ 261,769</u>	<u>\$ 108</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

STORM WATER DRAINAGE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Storm water drainage fee	\$ 47,310	\$ 48,711	\$ (1,401)
Delinquent tax collections	<u>3,539</u>	<u>4,300</u>	<u>(761)</u>
TOTAL RECEIPTS	50,849	<u>\$ 53,011</u>	<u>\$ (2,162)</u>
EXPENDITURES			
Storm water drainage	<u>133,103</u>	<u>\$ 325,939</u>	<u>\$ (192,836)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(82,254)		
UNENCUMBERED CASH, BEGINNING	<u>272,929</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 190,675</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

POLICE DIVERSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Diversion fees	<u>2,134</u>	<u>\$ 10,000</u>	<u>\$ (7,866)</u>
EXPENDITURES			
Training	-	6,000	(6,000)
Equipment	<u>-</u>	<u>4,000</u>	<u>(4,000)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	2,134		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,134</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest income	\$ 1,051	\$ -	\$ 1,051
Transfer from:			
General Fund	-	100,000	(100,000)
Light Fund	-	154,500	(154,500)
Water Fund	-	147,000	(147,000)
	<u>1,051</u>	<u>\$ 401,500</u>	<u>\$ (400,449)</u>
TOTAL RECEIPTS	1,051	<u>\$ 401,500</u>	<u>\$ (400,449)</u>
EXPENDITURES			
Capital improvements	<u>-</u>	<u>\$ 451,598</u>	<u>\$ (451,598)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	1,051		
UNENCUMBERED CASH, BEGINNING	<u>50,098</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 51,149</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	\$ 77,639	\$ 78,737	\$ (1,098)
Delinquent tax collections	1,903	-	1,903
Motor vehicle tax	3,029	2,218	811
Recreational vehicle tax	45	50	(5)
16/20M truck tax	87	20	67
Commercial vehicle tax	-	94	(94)
Neighborhood revitalization rebate	-	(1,019)	1,019
Transfer from - Light Fund	110,000	110,119	(119)
	<u>192,703</u>	<u>\$ 190,219</u>	<u>\$ 2,484</u>
TOTAL RECEIPTS			
EXPENDITURES			
Bonds			
Principal	155,000	\$ 155,000	\$ -
Interest	35,219	35,219	-
	<u>190,219</u>	<u>\$ 190,219</u>	<u>\$ -</u>
TOTAL EXPENDITURES			
RECEIPTS OVER (UNDER) EXPENDITURES	2,484		
UNENCUMBERED CASH, BEGINNING	<u>(227)</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,257</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Rental income	\$ 84,911	\$ 121,857	\$ (36,946)
Reimbursed expenses	229,638	6,000	223,638
Interest income	3,765	1,200	2,565
Miscellaneous	8	-	8
	<u>318,322</u>	<u>\$ 129,057</u>	<u>\$ 189,265</u>
TOTAL RECEIPTS			
EXPENDITURES			
Personal services	3,764	\$ 35,000	\$ (31,236)
Contractual services	194,763	110,400	84,363
Commodities	18,917	36,200	(17,283)
Airport improvements	65,226	-	65,226
	<u>282,670</u>	<u>181,600</u>	<u>101,070</u>
TOTAL EXPENDITURES			
Adjustment for qualifying budget credits	-	223,638	(223,638)
	<u>282,670</u>	<u>\$ 405,238</u>	<u>\$ (122,568)</u>
TOTALS FOR COMPARISON			
RECEIPTS OVER (UNDER) EXPENDITURES	35,652		
UNENCUMBERED CASH, BEGINNING	<u>167,215</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 202,867</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	\$ 749,206	\$ 781,244	\$ (32,038)
Other charges	6,825	28,000	(21,175)
Loan proceeds - Kansas Public Water Supply Loan	86,951	-	86,951
Reimbursed expenses	606	4,000	(3,394)
Miscellaneous	2,713	4,300	(1,587)
TOTAL RECEIPTS	<u>846,301</u>	<u>\$ 817,544</u>	<u>\$ 28,757</u>
EXPENDITURES			
Production			
Personal services	109,526	\$ 101,500	\$ 8,026
Contractual services	6,370	20,300	(13,930)
Commodities	79,906	92,750	(12,844)
Capital outlay	75,958	30,000	45,958
Total Production	<u>271,760</u>	<u>244,550</u>	<u>27,210</u>
Transmission and Distribution			
Personal services	99,757	139,500	(39,743)
Contractual services	10,478	22,300	(11,822)
Commodities	78,103	83,250	(5,147)
Capital outlay	94,170	125,000	(30,830)
Total Transmission and Distribution	<u>282,508</u>	<u>370,050</u>	<u>(87,542)</u>
General and Administrative			
Personal services	52,956	61,646	(8,690)
Contractual services	15,908	22,800	(6,892)
Commodities	375	3,250	(2,875)
Capital outlay	-	10,000	(10,000)
Total General and Administrative	<u>69,239</u>	<u>97,696</u>	<u>(28,457)</u>
Other			
Sales tax	18,661	20,000	(1,339)
Water protection fee	2,842	4,600	(1,758)
Workers' compensation	2,135	13,800	(11,665)
Unemployment compensation	192	-	192
KDHE loan payments	86,746	86,746	-
Other expenses	-	62,885	(62,885)
Transfer to - Capital Improvement Fund	-	147,000	(147,000)
Reserve for future period	-	37,500	(37,500)
Total Other	<u>110,576</u>	<u>372,531</u>	<u>(261,955)</u>
TOTAL EXPENDITURES	<u>734,083</u>	<u>\$ 1,084,827</u>	<u>\$ (350,744)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	112,218		
UNENCUMBERED CASH, BEGINNING	<u>283,349</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 395,567</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

LIGHT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	\$ 2,800,466	\$ 2,654,660	\$ 145,806
Other charges	7,242	156,689	(149,447)
Reimbursed expenses	78,173	14,327	63,846
Miscellaneous	26,754	16,977	9,777
TOTAL RECEIPTS	<u>2,912,635</u>	<u>\$ 2,842,653</u>	<u>\$ 69,982</u>
EXPENDITURES			
Production			
Personal services	530	\$ -	\$ 530
Contractual services	1,569,032	1,729,000	(159,968)
Commodities	17,164	9,000	8,164
Capital outlay	-	12,000	(12,000)
Total Production	<u>1,586,726</u>	<u>1,750,000</u>	<u>(163,274)</u>
Transmission and Distribution			
Personal services	157,020	182,000	(24,980)
Contractual services	21,759	65,439	(43,680)
Commodities	122,954	107,800	15,154
Capital outlay	24,309	-	24,309
Transfer to - Equipment Reserve Fund	-	20,000	(20,000)
Total Transmission and Distribution	<u>326,042</u>	<u>375,239</u>	<u>(49,197)</u>
General and Administrative			
Personal services	314,642	341,445	(26,803)
Contractual services	83,894	81,650	2,244
Commodities	16,670	18,200	(1,530)
Capital outlay	-	4,000	(4,000)
Other expenses	1,602	11,500	(9,898)
Total General and Administrative	<u>416,808</u>	<u>456,795</u>	<u>(39,987)</u>
Other			
Payroll expenses	3,345	25,200	(21,855)
Sales tax	125,508	125,000	508
Other expenses	1,365	67,692	(66,327)
Transfer to:			
Bond and Interest Fund	110,000	110,119	(119)
Capital Improvement Fund	-	154,500	(154,500)
Reserve for future period	-	37,500	(37,500)
Total Other	<u>240,218</u>	<u>520,011</u>	<u>(279,793)</u>
TOTAL EXPENDITURES	<u>2,569,794</u>	<u>\$ 3,102,045</u>	<u>\$ (532,251)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	342,841		
UNENCUMBERED CASH, BEGINNING	<u>259,628</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 602,469</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
Page 19 of 22

	Actual	Budget	Variance Over (Under)
	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
RECEIPTS			
Charges for service	\$ 276,743	\$ 321,304	\$ (44,561)
Reimbursed expenses	687	-	687
Miscellaneous	<u>1,368</u>	<u>1,000</u>	<u>368</u>
TOTAL RECEIPTS	<u>278,798</u>	<u>\$ 322,304</u>	<u>\$ (43,506)</u>
EXPENDITURES			
Operations			
Personal services	72,076	\$ 79,700	\$ (7,624)
Contractual services	44,463	42,650	1,813
Commodities	11,702	32,050	(20,348)
Capital outlay	25,026	78,016	(52,990)
Miscellaneous	1,010	-	1,010
KDHE loan repayment	39,715	39,715	-
Debt service	-	50,000	(50,000)
Transfer to - Equipment Reserve Fund	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>
TOTAL EXPENDITURES	<u>193,992</u>	<u>\$ 372,131</u>	<u>\$ (178,139)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	84,806		
UNENCUMBERED CASH, BEGINNING	<u>49,828</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 134,634</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SOLID WASTE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2019

Schedule 2
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Charges for service	\$ 210,342	<u>\$ 232,000</u>	<u>\$ (21,658)</u>
EXPENDITURES			
Operations			
Contractual services	<u>210,305</u>	<u>\$ 232,000</u>	<u>\$ (21,695)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	37		
UNENCUMBERED CASH, BEGINNING	<u>14,066</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 14,103</u>		

CITY OF HERINGTON, KANSAS
Herington, Kansas

CEMETERY PERPETUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2019

Schedule 2
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RECEIPTS	
Receipts for perpetual care	\$ 1,396
Sale of cemetery lots	100
Interest income	<u>59</u>
TOTAL RECEIPTS	1,555
EXPENDITURES	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	1,555
UNENCUMBERED CASH, BEGINNING	<u>138,834</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 140,389</u></u>

CITY OF HERINGTON, KANSAS
Herington, Kansas

SPECIAL PURPOSE NONBUDGETED FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2019

Schedule 2
Page 22 of 22

	Equipment Reserve	Hilltop Deposits
RECEIPTS		
Reimbursed expenses	\$ 21,341	\$ -
Interest	1,611	375
TOTAL RECEIPTS	<u>22,952</u>	<u>375</u>
EXPENDITURES		
Contractual services	-	-
Capital outlay	59,367	-
TOTAL EXPENDITURES	<u>59,367</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(36,415)	375
UNENCUMBERED CASH, BEGINNING	<u>371,198</u>	<u>540</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 334,783</u></u>	<u><u>\$ 915</u></u>

CITY OF HERINGTON, KANSAS
Herington, Kansas

HERINGTON PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2019

Schedule 3

	Operations	Capital Improvement	Total
RECEIPTS			
Appropriations	\$ 82,769	\$ -	\$ 82,769
Contributions and support	600	-	600
NCKL	2,000	-	2,000
State aid	800	-	800
Miscellaneous	2,397	-	2,397
Interest	1,476	29	1,505
Transfers	-	1,500	1,500
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TOTAL RECEIPTS	90,042	1,529	91,571
EXPENDITURES			
AV materials	482	-	482
Books	1,769	-	1,769
Computers	1,395	-	1,395
Advertising and marketing	182	-	182
Contract expense	4,136	-	4,136
Insurance	3,416	-	3,416
Magazines and newspapers	904	-	904
Maintenance	3,238	-	3,238
Office expense	1,361	-	1,361
Programs -			
Children	205	-	205
Summer reading	156	-	156
Payroll -			
Expense	49,318	-	49,318
Taxes	16,032	-	16,032
Utilities	1,379	-	1,379
Miscellaneous	1,816	-	1,816
Transfers	1,500	-	1,500
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	87,289	-	87,289
RECEIPTS OVER (UNDER) EXPENDITURES	2,753	1,529	4,282
UNENCUMBERED CASH, BEGINNING	172,942	17,433	190,375
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UNENCUMBERED CASH, ENDING	<u>\$ 175,695</u>	<u>\$ 18,962</u>	<u>\$ 194,657</u>