

**CITY OF WATERVILLE
WATERVILLE, KANSAS**

**FINANCIAL STATEMENT
DECEMBER 31, 2019**

CITY OF WATERVILLE, KANSAS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of the
City of Waterville, Kansas

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

Auditor's 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 the *Kansas Municipal Audit and Accounting Guide*. Those standards require 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 auditor's 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting 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 basis for our audit opinions.

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 the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the 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, 2019, 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 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, 2019, and the aggregate receipts and expenditures for the year then ended, in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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.

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.

Manhattan, Kansas

April 2, 2020



STATEMENT 1

CITY OF WATERVILLE, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
General Funds						
General	\$ 275,563	\$ 851,038	\$ 877,926	\$ 248,675	\$ 36,527	\$ 285,202
Special Purpose Funds						
Library	5,822	51,030	34,960	21,892	608	22,500
Library Restricted	238,141	-	24,663	213,478	67	213,545
Special Highway	51,689	90,521	106,073	36,137	480	36,617
Ambulance	131,112	88,575	80,253	139,434	202	139,636
Special Machinery (Equipment Reserve)	12,051	13,152	-	25,203	-	25,203
Historical	10,783	-	10,783	-	-	-
Capital Project Funds						
Opera House Renovation	30,406	13,209	5,613	38,002	-	38,002
CDBG Curb and Gutter Improvement	31,187	-	31,187	-	-	-
Business Funds						
Sewer Utility	17,215	75,520	81,171	11,564	1,187	12,751
Water Utility	194,044	140,247	106,791	227,500	1,462	228,962
Lights Utility	114,874	635,277	566,118	184,033	1,553	185,586
Total	<u>\$ 1,112,887</u>	<u>\$ 1,958,569</u>	<u>\$ 1,925,538</u>	<u>\$ 1,145,918</u>	<u>\$ 42,086</u>	<u>\$ 1,188,004</u>

Composition of Cash and Investments

Checking accounts	\$ 405,657
Petty cash	1,460
Certificates of deposit	780,887

Total Cash and Investments\$ 1,188,004

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Waterville, Kansas, (the City), is a municipal corporation governed by an elected five-member council plus a mayor. This regulatory financial statement presents the City of Waterville, Kansas, the primary government. A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statement referred to above does not include the component units of the City.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds. 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 out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the City for the year 2019:

Regulatory Basis fund types

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

Special purpose fund – Used to account for the proceeds of specific revenue sources, other than major capital projects, that are restricted by law or administrative action to expenditures for specified purposes.

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

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

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide) (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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 regulatory basis of accounting.

Reimbursed Expenditures

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

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

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 2 – Budgetary Information (continued)

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 amendments to the 2019 budget.

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 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds and the following special purpose funds: library restricted and special machinery.

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

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 and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 (d) (1) 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.

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 3 – Deposits and Investments (continued)

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 required coverage is 50%. The City has not designated "peak periods". All deposits were legally secured during 2019.

At December 31, 2019, the carrying amount of the City's deposits including certificates of deposit was \$1,188,004 and the bank balance was \$1,240,893. The bank balance was held at one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, \$250,000 was covered by FDIC insurance and the remainder was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the City, the pledging bank, and the independent third-party bank holding the pledged securities.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments during 2019.

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 4 – Compliance, Stewardship and Accountability

K.S.A. 79-2935 states that expenditures, including encumbrances, in any lawfully budgeted fund shall not exceed the adopted budget of expenditures plus any reimbursements (budget credits) of current year expenditures for such fund for that budget year. The Historical Fund exceeded the adopted budget by \$3,475 which appears to be a violation of this statute. However, expenditures exceeded the certified budget due to the City closing out the fund during 2019.

Note 5 – Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 6 – Interfund Transactions

The following operating transfers have been authorized for the year 2019:

From	To	Authority	Amount
General	Special Highway	K.S.A. 12-197	\$ 72,000
Water Utility	General	K.S.A. 12-825d	85,600
Sewer Utility	General	K.S.A. 12-825d	40,000
Lights Utility	General	K.S.A. 12-825d	200,000
Lights Utility	Special Machinery (Equipment Reserve)	K.S.A. 12-825d	10,000
Historical	General	K.S.A. 12-1,118	10,783
CDBG	General		31,187
Library Restricted	Library		19,129

Note 7 – Long-Term Debt

The City and Citizens State Bank (the Bank) accepted the bid from A2Z for \$264,827 to construct a fire house on property to be purchased by Citizens State Bank. On October 21, 2013 Resolution 13-4 was adopted to enter into a lease-purchase agreement between the City and the Bank. The City paid the first lease payment of \$118,318 in 2014 and has ten subsequent annual payments not to exceed \$18,318.

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 7 – Long-Term Debt (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest and Service Fee Paid
Capital Leases									
Fire Department Station	3.90%	8/12/14	264,827	8/15/24	\$ 93,747	-	\$ 14,673	\$ 79,074	\$ 3,645
					<u>\$ 93,747</u>	<u>-</u>	<u>\$ 14,673</u>	<u>\$ 79,074</u>	<u>\$ 3,645</u>

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 7 – Long-Term Debt (continued)

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Principal						
Fire Department Station	<u>\$ 15,246</u>	<u>\$ 15,840</u>	<u>\$ 16,458</u>	<u>\$ 17,100</u>	<u>\$ 14,430</u>	<u>\$ 79,074</u>
Total Principal	<u>15,246</u>	<u>15,840</u>	<u>16,458</u>	<u>17,100</u>	<u>14,430</u>	<u>79,074</u>
Interest						
Fire Department Station	<u>3,072</u>	<u>2,477</u>	<u>1,860</u>	<u>1,218</u>	<u>551</u>	<u>9,178</u>
Total Interest	<u>3,072</u>	<u>2,477</u>	<u>1,860</u>	<u>1,218</u>	<u>551</u>	<u>9,178</u>
Total Principal and Interest	<u><u>\$ 18,318</u></u>	<u><u>\$ 18,317</u></u>	<u><u>\$ 18,318</u></u>	<u><u>\$ 18,318</u></u>	<u><u>\$ 14,981</u></u>	<u><u>\$ 88,252</u></u>

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 8 – Other Leases

The City has entered into an operating lease with the Waterville Preservation Society for the Weaver Hotel. Under the lease terms the City owns the Weaver Hotel which the Waterville Preservation Society operates. The Waterville Preservation Society pays an annual lease amount of \$1 for the use of the building. No attempt has been made to determine the fair value of the rent. However, it is presumed that the income relating to any rental value over and above \$1 and expenses for the subsequent contribution of rental property, would net to zero causing this difference to be immaterial.

Note 9 – Other Long-Term Obligations from Operations

Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employees. Only full-time employees, defined as employees who work at least 1,000 hours per year, shall be entitled to benefits of leave accumulation, holidays, insurance programs and other similar benefits. No benefits are available or can be accrued by a part-time or seasonal employee. Full-time employees are entitled to 12 days paid vacation leave after one year, based on an eight-hour workday. Employees earn 15 days of vacation per year after they have been employed five to ten years, 18 days of vacation per year after they have been employed eleven to fifteen years, 21 days of vacation per year after they have been employed sixteen to twenty years and 30 days of vacation per year after they have been employed twenty or more years. Vacation may be accumulated to 240 hours. Full-time employees earn 10 hours of sick leave for each full month of service. Sick leave may be accumulated to 720 hours or 90 days. An employee is able to collect 10% of their accumulated sick leave, up to 72 hours, upon retirement with KPERS. The total unpaid compensated absences were \$18,044 at December 31, 2019.

Note 10 – Defined Benefit Pension Plan

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

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 10 – Defined Benefit Pension Plan (continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 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% for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$23,100 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$172,645. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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 nonemployer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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 or can be obtained as described above.

CITY OF WATERVILLE, KANSAS

Notes to the Financial Statement December 31, 2019

Note 11 – Other Long – Term Obligations from Operations

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government 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 of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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.

Note 12 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

The City pays an annual premium to Kansas Municipal Insurance Trust (the Trust) for its worker's compensation and employer's liability insurance coverage. The agreement to participate provides that the Trust will be self-sustaining through member premiums. Additional premiums may be due if total claims for the pool are different than what has been anticipated by pool administrator.

The City continues to carry commercial insurance for all other risks of loss, including general liability, crime, inland marine, errors and omissions, business auto and property. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13 – Evaluation of Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report which is the date the financial statement was available for issue.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

SCHEDULE 1

CITY OF WATERVILLE, KANSAS

**Summary of Expenditures – Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2019**

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over (Under)</u>
General Funds					
General	\$ 1,097,580	\$ -	\$ 1,097,580	\$ 877,926	\$ (219,654)
Special Purpose Funds					
Library	35,555	-	35,555	34,960	(595)
Library Restricted	243,332	-	243,332	24,663	(218,669)
Special Highway	113,595	-	113,595	106,073	(7,522)
Ambulance	214,297	-	214,297	80,253	(134,044)
Special Machinery (Equipment Reserve)*	22,051	-	22,051	-	(22,051)
Historical *	7,308	-	7,308	10,783	3,475
Opera House Renovation	15,715	-	15,715	5,613	(10,102)
Business Funds					
Sewer Utility	94,493	-	94,493	81,171	(13,322)
Water Utility	331,452	-	331,452	106,791	(224,661)
Lights Utility	724,037	-	724,037	566,118	(157,919)

* These funds are not required to have a legal operating budget.

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 223,530	\$ 231,760	\$ (8,230)
Delinquent Tax	6,251	-	6,251
Motor Vehicle Tax	39,185	37,097	2,088
Recreational Vehicle Tax	321	383	(62)
CMV Tax	620	1,130	(510)
16/20 M Vehicle Tax	628	472	156
Watercraft Tax	85	-	85
Special Assessments	2,392	-	2,392
Local Sales Tax	94,819	77,000	17,819
Franchise Fees	15,181	13,575	1,606
Licenses and Permits	1,515	1,750	(235)
Fines	1,843	5,300	(3,457)
Interest Income	13,023	4,150	8,873
Rents, Charges for Fees and Services	2,570	2,500	70
Concessions	6,027	4,500	1,527
Admissions	3,425	4,200	(775)
Miscellaneous	16,964	-	16,964
Donations	9,380	-	9,380
Rural Fire Appropriation	46,192	42,152	4,040
Neighborhood Revitalization Rebate	(483)	(623)	140
Transfer from Lights Utility Fund	200,000	223,065	(23,065)
Transfer from Water Utility Fund	85,600	112,780	(27,180)
Transfer from Sewer Utility Fund	40,000	50,575	(10,575)
Transfer from Historical Fund	10,783	-	10,783
Transfer from CDBG Project Fund	31,187	-	31,187
Total Receipts	<u>851,038</u>	<u>\$ 811,766</u>	<u>\$ 39,272</u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

General Fund (Continued)
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Expenditures			
General Administration and Streets:			
Personal Services	\$ 254,160	\$ 263,960	\$ (9,800)
Contractual Services	118,627	107,000	11,627
Commodities	90,436	53,000	37,436
Capital Outlay	170	203,295	(203,125)
Total General Administration and Streets	<u>463,393</u>	<u>627,255</u>	<u>(163,862)</u>
Police Department:			
Personal Services	38,972	64,220	(25,248)
Contractual	13,952	14,300	(348)
Commodities	7,219	15,500	(8,281)
Total Police Department	<u>60,143</u>	<u>94,020</u>	<u>(33,877)</u>
Other Expenditures:			
Employees' Health Insurance	123,827	130,465	(6,638)
Retirement Contributions	23,100	24,855	(1,755)
Fire - City	39,168	40,000	(832)
Community Service	628	2,000	(1,372)
Parks/Ballfield/Community Center Maintenance	25,243	42,500	(17,257)
Library Appropriation	20,500	20,500	-
Appropriations - USD #498	31,606	25,667	5,939
Lease Purchase Payment (Fire Station)	18,318	18,318	-
Transfer to Special Highway Fund	72,000	72,000	-
Total Other Expenditures	<u>354,390</u>	<u>376,305</u>	<u>(21,915)</u>
Total Expenditures	<u>877,926</u>	<u>\$ 1,097,580</u>	<u>\$ (219,654)</u>
Receipts Over (Under) Expenditures	(26,888)		
Unencumbered Cash, Beginning	275,563		
Unencumbered Cash, Ending	<u>\$ 248,675</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Library Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 7,312	\$ 7,576	\$ (264)
Delinquent Tax	203	-	203
Motor Vehicle Tax	1,264	1,209	55
Recreational Vehicle Tax	10	12	(2)
CMV Tax	20	37	(17)
16/20 M Vehicle Tax	19	15	4
Watercraft Tax	(1)	-	(1)
Interest Income	2,224	705	1,519
Miscellaneous	365	500	(135)
Appropriation - City	20,500	20,500	-
Neighborhood Revitalization Rebate	(15)	(20)	5
Transfer from Library Restricted Fund	19,129	-	19,129
Total Receipts	<u>51,030</u>	<u>\$ 30,534</u>	<u>\$ 20,496</u>
Expenditures			
Personal Services	18,975	\$ 17,800	\$ 1,175
Contractual Services	5,604	3,975	1,629
Commodities	8,467	9,100	(633)
Capital Outlay	1,914	4,680	(2,766)
Total Expenditures	<u>34,960</u>	<u>\$ 35,555</u>	<u>\$ (595)</u>
Receipts Over (Under) Expenditures	16,070		
Unencumbered Cash, Beginning	<u>5,822</u>		
Unencumbered Cash, Ending	<u>\$ 21,892</u>		

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CITY OF WATERVILLE, KANSAS

Library Restricted Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Miscellaneous	\$ -	\$ -	\$ -
Total Receipts	-	\$ -	\$ -
Expenditures			
Contractual Services	1,785	\$ -	\$ 1,785
Commodities	3,749	-	3,749
Capital Outlay	-	243,332	(243,332)
Transfer to Library Fund	19,129	-	19,129
Total Expenditures	24,663	\$ 243,332	\$ (218,669)
Receipts Over (Under) Expenditures	(24,663)		
Unencumbered Cash, Beginning	238,141		
Unencumbered Cash, Ending	\$ 213,478		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Special Highway Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
State Gas Tax	\$ 17,530	\$ 17,460	\$ 70
Miscellaneous	991	850	141
Transfer from General Fund	72,000	72,000	-
Total Receipts	<u>90,521</u>	<u>\$ 90,310</u>	<u>\$ 211</u>
Expenditures			
Contractual Services	1,672	\$ 750	\$ 922
Commodities	104,401	112,000	(7,599)
Capital Outlay	-	845	(845)
Total Expenditures	<u>106,073</u>	<u>\$ 113,595</u>	<u>\$ (7,522)</u>
Receipts Over (Under) Expenditures	(15,552)		
Unencumbered Cash, Beginning	<u>51,689</u>		
Unencumbered Cash, Ending	<u>\$ 36,137</u>		

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CITY OF WATERVILLE, KANSAS

Ambulance Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Appropriation - Marshall County	\$ 37,665	\$ 25,000	\$ 12,665
Appropriation - Blue Rapids	-	10,800	(10,800)
Charges for Services	45,715	59,000	(13,285)
Donations	3,500	-	3,500
Grants	1,150	-	1,150
Interest Income	545	250	295
Total Receipts	<u>88,575</u>	<u>\$ 95,050</u>	<u>\$ (6,475)</u>
Expenditures			
Personal Services	59,318	\$ 60,475	\$ (1,157)
Contractual Services	10,324	17,300	(6,976)
Commodities	10,611	18,800	(8,189)
Capital Outlay	-	117,722	(117,722)
Total Expenditures	<u>80,253</u>	<u>\$ 214,297</u>	<u>\$ (134,044)</u>
Receipts Over (Under) Expenditures	8,322		
Unencumbered Cash, Beginning	<u>131,112</u>		
Unencumbered Cash, Ending	<u>\$ 139,434</u>		

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CITY OF WATERVILLE, KANSAS

Special Machinery (Equipment Reserve) Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Transfer from Lights Utility Fund	\$ 10,000	\$ 10,000	\$ -
Miscellaneous	3,152	-	3,152
Total Receipts	<u>13,152</u>	<u>\$ 10,000</u>	<u>\$ 3,152</u>
Expenditures			
Capital Outlay	<u>-</u>	<u>\$ 22,051</u>	<u>\$ (22,051)</u>
Total Expenditures	<u>-</u>	<u>\$ 22,051</u>	<u>\$ (22,051)</u>
Receipts Over (Under) Expenditures	13,152		
Unencumbered Cash, Beginning	<u>12,051</u>		
Unencumbered Cash, Ending	<u>\$ 25,203</u>		

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CITY OF WATERVILLE, KANSAS

Historical Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
Interest Income	\$ -	\$ 25	\$ (25)
Total Receipts	<u>-</u>	<u>\$ 25</u>	<u>\$ (25)</u>
Expenditures			
Contractual Services	-	\$ 1,750	\$ (1,750)
Transfer to General Fund	10,783	-	10,783
Commodities	<u>-</u>	<u>5,558</u>	<u>(5,558)</u>
Total Expenditures	<u>10,783</u>	<u>\$ 7,308</u>	<u>\$ 3,475</u>
Receipts Over (Under) Expenditures	(10,783)		
Unencumbered Cash, Beginning	<u>10,783</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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CITY OF WATERVILLE, KANSAS

Opera House Renovation Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts			
Grants	\$ 9,000	\$ -	\$ 9,000
Miscellaneous	<u>4,209</u>	<u>-</u>	<u>4,209</u>
Total Receipts	<u>13,209</u>	<u>\$ -</u>	<u>\$ 13,209</u>
Expenditures			
Renovations	<u>5,613</u>	<u>\$ 15,715</u>	<u>\$ (10,102)</u>
Total Expenditures	<u>5,613</u>	<u>\$ 15,715</u>	<u>\$ (10,102)</u>
Receipts Over (Under) Expenditures	7,596		
Unencumbered Cash, Beginning	<u>30,406</u>		
Unencumbered Cash, Ending	<u>\$ 38,002</u>		

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CITY OF WATERVILLE, KANSAS

CDBG Curb and Gutter Improvement Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Project to Date</u>
Receipts		
Grants	\$ -	\$ 190,104
Transfer from other funds	-	200,000
	<u>-</u>	<u>390,104</u>
Total Receipts	<u>-</u>	<u>390,104</u>
Expenditures		
Capital Outlay	-	358,917
Transfer to General Fund	31,187	31,187
	<u>31,187</u>	<u>390,104</u>
Total Expenditures	<u>31,187</u>	<u>390,104</u>
Receipts Over (Under) Expenditures	(31,187)	-
Unencumbered Cash, Beginning	<u>31,187</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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CITY OF WATERVILLE, KANSAS

Sewer Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	\$ 74,751	\$ 69,000	\$ 5,751
Interest Income	769	1,285	(516)
Total Receipts	<u>75,520</u>	<u>\$ 70,285</u>	<u>\$ 5,235</u>
Expenditures			
Contractual Services	38,283	\$ 5,500	\$ 32,783
Commodities	2,888	12,000	(9,112)
Capital Outlay	-	26,418	(26,418)
Transfer to General Fund	40,000	50,575	(10,575)
Total Expenditures	<u>81,171</u>	<u>\$ 94,493</u>	<u>\$ (13,322)</u>
Receipts Over (Under) Expenditures	(5,651)		
Unencumbered Cash, Beginning	<u>17,215</u>		
Unencumbered Cash, Ending	<u>\$ 11,564</u>		

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CITY OF WATERVILLE, KANSAS

Water Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	\$ 139,954	\$ 154,800	\$ (14,846)
Interest Income	163	42	121
Miscellaneous	130	300	(170)
Total Receipts	<u>140,247</u>	<u>\$ 155,142</u>	<u>\$ (14,895)</u>
Expenditures			
Contractual Services	5,691	\$ 24,000	\$ (18,309)
Commodities	15,500	26,000	(10,500)
Capital Outlay	-	168,672	(168,672)
Transfer to General Fund	85,600	112,780	(27,180)
Total Expenditures	<u>106,791</u>	<u>\$ 331,452</u>	<u>\$ (224,661)</u>
Receipts Over (Under) Expenditures	33,456		
Unencumbered Cash, Beginning	<u>194,044</u>		
Unencumbered Cash, Ending	<u>\$ 227,500</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF WATERVILLE, KANSAS

Lights Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019

	Actual	Budget	Variance Over (Under)
Receipts			
Charges for Services	\$ 623,438	\$ 657,000	\$ (33,562)
Interest Income	-	95	(95)
Meter Deposits	3,800	-	3,800
Grants	5,000	-	5,000
Miscellaneous	3,039	2,500	539
Total Receipts	<u>635,277</u>	<u>\$ 659,595</u>	<u>\$ (24,318)</u>
Expenditures			
Contractual Services	345,058	\$ 405,000	\$ (59,942)
Commodities	9,260	30,000	(20,740)
Capital Outlay	-	55,972	(55,972)
Meter Deposit Refunds	1,800	-	1,800
Transfer to General Fund	200,000	223,065	(23,065)
Transfer to Special Machinery Fund	10,000	10,000	-
Total Expenditures	<u>566,118</u>	<u>\$ 724,037</u>	<u>\$ (157,919)</u>
Receipts Over (Under) Expenditures	69,159		
Unencumbered Cash, Beginning	<u>114,874</u>		
Unencumbered Cash, Ending	<u>\$ 184,033</u>		

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