

**CITY OF WHITE CITY, KANSAS**

**FINANCIAL STATEMENT**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

December 31, 2021

**CITY OF WHITE CITY, KANSAS**  
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December 31, 2021

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July 25, 2022

Mayor and Council Members  
City of White City, Kansas

## **Independent Auditor's Report**

### ***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of White City, Kansas (the City), as of and for the year ended December 31, 2021 and the related notes to the financial statement.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

### ***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and KMAAG. 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 audits. 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 the 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 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.

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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 statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial 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, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the 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 accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

*Varney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

**CITY OF WHITE CITY, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

STATEMENT 1

<b>Fund</b>	<b>Beginning Unencumbered Cash Balance</b>	<b>Cash Receipts</b>	<b>Cash Expenditures</b>	<b>Ending Unencumbered Cash Balance</b>	<b>Add Outstanding Encumbrances and Accounts Payable</b>	<b>Ending Cash Balance</b>
Governmental Funds						
General Fund	\$ 107,896	\$ 330,094	\$ 312,005	\$ 125,985	\$ 25,374	\$ 151,359
Special Purpose Funds						
Library	-	11,877	11,839	38	-	38
Special Highway	4,574	16,750	17,711	3,613	353	3,966
Special Parks and Recreation	9,535	10,976	6,178	14,333	-	14,333
Fire Equipment Reserve	18,856	10,000	1,250	27,606	-	27,606
Capital Improvement Reserve	43,329	31,200	52,135	22,394	-	22,394
Special Equipment Reserve	31,540	10,000	19,192	22,348	-	22,348
Business Funds						
Water Utility	26,266	99,020	90,216	35,070	785	35,855
Sewer Utility	33,585	68,783	74,657	27,711	1,599	29,310
Trash Utility	7,794	36,693	37,183	7,304	-	7,304
<b>Total Reporting Entity</b>	<b>\$ 283,375</b>	<b>\$ 625,393</b>	<b>\$ 622,366</b>	<b>\$ 286,402</b>	<b>\$ 28,111</b>	<b>\$ 314,513</b>

**Composition of Cash:**

Checking	\$ 308,975
Savings	11,013
Petty cash	300
<b>Total Cash</b>	<b>\$ 320,288</b>
Agency Funds per Schedule 3	(5,775)
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 314,513</b>

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies**

**General Statement**

The City of White City, Kansas (the City) is a municipal corporation governed by an elected five-member council and mayor. The City provides the following services as authorized by its charter: public works, public safety, recreation, and waterworks.

The accounting and reporting policies of the City relating to the financial statement and the funds included in the accompanying regulatory-required supplementary information conform to the cash basis and budget laws of the State of Kansas. The more significant accounting policies of the City are described below.

**Regulatory Basis Fund Types**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, receipts and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

**General Fund** - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified use.

**Business Funds** - Business funds are used to account for funds financed in whole or part by fees charged to the users of the goods or services.

**Agency Funds** – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

**Basis of Accounting and Presentation**

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 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 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. 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.

**Use of Estimates**

The preparation of the financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures at the date of the financial statement. Accordingly, actual results could differ from those estimates.

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

***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 on or before August 5th of the proposed budget and notice of public hearing on the budget.
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.

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 project funds, trust funds, and the following special purpose funds: Fire Equipment Reserve Fund, Capital Improvement Reserve Fund and Special Equipment Reserve Fund.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**Note 2: Stewardship, Compliance and Accountability**

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the City Attorney. Management is not aware of any items of noncompliance with Kansas Statutes.

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 3: Deposits and Investments**

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.

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

*Concentration of credit risk.* State statutes place no limit on the amount the 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 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 coverage is 50%. The City does not utilize "peak periods".

At December 31, 2021 the carrying amount of the City's deposits, including certificates of deposit, was \$319,988 and the bank balance was \$322,781. The bank balance was held at one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**Note 4: Property Taxes**

The City certifies its' budget to the county clerk annually. Using this certified budget and those of other political subdivisions within the county, the county clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20th of the same year, and the second installment is due May 10 of the subsequent year. The county treasurer collects and distributes the property taxes. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations.

**Note 5: Long-Term Debt**

The City entered into a loan agreement with the Kansas Department of Health and Environment on May 17, 2001 for the construction of a three-cell sewage facility. The total amount borrowed was \$373,792. Semi-annual payments of \$11,870 are made each year on March 1 and September 1, to be paid from revenues of the Sewer Utility. The loan carries an interest rate of 3.11% and is scheduled to mature on September 1, 2022. No lien or other security interest is granted to the Kansas Department of Health and Environment, however should Sewer Utility revenues be insufficient to pay costs of operation and maintenance of the system and pay the principal, interest and other amounts due under the loan agreement, the City shall levy ad valorem taxes to produce the required amounts.



**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 5: Long-Term Debt (Continued)**

The City entered into a loan agreement with the Kansas Department of Health and Environment on December 15, 2005 for water system improvements. The total loan amount was \$599,777, which includes loan costs and interest during construction that were added to the loan balance. Semi-annual payments of \$15,883 were made from Aug 1, 2007 to Aug 1, 2009. The payment increased to \$20,675 on Feb 1, 2011, and was changed to \$20,619 on Aug 1, 2011. Payments of \$20,619 are now due on Feb 1 and Aug 1 each year to be paid from revenues of the Water Utility. The loan carries an interest of 3.55%, and is scheduled to mature on February 1, 2027. No lien or other security interest is granted to the Kansas Department of Health and Environment, however should Water Utility revenues be insufficient to pay costs of operation and maintenance of the system and pay the principal, interest and other amounts due under the loan agreement, the City shall levy ad valorem taxes to produce the required amounts.

The City entered into a loan agreement with the White City Fireman's Relief Association for a portion of the purchase price of a new fire truck on June 3, 2014. The original amount of the loan was for \$25,000 with an interest rate of 2%. Annual payments of \$3,413 began on June 3, 2015 and was scheduled to continue through June 3, 2022. During 2019, the City entered into a new loan agreement with the White City Fireman's Relief Association for a portion of the purchase price of a new fire truck on February 21, 2019, and the remaining balance of the original loan in 2014. The original amount of the loan was for \$28,068 with an interest rate of 3%. Annual payments of \$3,605 begin on June 2, 2020 and will continue through May 31, 2028. Payments on this loan are made from the General Fund.

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 5: Long-Term Debt (Continued)**

Changes in long-term liabilities for the City for the year ended December 31, 2021 were as follows:

<b>ISSUE</b>	<b>Interest Rates</b>	<b>Date of Issue</b>	<b>Amount of Issue</b>	<b>Date of Final Maturity</b>	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Reductions/ Payments</b>	<b>Net Change</b>	<b>Balance End of Year</b>	<b>Interest Paid</b>
<b>Loans</b>										
Fireman's Relief Loan - 2019	3.00%	2/21/2019	\$ 28,068	05/31/28	\$ 25,305	\$ -	\$ 2,846	\$ (2,846)	\$ 22,459	\$ 759
<b>KDHE Loans</b>										
Sewer Project	3.11%	5/17/2001	373,792	9/1/22	45,689	-	22,492	(22,492)	23,197	1,247
Water Project	3.55%	12/15/2005	599,777	2/1/27	237,495	-	33,097	(33,097)	204,398	8,140
<b>TOTAL LONG-TERM DEBT</b>					<b>\$ 308,489</b>	<b>\$ -</b>	<b>\$ 58,435</b>	<b>\$ (58,435)</b>	<b>\$ 250,054</b>	<b>\$ 10,146</b>

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 5: Long-Term Debt (Continued)**

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

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027-2031</b>	<b>Total</b>
<b>PRINCIPAL</b>							
Fireman's Relief Assn - 2019	\$ 2,931	\$ 3,019	\$ 3,110	\$ 3,203	\$ 3,298	\$ 6,898	\$ 22,459
Sewer Project - KDHE	23,197	-	-	-	-	-	23,197
Water Project - KDHE	34,283	35,510	36,782	38,099	39,465	20,259	204,398
<b>Total Principal</b>	<u>\$ 60,411</u>	<u>\$ 38,529</u>	<u>\$ 39,892</u>	<u>\$ 41,302</u>	<u>\$ 42,763</u>	<u>\$ 27,157</u>	<u>\$ 250,054</u>
<b>INTEREST</b>							
Fireman's Relief Assn - 2019	\$ 674	\$ 586	\$ 495	\$ 402	\$ 306	\$ 312	\$ 2,775
Sewer Project - KDHE	542	-	-	-	-	-	542
Water Project - KDHE	6,955	5,727	4,456	3,137	1,774	359	22,408
<b>Total Interest</b>	<u>\$ 8,171</u>	<u>\$ 6,313</u>	<u>\$ 4,951</u>	<u>\$ 3,539</u>	<u>\$ 2,080</u>	<u>\$ 671</u>	<u>\$ 25,725</u>
<b>TOTAL PRINCIPAL AND INTEREST</b>	<u><u>\$ 68,582</u></u>	<u><u>\$ 44,842</u></u>	<u><u>\$ 44,843</u></u>	<u><u>\$ 44,841</u></u>	<u><u>\$ 44,843</u></u>	<u><u>\$ 27,828</u></u>	<u><u>\$ 275,779</u></u>

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 6: Other Long-Term Obligations from Operations**

***Compensated Absences***

Full time city employees may earn one to three weeks of paid vacation per year, depending on the number of years employed with the City. Payment in lieu of the vacation days is not permitted and the carry-over may accumulate to a maximum of fifteen to twenty days. Vacation leave is payable upon termination. Full time employees also earn up to three to five days per year sick leave and can be carried-over to a maximum of forty-five days. The costs of accumulated compensated absences are not recorded at the time the benefits are accumulated, but rather at the time such benefits are paid from the fund that corresponds to the employee's duties. No estimate has been made of the total accumulated leave nor has any been included in this statement.

***Utility Deposits***

The City requires all customers to provide a security deposit for water and sewer service of \$150. Customer's deposits are refunded with applicable interest after three years with consecutive timely payments or when the customer moves and terminates service. The deposits are included in the water fund balance.

**Note 7: Pension Plan**

***General Information about the Pension Plan***

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

*Contributions:* KSA 74-4919 and KSA 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2016. Effective January 1, 2016, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(b) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$8,923 for the year ended December 31, 2021.

*Net Pension Liability:* At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$44,734. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions to the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported on 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 publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

**CITY OF WHITE CITY, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 8: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

**Note 9: Transfers**

Operating transfers for the year ended December 31, 2021, consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General Fund	Capital Improvement Reserve	\$ 20,000	12-1, 118
General Fund	Special Equipment Reserve	10,000	12-1, 117
General Fund	Fire Equipment Reserve	10,000	12-1, 117
		<u>\$ 40,000</u>	

**Note 10: COVID-19**

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

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the City to assist with the risks and help offset incurred costs of the City.

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF WHITE CITY, KANSAS**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

<b>Fund</b>	<b>Certified Budget</b>	<b>Qualified Budget Credits</b>	<b>Adjusted Budget</b>	<b>Expenditures Chargeable to Current Year</b>	<b>Variance Over (Under)</b>
Governmental Funds					
General Fund	\$ 375,730	\$ -	\$ 375,730	\$ 312,005	\$ (63,725)
Special Purpose Funds					
Library	11,839	-	11,839	11,839	-
Special Highway	21,075	-	21,075	17,711	(3,364)
Special Parks and Recreation	6,218	-	6,218	6,178	(40)
Business Funds					
Water Utility	97,941	-	97,941	90,216	(7,725)
Sewer Utility	100,516	-	100,516	74,657	(25,859)
Trash Utility	43,319	-	43,319	37,183	(6,136)
<b>Total Reporting Entity</b>	<b>\$ 656,638</b>	<b>\$ -</b>	<b>\$ 656,638</b>	<b>\$ 549,789</b>	<b>\$ (106,849)</b>

**CITY OF WHITE CITY, KANSAS**  
**GENERAL FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Morris County	\$ 143,604	\$ 143,333	\$ 271
Sales and use tax	54,530	39,700	14,830
Franchise fees	18,730	20,000	(1,270)
Local alcoholic liquor	2,251	2,851	(600)
Interest on idle funds	751	2,500	(1,749)
Rent	10,022	6,000	4,022
Licenses and permits	910	750	160
Fire Contract	17,129	24,000	(6,871)
Donations and grants	58,185	200	57,985
Other	23,982	33,500	(9,518)
<b>Total Receipts</b>	<u>\$ 330,094</u>	<u>\$ 272,834</u>	<u>\$ 57,260</u>
<b>EXPENDITURES</b>			
General Government			
Personal services	\$ 72,766	\$ 53,000	\$ 19,766
Contractual	139,279	104,302	34,977
Commodities	55,325	46,506	8,819
Capital outlay	1,030	128,317	(127,287)
Debt service	3,605	3,605	-
Transfer to other funds	40,000	40,000	-
<b>Total Expenditures</b>	<u>\$ 312,005</u>	<u>\$ 375,730</u>	<u>\$ (63,725)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 18,089		
<b>Unencumbered Cash - January 1</b>	<u>107,896</u>		
<b>Unencumbered Cash - December 31</b>	<u>\$ 125,985</u>		



**CITY OF WHITE CITY, KANSAS**  
**LIBRARY**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Morris County	\$ 11,877	\$ 11,839	\$ 38
<b>Expenditures</b>			
Remitted to Library	\$ 11,839	\$ 11,839	\$ -
<b>Receipts Over (Under) Expenditures</b>	\$ 38		
<b>Unencumbered Cash - Beginning</b>	-		
<b>Unencumbered Cash - Ending</b>	\$ 38		

**CITY OF WHITE CITY, KANSAS**  
**SPECIAL HIGHWAY**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
State of Kansas - Gas tax	\$ 16,750	\$ 12,700	\$ 4,050
<b>Expenditures</b>			
Street maintenance	\$ 17,711	\$ 21,075	\$ (3,364)
<b>Receipts Over (Under) Expenditures</b>	\$ (961)		
<b>Unencumbered Cash - Beginning</b>	<u>4,574</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 3,613</u>		

**CITY OF WHITE CITY, KANSAS**  
**SPECIAL PARKS AND RECREATION**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Alcoholic beverage tax	\$ 2,251	\$ 2,851	\$ (600)
Rental income	6,605	500	6,105
Donations and other	2,120	100	2,020
<b>Total Receipts</b>	<u>\$ 10,976</u>	<u>\$ 3,451</u>	<u>\$ 7,525</u>
<b>Expenditures</b>			
Contractual services	\$ 1,998	\$ 1,000	\$ 998
Materials and supplies	4,180	5,218	(1,038)
<b>Total Expenditures</b>	<u>\$ 6,178</u>	<u>\$ 6,218</u>	<u>\$ (40)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 4,798		
<b>Unencumbered Cash - Beginning</b>	<u>9,535</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 14,333</u>		

**CITY OF WHITE CITY, KANSAS**  
**FIRE EQUIPMENT RESERVE**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

<b>Receipts</b>	
Transfers in	<u>\$ 10,000</u>
<b>Expenditures</b>	
Equipment	<u>\$ 1,250</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 8,750
<b>Unencumbered Cash - Beginning</b>	<u>18,856</u>
<b>Unencumbered Cash - Ending</b>	<u><u>\$ 27,606</u></u>

**CITY OF WHITE CITY, KANSAS**  
**CAPITAL IMPROVEMENT RESERVE**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

**Receipts**

Transfers in	\$ 20,000
Reimbursed expenses	11,200
<b>Total Receipts</b>	<u>\$ 31,200</u>

**Expenditures**

Capital outlay	<u>\$ 52,135</u>
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<b>Receipts Over (Under) Expenditures</b>	\$ (20,935)
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<b>Unencumbered Cash - Beginning</b>	<u>43,329</u>
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<b>Unencumbered Cash - Ending</b>	<u><u>\$ 22,394</u></u>
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**CITY OF WHITE CITY, KANSAS**  
**SPECIAL EQUIPMENT RESERVE**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

<b>Receipts</b>	
Transfers in	<u>\$ 10,000</u>
<b>Expenditures</b>	
Equipment	<u>\$ 19,192</u>
<b>Receipts Over (Under) Expenditures</b>	\$ (9,192)
<b>Unencumbered Cash - Beginning</b>	<u>31,540</u>
<b>Unencumbered Cash - Ending</b>	<u><u>\$ 22,348</u></u>

**CITY OF WHITE CITY, KANSAS**  
**WATER UTILITY**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Charges for services	\$ 96,878	\$ 80,300	\$ 16,578
Water deposits	2,105	2,000	105
Reimbursed expenses	26	-	26
Interest on idle funds	11	-	11
<b>Total Receipts</b>	<u>\$ 99,020</u>	<u>\$ 82,300</u>	<u>\$ 16,720</u>
<b>Expenditures</b>			
Personal services	\$ 33,833	\$ 23,000	\$ 10,833
Contractual services	3,392	12,000	(8,608)
Commodities	10,389	5,000	5,389
Capital outlay	-	14,204	(14,204)
Water deposit refunds	1,364	1,500	(136)
Debt service	41,238	42,237	(999)
<b>Total Expenditures</b>	<u>\$ 90,216</u>	<u>\$ 97,941</u>	<u>\$ (7,725)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 8,804		
<b>Unencumbered Cash - Beginning</b>	<u>26,266</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 35,070</u>		

**CITY OF WHITE CITY, KANSAS**  
**SEWER UTILITY**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Sewer charges for services	\$ 68,783	\$ 69,000	\$ (217)
<b>Expenditures</b>			
Personal services	\$ 33,833	\$ 23,000	\$ 10,833
Contractual services	16,938	15,000	1,938
Commodities	147	100	47
Capital outlay	-	38,477	(38,477)
Debt service	23,739	23,939	(200)
<b>Total Expenditures</b>	<u>\$ 74,657</u>	<u>\$ 100,516</u>	<u>\$ (25,859)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ (5,874)		
<b>Unencumbered Cash - Beginning</b>	<u>33,585</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 27,711</u>		



**CITY OF WHITE CITY, KANSAS**  
**TRASH UTILITY**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Trash collections	\$ 36,693	<u>\$ 35,617</u>	<u>\$ 1,076</u>
<b>Expenditures</b>			
Contractual services	\$ 37,183	<u>\$ 43,319</u>	<u>\$ (6,136)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ (490)		
<b>Unencumbered Cash - Beginning</b>	<u>7,794</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 7,304</u>		

CITY OF WHITE CITY, KANSAS  
 AGENCY FUNDS  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 Regulatory Basis  
 For the Year Ended December 31, 2021

<b>Fund</b>	<b>Beginning Cash Balance</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Ending Cash Balance</b>
Payroll tax clearing	\$ -	\$ 134,676	\$ 130,502	\$ 4,174
Customer deposits clearing	1,642	9,081	9,122	1,601
Sales tax clearing	-	375	375	-
Penalty clearing	-	2,510	2,510	-
<b>Total Agency Funds</b>	<b>\$ 1,642</b>	<b>\$ 146,642</b>	<b>\$ 142,509</b>	<b>\$ 5,775</b>