

City of Kensington

Kensington, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2020

MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas 67661

CITY OF KENSINGTON  
Kensington, Kansas

For the Year Ended December 31, 2020

City Council

Judy Bates	JoAnn Rice
Max Kuhlmann	Don Dodds
Curtis Beach	

City Offices

David Wahl	Mayor
Amber Hardacre	City Clerk
Michelle Rust	City Treasurer
Kyle Allen	Attorney

City of Kensington  
Kensington, Kansas

For the Year Ended December 31, 2020

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# MAPES & MILLER LLP

**CERTIFIED PUBLIC ACCOUNTANTS**  
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Kensington  
Kensington, Kansas 66951

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kensington, Kansas, a Municipality, as of and for the year ended December 31, 2020 and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statements***

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 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 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 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 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 of Kensington on the basis of 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 of Kensington, Kansas as of December 31, 2020, 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 of Kensington, Kansas, as of December 31, 2020, 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.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2020 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 2020 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 2020 basic financial statement. The 2020 information has been subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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.

Respectfully submitted,

*Mapes & Miller LLP*

Certified Public Accountants

November 8, 2021  
Phillipsburg, Kansas

CITY OF KENSINGTON  
Kensington, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2020

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 42,041	\$ -	\$ 157,007	\$ 162,066	\$ 36,982	\$ 1,822	\$ 38,804
Special Purpose Funds							
Library Fund	72	-	7,109	7,000	181	-	181
Park & Recreation Fund	821	-	1,437	1,602	656	125	781
Special Highway Fund	16,402	-	11,396	17,873	9,925	35	9,960
Capital Improvements Fund	71,137	-	66,362	-	137,499	-	137,499
Gifts & Grants Fund	-	-	19,067	13,502	5,565	-	5,565
Business Funds							
Swimming Pool Fund	4,065	-	8,571	11,120	1,516	37	1,553
Water Fund	11,279	-	131,630	105,121	37,788	3,328	41,116
Sewer Fund	57,622	-	44,524	58,399	43,747	97	43,844
Solid Waste Fund	21,095	-	34,274	42,600	12,769	-	12,769
Total Financial Reporting Entity (Excluding Agency Funds)	<u>\$ 224,534</u>	<u>\$ -</u>	<u>\$ 481,377</u>	<u>\$ 419,283</u>	<u>\$ 286,628</u>	<u>\$ 5,444</u>	<u>\$ 292,072</u>
Composition of Cash:							
Cash on Hand							\$ 40
Checking Account							200
NOW Account							189,138
CDs							<u>116,243</u>
Total Cash							305,621
Agency Funds Per Schedule 3							<u>(13,549)</u>
Total Financial Reporting Entity							<u>\$ 292,072</u>

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

CITY OF KENSINGTON  
Kensington, Kansas

NOTES TO THE FINANCIAL STATEMENT  
December 31, 2020

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City of Kensington, Kansas, is a municipal corporation governed by an elected mayor and an elected five member council. This financial statement presents the City of Kensington, the Municipality, and does not include its related municipal entities.

**B. Regulatory Basis Fund Types**

In governmental 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 attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the City for the year ended December 31, 2020.

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

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

**Business Funds** - 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.)

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

**C. Regulatory Basis Of Accounting And Departure From Accounting Principles Generally Accepted In The United States Of America**

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2020.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for 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 Projects Funds, Trust Funds and the following:

Special Purpose Fund:  
Capital Improvements Fund  
Gifts & Grants Fund

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



## 2. STEWARSHIP, COMPLIANCE AND ACCOUNTABILITY

### Compliance with Kansas Statutes

A. The City is not aware of any non-compliance with Kansas statutes.

## 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 an 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 the designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$305,581 and the bank balance was \$315,410. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$250,200 was covered by federal depository insurance, \$65,210 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**Custodial Credit Risk – Investments.** For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

## 4. INTERFUND TRANSFERS

Operating transfers for the year ended December 31, 2020, were as follows:

FROM	TO	AUTHORITY	AMOUNT
Sewer Fund	Capital Improvements Fund	K.S.A. 12-825d	\$ 20,000
Solid Waste Fund	Capital Improvements Fund	K.S.A. 12-825d	15,000

## 5. 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](http://www.kpers.org) or by writing to KPERS (611 S 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. 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 and 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) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$7,571 for the year ended December 31, 2020.

### Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$69,572. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

## 6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

### (a) Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Death and Disability Other Post Employment Benefits.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2020.

(c) Other Employee Benefits

Vacation and Sick Leave

Sick leave is accumulated on the basis of eight hours for each continuous month of employment. New employees accumulate sick leave beginning with the first month following their employment date. Employees may accumulate sick leave up to ninety working days. Permanent part-time employees earn four hours of sick leave for each month worked. Accumulated sick leave is not paid upon termination of employment.

All full-time employees of the city are entitled to paid vacation. After one full year of employment, they are entitled to five working days of paid vacation. At the end of two years they are entitled to ten working days of paid vacation. At the end of ten years of employment, they are entitled to fifteen working days paid vacation. Five vacation days can be carried over to the following year. Carryover of any additional days must be approved by the City Council. Permanent part-time employees receive half as many days as full-time employees. No vacation may be taken prior to the employee's first anniversary date of employment, with the exception that an employee who has been employed for a period between six months and one year can use one day of vacation and permanent part-time employees may use a ½ day.

## **7. RISK MANAGEMENT**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

Notwithstanding anything to the contrary, 2020 was marked by the COVID-19 pandemic and the unique responses at all levels of government and society. The City participated in various activities and governmental programs to address the public health, economic and societal well-being issues presented. The pandemic continues at the end of 2020 and the governmental program requirements are continuously evolving and unclear. The City does not currently anticipate material liability from its pandemic response.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks.

During the year ended December 31, 2020, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three years.

## **8. WATER RIGHTS PURCHASE**

On March 9, 2015, the City approved a resolution authorizing the City to enter into a Water Right Purchase Agreement. The City will pay the seller the sum of \$100,000 for the purchase of the well, water rights, and easements to be financed at a rate of 5% per annum, and payable over a nineteen year period. The purchase price will be paid in equal annual installments of \$7,642.

## **9. COVID-19 NOTE**

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 spreads 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. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

## **10. SUBSEQUENT EVENTS**

Management has evaluated events subsequent to year end through the date of this report, and does not believe any other events through the date of this report have occurred, which effect the financial statement as presented.

The City is expected to receive \$66,296 in American Rescue Plan Act (ARPA) funds. These economic stimulus funds are to assist in the long-term recovery from the economic and public health impacts related to the COVID-19 pandemic. The City received half of the ARPA funds, \$33,148, on July 9, 2021. The ARPA funds must be obligated by December 31, 2024.

## 11. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2020, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2020	Additions	Reductions/ Payments	Ending Balance 12/31/2020	Interest/ Service Fee Paid
KDHE Loans									
KS Water Supply Loan	1.91%	7/7/16	498,540	2/1/37	\$ 286,738	\$ -	\$ 13,057	\$ 273,681	\$ 5,414
Total KDHE Loans					286,738	-	13,057	273,681	5,414
Purchase Agreement									
Water Rights	5.00%	9/8/16	100,000	9/8/35	82,823	-	3,501	79,322	4,141
Total Purchase Agreement					82,823	-	3,501	79,322	4,141
Total Long-Term Debt					\$ 369,561	\$ -	\$ 16,558	\$ 353,003	\$ 9,555

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

Year	KDHE Loan		Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 13,308	\$ 5,164	\$ 3,676	\$ 3,966	\$ 16,984	\$ 9,130
2022	13,563	4,909	3,860	3,782	17,423	8,691
2023	13,823	4,648	4,053	3,589	17,876	8,237
2024	14,089	4,383	4,256	3,387	18,345	7,770
2025	14,359	4,113	4,468	3,174	18,827	7,287
2026-2030	76,036	16,323	25,926	12,286	101,962	28,609
2031-2035	83,618	8,741	33,083	5,123	116,701	13,864
2036-2038	44,885	1,294	-	-	44,885	1,294
	<u>\$ 273,681</u>	<u>\$ 49,575</u>	<u>\$ 79,322</u>	<u>\$ 35,307</u>	<u>\$ 353,003</u>	<u>\$ 84,882</u>

CITY OF KENSINGTON, KANSAS  
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2020

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund					
General Operating Fund	\$ 294,274	\$ -	\$ 294,274	\$ 162,066	\$ (132,208)
Special Purpose Funds					
Library Fund	7,000	-	7,000	7,000	-
Park & Recreation Fund	3,448	-	3,448	1,602	(1,846)
Special Highway Fund	23,442	-	23,442	17,873	(5,569)
Business Funds					
Swimming Pool Fund	24,245	-	24,245	11,120	(13,125)
Water Fund	136,195	-	136,195	105,121	(31,074)
Sewer Fund	68,600	-	68,600	58,399	(10,201)
Solid Waste Fund	55,537	-	55,537	42,600	(12,937)

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-1  
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 83,901	\$ 86,002	\$ (2,101)
Delinquent Tax	3,028	2,000	1,028
Motor Vehicle Tax	19,334	13,458	5,876
Recreational Vehicle Tax	632	203	429
16/20M Vehicle Tax	160	185	(25)
Commercial Vehicle Tax	1,755	2,188	(433)
Watercraft Tax	-	204	(204)
Intangibles Tax	13,319	13,002	317
Neighborhood Revitalization Rebate	(1,350)	(1,273)	(77)
Local Alcoholic Liquor Tax	1,247	1,848	(601)
Franchise Tax	14,335	17,500	(3,165)
Licenses & Permits	370	500	(130)
Fines	150	250	(100)
Interest on Idle Funds	2,191	5,500	(3,309)
Reimbursements	14,006	94,500	(80,494)
Miscellaneous	3,929	6,600	(2,671)
Grants	-	4,000	(4,000)
Total Receipts	<u>157,007</u>	<u>\$ 246,667</u>	<u>\$ (89,660)</u>
EXPENDITURES			
General Government			
Personal Services	35,420	35,175	245
Maintenance	1,018	55,000	(53,982)
Supplies	3,826	6,000	(2,174)
Office Expense	5,395	7,000	(1,605)
Utilities	16,979	25,000	(8,021)
Health Insurance	14,413	15,000	(587)
Professional Fees	8,000	8,600	(600)
Attorney	67	3,500	(3,433)
Mileage	-	500	(500)
Contractual	-	3,000	(3,000)
Insurance	23,712	20,268	3,444
Grants & Donations	100	8,500	(8,400)
Property Taxes	4,210	5,000	(790)
Miscellaneous	1,575	2,000	(425)
Alcoholic Beverage Control	50	150	(100)
Remittances	711	3,500	(2,789)
Reimbursement	963	3,800	(2,837)
Machinery & Equipment	-	3,000	(3,000)
Delivery & Freight	300	-	300
Training & Education	-	300	(300)
Food/Concessions	-	250	(250)
Total General Government	<u>116,739</u>	<u>205,543</u>	<u>(88,804)</u>



CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-1  
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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Police			
Contractual Services	\$ 2,400	\$ 5,000	\$ (2,600)
Streets			
Maintenance	64	-	64
Street Material	10,000	1,000	9,000
Total Streets	10,064	1,000	9,064
Parks & Recreation			
Ground Maintenance	-	500	(500)
Debt Service			
Principal	13,057	9,000	4,057
Interest	4,422	7,000	(2,578)
Debt Service Fees	992	3,000	(2,008)
System Improvements	-	10,000	(10,000)
Total Debt Service	18,471	29,000	(10,529)
Swimming Pool			
Personal Services	13,960	25,000	(11,040)
Printing & Advertising	46	-	46
Supplies	386	-	386
Total Swimming Pool	14,392	25,000	(10,608)
Grants & Donations	-	6,000	(6,000)
Miscellaneous	-	7,231	(7,231)
Outgoing Transfer			
Capital Improvements Fund	-	15,000	(15,000)
Total Expenditures	162,066	\$ 294,274	\$ (132,208)
Cash Receipts Over (Under) Expenditures	(5,059)		
UNENCUMBERED CASH, January 1, 2020	42,041		
UNENCUMBERED CASH, December 31, 2020	\$ 36,982		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 5,562	\$ 5,702	\$ (140)
Delinquent Tax	207	200	7
Motor Vehicle Tax	1,264	879	385
Recreational Vehicle Tax	41	13	28
16/20M Vehicle Tax	10	12	(2)
Commercial Vehicle Tax	115	143	(28)
Watercraft Tax	-	13	(13)
Neighborhood Revitalization Rebate	(90)	(83)	(7)
	<u>7,109</u>	<u>\$ 6,879</u>	<u>\$ 230</u>
Total Receipts			
EXPENDITURES			
Appropriation to Library	7,000	\$ 7,000	\$ -
	<u>7,000</u>	<u>\$ 7,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	109		
UNENCUMBERED CASH, January 1, 2020	<u>72</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 181</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

PARK & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 1,247	\$ 1,848	\$ (601)
Fees	190	-	190
Total Receipts	<u>1,437</u>	<u>\$ 1,848</u>	<u>\$ (411)</u>
EXPENDITURES			
Maintenance	287	\$ 1,448	\$ (1,161)
Utilities	772	1,500	(728)
Supplies	506	500	6
Utilities	<u>37</u>	<u>-</u>	<u>37</u>
Total Expenditures	<u>1,602</u>	<u>\$ 3,448</u>	<u>\$ (1,846)</u>
Receipts Over (Under) Expenditures	(165)		
UNENCUMBERED CASH, January 1, 2020	<u>821</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 656</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Special Gasoline Tax	\$ 11,396	\$ 12,160	\$ (764)
EXPENDITURES			
Contractual Services	133	\$ 200	\$ (67)
Equipment Maintenance	136	500	(364)
Equipment Rent	4,250	6,000	(1,750)
Supplies	-	600	(600)
Street Material	12,891	14,642	(1,751)
Fuel	463	1,500	(1,037)
Total Expenditures	17,873	\$ 23,442	\$ (5,569)
Receipts Over (Under) Expenditures	(6,477)		
UNENCUMBERED CASH, January 1, 2020	16,402		
UNENCUMBERED CASH, December 31, 2020	\$ 9,925		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS

For the Year Ended December 31, 2020

CAPITAL IMPROVEMENTS FUND

	<u>Actual</u>
RECEIPTS	
Local Sales Tax	\$ 31,362
Incoming Transfers	
Sewer Fund	20,000
Solid Waste Fund	<u>15,000</u>
Total Receipts	<u>66,362</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	66,362
UNENCUMBERED CASH, January 1, 2020	<u>71,137</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$ 137,499</u></u>

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2020

GIFTS & GRANTS FUND

	<u>Actual</u>
RECEIPTS	
Grants & Donations	<u>\$ 19,067</u>
EXPENDITURES	
Grants	<u>13,502</u>
Receipts Over (Under) Expenditures	5,565
UNENCUMBERED CASH, January 1, 2020	<u>-</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$ 5,565</u></u>

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

SWIMMING POOL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Admissions	\$ 5,366	\$ 8,000	\$ (2,634)
Concessions	1,705	3,000	(1,295)
Lessons	1,500	1,000	500
Grants & Donations	-	10,000	(10,000)
	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>
Total Receipts	<u>8,571</u>	<u>\$ 22,000</u>	<u>\$ (13,429)</u>
EXPENDITURES			
Utilities	3,275	\$ 5,195	\$ (1,920)
Supplies	168	5,000	(4,832)
Chemicals	5,803	7,000	(1,197)
Concessions	1,389	2,000	(611)
Red Cross Training	-	1,000	(1,000)
Miscellaneous	200	500	(300)
Maintenance	-	3,000	(3,000)
Small Tools & Equipment	-	300	(300)
Buildings & Systems	-	250	(250)
Mileage	285	-	285
	<u>285</u>	<u>-</u>	<u>285</u>
Total Expenditures	<u>11,120</u>	<u>\$ 24,245</u>	<u>\$ (13,125)</u>
Receipts Over (Under) Expenditures	(2,549)		
UNENCUMBERED CASH, January 1, 2020	<u>4,065</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 1,516</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

WATER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 131,098	\$ 120,000	\$ 11,098
Reimbursements	532	-	532
	<u>131,630</u>	<u>\$ 120,000</u>	<u>\$ 11,630</u>
Total Receipts			
EXPENDITURES			
Personal Services	51,768	\$ 46,000	\$ 5,768
Remittances	2,741	3,000	(259)
Principal	3,501	14,898	(11,397)
Interest	4,141	5,046	(905)
Service Fees	-	1,132	(1,132)
Health Insurance	14,413	13,800	613
Contract Labor	-	1,800	(1,800)
Rental Expense	213	300	(87)
Mileage	16	300	(284)
Other Contractual Services	350	200	150
Testing Services	1,617	5,000	(3,383)
Permits & Licenses	-	100	(100)
Fuel for Vehicles	1,588	3,000	(1,412)
Reimbursements	-	100	(100)
Maintenance	5,935	11,800	(5,865)
Supplies	7,321	11,500	(4,179)
Utilities	10,303	13,000	(2,697)
Office Expense	1,214	3,900	(2,686)
Repairing & Servicing	-	1,319	(1,319)
	<u>105,121</u>	<u>\$ 136,195</u>	<u>\$ (31,074)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	26,509		
UNENCUMBERED CASH, January 1, 2020	<u>11,279</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 37,788</u>		



CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

SEWER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 44,524	\$ 46,019	\$ (1,495)
EXPENDITURES			
Personal Services	20,751	\$ 21,000	\$ (249)
Utilities	1,267	4,000	(2,733)
Mileage	86	100	(14)
Training & Education	150	1,000	(850)
Permits & Licenses	205	3,000	(2,795)
Miscellaneous	123	5,000	(4,877)
Maintenance	1,321	2,000	(679)
Supplies	14,496	10,000	4,496
Grounds Maintenance	-	2,500	(2,500)
Outgoing Transfer			
Capital Improvements Fund	20,000	20,000	-
Total Expenditures	58,399	\$ 68,600	\$ (10,201)
Receipts Over (Under) Expenditures	(13,875)		
UNENCUMBERED CASH, January 1, 2020	57,622		
UNENCUMBERED CASH, December 31, 2020	\$ 43,747		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 34,274	\$ 50,000	\$ (15,726)
EXPENDITURES			
Removal of Waste	27,600	\$ 35,537	\$ (7,937)
Outgoing Transfer			
Capital Improvements Fund	15,000	20,000	(5,000)
Total Expenditures	42,600	\$ 55,537	\$ (12,937)
Receipts Over (Under) Expenditures	(8,326)		
UNENCUMBERED CASH, January 1, 2020	21,095		
UNENCUMBERED CASH, December 31, 2020	\$ 12,769		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
For the Year Ended December 31, 2020

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Hospital Sales Tax	\$ 2,730	\$ 37,116	\$ 36,632	\$ 3,214
Payroll Clearing	3,758	119,500	118,873	4,385
Utility Meter Deposit	5,450	1,400	900	5,950
Total Agency Funds	<u>\$ 11,938</u>	<u>\$ 158,016</u>	<u>\$ 156,405</u>	<u>\$ 13,549</u>