

***CITY OF GALENA, KANSAS***

Independent Auditor's Report  
and Financial Statement with  
Supplementary Information

*For the Year Ended December 31, 2019*

THE MENSE CPA FIRM, LLC  
Certified Public Accountants

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**The Mense  
CPA Firm, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council  
City of Galena, Kansas

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of City of Galena, Kansas, a municipality, 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 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 Galena, Kansas 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 of Galena, Kansas as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

***Basis for Modified Opinion on Regulatory Basis of Accounting***

The fund summary statement of regulatory receipts, expenditures, and unencumbered cash balance does not include activity of the Hospital Fund. The amount by which this omission would affect the receipts, expenditures and unencumbered cash has not been determined.

***Modified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “Basis for Modified Opinion on Regulatory Basis of Accounting” paragraph, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Galena, Kansas as of December 31, 2019, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Other Matters***

***Report on 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 balance (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 and schedule of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2 and 3 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.



The Mense CPA Firm, LLC  
Certified Public Accountants

Joplin, Missouri  
July 9, 2020

# CITY OF GALENA, KANSAS

## Summary Statement of Receipts, Expenditures, and Unencumbered Cash

### Regulatory Basis

For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending		Add: Encumbrances and Accounts Payable	Ending Cash Balance
					Unencumbered Cash Balance	Cash Balance		
General Funds:	\$ 303,917	\$ -	\$ 2,777,962	\$ 2,820,256	\$ 261,623	\$ 27,958	\$ 289,581	
General								
Special Purpose Funds:								
Library	1,157	-	66,864	66,864	1,157	-	1,157	
Noxious Weed	1,864	-	-	-	1,864	-	1,864	
Employee Benefits	165,052	-	75,782	217,782	23,052	-	23,052	
Special Highway	(15,642)	-	94,163	78,521	-	-	-	
Special Parks and Recreation	6,736	-	3,783	-	10,519	-	10,519	
Cemetery Perpetual Care Interest	1,560	-	105	-	1,665	-	1,665	
Landfill	388,297	-	55,975	48,473	395,799	9,956	405,755	
Police Training	2,406	-	1,354	-	3,760	-	3,760	
City Attorney Training	2,350	-	271	-	2,621	-	2,621	
Park Improvement	29	-	-	-	29	-	29	
City Beautification	281	-	-	156	125	-	125	
Zeliken	2,483	-	-	-	2,483	-	2,483	
Special Water	53,470	-	12,000	230	65,240	-	65,240	
Police DUI	7,990	-	659	-	8,649	-	8,649	
Water Meter Fund	88,054	-	38,172	58,374	67,852	-	67,852	
City Attorney DUI	976	-	220	-	1,196	-	1,196	
Drug Seizure	4,196	-	-	2,570	1,626	-	1,626	
Monofill - Bluehole	16,318	-	4,495	-	20,813	-	20,813	
Economic Development	164	-	5,913	1,662	4,415	-	4,415	
Special Liability	46,159	-	378	-	46,537	-	46,537	
Technology Reserve	3,641	-	1,087	-	4,728	-	4,728	
Municipal Equipment Reserve	390,919	-	425,881	313,374	503,426	-	503,426	
Sewer Equipment Reserve	44,053	-	10,161	-	54,214	-	54,214	

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

# CITY OF GALENA, KANSAS

## Summary Statement of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Funds:							
Bond and Interest	\$ 63,649	\$ -	\$ 158,622	\$ 134,555	\$ 87,716	\$ -	\$ 87,716
Business Funds:							
Water	25,944	-	680,840	667,445	39,339	25,086	64,425
Sewer	171,985	-	297,975	311,960	158,000	-	158,000
Solid Waste	47,363	-	263,341	279,743	30,961	2,800	33,761
Trust Funds:							
Cemetery Perpetual Care	126,406	-	105	-	126,511	-	126,511
Total Reporting Entity	\$ 1,951,777	\$ -	\$ 4,976,108	\$ 5,001,965	\$ 1,925,920	\$ 65,800	\$ 1,991,720
Composition of Cash:							
					Cash on Hand		\$ 175
					Checking Accounts		1,712,789
					Certificates of Deposit		360,886
					U.S. Savings Bonds		2,000
					Total Cash		\$ 2,075,850
					Less - Agency Funds Per Schedule 3		(84,130)
					Total Reporting Entity		\$ 1,991,720

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

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I.A. INTRODUCTION**

The City of Galena, Kansas, was incorporated in 1877 and operates as a second class city under the statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor – Council form of government. Major services provided by the City include: Public Safety – Police and Fire, Highways and Streets, Sanitation, Health, Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. The City also provides water, sewer and refuse utility services.

**I.B. FINANCIAL REPORTING ENTITY**

This financial statement presents the City of Galena, Kansas, (the municipality) as defined in K.S.A. 75-1117.

*Related Municipal Entities:* A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Library Board – The City of Galena, Kansas Library Board operates the City's public library. The Library Board is appointed by the City Council. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.

**I.C. REGULATORY BASIS FUND TYPES**

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separated set of self-balancing accounts. The following funds are used by the City:

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

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

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

**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 GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.C. REGULATORY BASIS FUND TYPES (CONTINUED)**

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

**Agency Fund** – 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.)

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

**I.E. 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.

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.E. BUDGETARY INFORMATION (CONTINUED)**

3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of 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. The General, Library and Solid Waste Funds were amended during the 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 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 certain special purpose funds as noted in the presentation of the appropriate Schedule 2.

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.



**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.F. ASSETS AND LIABILITIES**

**Cash and Investments**

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

**I.G. RECEIPTS AND EXPENDITURES**

**I.G.I. Sales Tax**

The City of Galena, Kansas levies a 1% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

**I.G.2. Property Tax**

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20<sup>th</sup> and one-half on May 10<sup>th</sup> of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2019 for the purposes of taxation was \$20,144,983.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$6.99. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.



**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I.G. RECEIPTS AND EXPENDITURES (CONTINUED)**

**I.G.3. Reimbursements**

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.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**II.A. STATUTORY COMPLIANCE**

The City Treasurer does not maintain records to show the amount of money in each fund. (K.S.A. 10-1118)

The General Fund exceeded budgeted limits (K.S.A. 79-2935)

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS**

**III.A. DEPOSITS AND INVESTMENTS**

As of December 31, 2019, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)	Rating
		Less than 1	
United States Savings Bonds	\$ 2,000	\$ 2,000	N/A

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)**

**III.A. DEPOSITS AND INVESTMENTS (CONTINUED)**

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality is located or 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 Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Municipality'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 Municipality has no investment policy that would further limit its investment choices. The rating of the Municipality's investments is noted above.

*Concentration of credit risk.* State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2019, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
U.S. Government Savings Bonds	100%

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality'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 Municipality does not designate "peak periods". All deposits were legally secured at December 31, 2019.

At December 31, 2019, the Municipality's carrying amount of deposits was \$2,073,672 and the bank balance was \$2,121,058. 85% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$610,886 was covered by federal depository insurance and \$1,510,172 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)**

**III.B. INTERFUND TRANSFERS**

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Municipal Equipment Reserve	KSA 12-1,117	425,000
General	Special Highway	City Council	15,082
Water	Special Water	KSA 12-825d	12,000
Water	Water Meter	KSA 12-825d	33,946
Sewer	Sewer Equipment Reserve	KSA 12-1,117	10,161
Municipal Equipment Reserve	General	KSA 12-1,117	284,684

**III.C. RESTRICTED ASSETS**

The following amount in the following fund is restricted as follows:

General Fund	
Vehicle Inspection Fees (Law Enforcement)	<u>\$ 26,308</u>

**III.D. CONDUIT DEBT OBLIGATION**

From time to time, the City issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement.

The outstanding balance of \$5,000,000.00, City of Galena, Kansas Taxable Industrial Revenue Bonds, (Galena MOB Partners, LLC) Series 2012 was \$3,231,543. at December 31, 2019.

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2019

**IV. Long-Term Debt**

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 Issued	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds:</b>									
Series 2012	3.50%	8/27/2012	\$ 340,000	8/27/2042	\$ 296,859	\$ -	\$ 8,101	\$ 288,758	\$ 10,390
Series 2018A	2.05% - 3.25%	9/12/2018	\$ 1,090,000	12/1/2031	1,090,000	-	70,000	1,020,000	35,788
Series 2018B	3.375%	10/2/2018	\$ 192,000	10/2/2048	192,000	-	3,796	188,204	6,480
<b>Total General Obligation Bonds</b>					\$ 1,578,859	\$ -	\$ 81,897	\$ 1,496,962	\$ 52,658
<b>KDHE Loans:</b>									
Public Water Supply Revolving Loan	3.77%	9/11/2009	\$ 155,535	8/1/2030	\$ 71,318	\$ -	\$ 4,800	\$ 66,518	\$ 2,643
Water Meter Conversion Loan	2.17%	7/1/2015	\$ 487,616	2/1/2026	368,713	4,225	46,856	326,082	7,650
<b>Total KDHE Loans</b>					\$ 440,031	\$ 4,225	\$ 51,656	\$ 392,600	\$ 10,293
<b>Capital Leases Payable:</b>									
Street Sweeper	3.45%	11/9/2015	\$ 66,000	9/1/2020	\$ 27,750	\$ -	\$ 13,640	\$ 14,110	\$ 957
Fire Truck	3.25%	5/10/2016	\$ 515,000	5/8/2026	424,739	-	47,343	377,396	13,805
Fire Equipment	3.95%	2/9/2017	\$ 56,532	2/10/2021	43,210	-	13,849	29,361	1,706
<b>Total Capital Leases</b>					\$ 495,699	\$ -	\$ 74,832	\$ 420,867	\$ 16,468
<b>Total Contractual Indebtedness</b>					\$ 2,514,589	\$ 4,225	\$ 208,385	\$ 2,310,429	\$ 79,419

**CITY OF GALENA, KANSAS**  
Notes to Financial Statement  
December 31, 2019

**IV. 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:

		YEAR											Total
		2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	2045-2048		
<b>Principal:</b>													
General Obligation Bonds	\$	87,264	\$ 87,733	\$ 88,174	\$ 93,630	\$ 94,061	\$ 518,132	\$ 287,625	\$ 109,806	\$ 92,542	\$ 37,995	\$	1,496,962
KDHE Loans		52,670	53,900	55,159	56,452	57,772	109,409	7,238	-	-	-		392,600
Capital Leases		77,387	65,435	52,110	53,804	55,552	116,579	-	-	-	-		420,867
<b>Total Principal</b>	<b>\$</b>	<b>217,321</b>	<b>\$ 207,068</b>	<b>195,443</b>	<b>203,886</b>	<b>207,385</b>	<b>\$ 744,120</b>	<b>\$ 294,863</b>	<b>\$ 109,806</b>	<b>\$ 92,542</b>	<b>\$ 37,995</b>	<b>\$</b>	<b>2,310,429</b>
<b>Interest:</b>													
General Obligation Bonds	\$	87,935	\$ 83,697	\$ 79,281	\$ 74,263	\$ 68,911	\$ 250,318	\$ 76,275	\$ 34,011	\$ 14,296	\$ 3,267	\$	772,254
KDHE Loans		9,279	8,049	6,790	5,497	4,177	6,459	205	-	-	-		40,456
Capital Leases Payable		13,912	11,267	9,037	7,343	5,595	5,715	-	-	-	-		52,869
<b>Total Interest</b>	<b>\$</b>	<b>111,126</b>	<b>\$ 103,013</b>	<b>\$ 95,108</b>	<b>\$ 87,103</b>	<b>\$ 78,683</b>	<b>\$ 262,492</b>	<b>\$ 76,480</b>	<b>\$ 34,011</b>	<b>\$ 14,296</b>	<b>\$ 3,267</b>	<b>\$</b>	<b>865,579</b>
<b>Total Principal and Interest</b>	<b>\$</b>	<b>328,447</b>	<b>\$ 310,081</b>	<b>\$ 290,551</b>	<b>\$ 290,989</b>	<b>\$ 286,068</b>	<b>\$ 1,006,612</b>	<b>\$ 371,343</b>	<b>\$ 143,817</b>	<b>\$ 106,838</b>	<b>\$ 41,262</b>	<b>\$</b>	<b>3,176,008</b>

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**V. PENSION PLAN**

**General Information about the Pension Plan**

*Plan description.* The City of Galena, Kansas 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 publically available financial report that includes financial statements and required supplementary information. KPERS's 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.* 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% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from City of Galena, Kansas were \$91,544 for the year ended December 31, 2019. The amount does not include contributions paid by the Hospital Manager on behalf of Hospital Employees from the Hospital Fund.

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**V. PENSION PLAN (CONTINUED)**

**Net Pension Liability**

At December 31, 2019, the City of Galena, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$3,339,971. This amount includes the net pension liability of Hospital Employees. 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 of Galena, Kansas's proportion of the net pension liability was based on the ratio of the City of Galena, Kansas'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.

**VI. 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; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust (KMIT) for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three years.

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**VII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*Other Post-Employment Benefits.* As provided by K.S.A. 12-540, 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 charge a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

*Compensated Absences.* The City's policies regarding vacation and sick pay allow all full-time employees to receive one to four weeks' vacation time per year depending on their length of employment. Upon termination of service, after the first year, an employee is entitled to pay for unused vacation leave.

Full-time employees shall be entitled to personal leave with pay, which shall accumulate at the rate of 5.33 hours per month for any employment period after January 1, 2007. Part-time employees do not accrue personal leave.

It was impracticable to determine the accumulated unpaid vacation and sick pay. However, City Officials estimated the amount not to be material.

*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, 2019.



**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**VIII. TAX ABATEMENTS**

The City negotiates property tax agreements on an individual basis. The City has a tax abatement agreement with MOB Partners, LLC effective January 1, 2013. The agreement exempts property from taxation as follows:

The amount of tax abated during 2019 was \$90,604.

<u>Tax Year</u>	<u>Percentage of Abatement</u>
2013	100%
2014	100%
2015	100%
2016	100%
2017	100%
2018	100%
2019	100%
2020	100%
2021	100%
2022	100%

The amount of tax abated during 2019 was \$90,604.

**IX. CONTINENCIES**

**IX.A. LITIGATION**

The City is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

**IX.B. GRANT PROGRAM INVOLVEMENT**

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loans. Any liability for reimbursement, which may arise, as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**IX.C. LANDFILL CLOSURE COSTS**

The City has two landfills available for the disposal of construction/demolition materials and used tires. The operations of the landfill are accounted for in special purpose funds. The measurement and recognition of the liability for closure are based on total estimated current cost and landfill usage to date. Expenditures and fund liabilities are recognized using the statutory basis of accounting.

When the landfill stops accepting waste, the City is required by federal and state law to close the landfill, including final cover and storm water management.

The estimated closure cost for these activities as of December 31, 2019 was \$921,193 based on cumulative landfill capacity used to date. This estimate was based on the 2019 Annual Cost Estimates, dated April 2, 2020 and April 3, 2020. Cost estimates are based on current data, including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment to account for inflation and for any changes in landfill condition, regulatory requirements, technologies, or cost estimates.

**X. OTHER COMMITMENTS**

*Water Agreement* – On June 1, 2002, the City entered into a twenty-five year agreement with Missouri American Water Company for the purchase of water. The City agrees to purchase an average of at least two hundred gallons per minute, per calendar month or pay the equivalency of such usage minus any amounts paid by the City for the actual usage in the same monthly period.

During the year ended December 31, 2019, the City purchased and used 100% of the agreed-to amount each month.

*Hospital* – On October 27, 2011, the City entered into an agreement with Four States Management Solutions, LLC (the “Manager”) for the development and management of a Hospital. Simultaneous with the execution of the agreement with the Manager, the City entered into a lease agreement with Galena Medical Properties, LLC. (the “Landlord”) whereby the Landlord agrees to construct a Hospital on property owned by the Landlord. The initial term of both agreements is for a period of 360 months, with terms for renewal.

The Manager is responsible for establishing and supervising the accounting and financial records of the Hospital. This includes the payment of all expenses of the Hospital, including the management fee and lease payments, as stated in the agreements, from the revenues of the operation of the Hospital.

**CITY OF GALENA, KANSAS**  
Notes to the Financial Statement  
December 31, 2019

**XI. SUBSEQUENT EVENTS**

The Coronavirus (COVID-19) outbreak in the United States has resulted in reduced customer traffic and the temporary closure of operating hours for our offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of the date of this report, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

On January 25, 2020 the City of Galena, Kansas transferred its interest in Premier Surgical Institute ("PSI") to Mercy Health Southwest Missouri/Kansas Communities ("Mercy").

On March 2, 2020 the Firefighters Relief Association loaned the City of Galena, Kansas \$175,000 to be repaid within a period of seven (7) years at a rate of .5% per annum.

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

**CITY OF GALENA, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
<b>General Funds:</b>					
General	\$ 2,457,805	\$ 284,483	\$ 2,457,805	\$ 2,820,256	\$ 362,451
<b>Special Purpose Funds:</b>					
Library	67,186	-	67,186	66,864	(322)
Noxious Weed	1,864	-	1,864	-	(1,864)
Employee Benefits	275,000	-	275,000	217,782	(57,218)
Special Highway	82,585	-	82,585	78,521	(4,064)
Special Parks and Recreation	4,699	-	4,699	-	(4,699)
Cemetery Perpetual Care Interest	1,635	-	1,635	-	(1,635)
Landfill	436,591	-	436,591	48,473	(388,118)
Police Training	6,337	-	6,337	-	(6,337)
City Attorney Training	2,803	-	2,803	-	(2,803)
Park Improvements	29	-	29	-	(29)
City Beautification	281	-	281	156	(125)
Zeliken	2,483	-	2,483	-	(2,483)
Special Water	35,767	-	35,767	230	(35,537)
Police DUI	5,241	-	5,241	-	(5,241)
Water Meter	84,730	-	84,730	58,374	(26,356)
City Attorney DUI	1,060	-	1,060	-	(1,060)
Monofill - Bluehole	6,098	-	6,098	-	(6,098)
<b>Bond and Interest Funds:</b>					
Bond and Interest	194,166	-	194,166	134,555	(59,611)
<b>Business Type Funds:</b>					
Water	693,950	-	693,950	667,445	(26,505)
Sewer	370,000	-	370,000	311,960	(58,040)
Solid Waste	300,000	-	300,000	279,743	(20,257)
<b>Trust Funds:</b>					
Cemetery Perpetual Care	90	-	90	-	(90)

**CITY OF GALENA, 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)
<b>Receipts</b>			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 1,087,974	\$ 1,032,329	\$ 55,645
Delinquent Tax	65,458	31,877	33,581
Motor Vehicle Tax	61,323	72,661	(11,338)
Recreational Vehicle Tax	873	871	2
16/20 M Vehicle Tax	504	617	(113)
Commercial Vehicle Tax	316	3,254	(2,938)
Watercraft Tax	311	328	(17)
Local Alcohol Liquor Tax	2,284	412	1,872
City and County Sales and Use Tax	624,965	557,095	67,870
Licenses, Permits and Fees	14,314	15,000	(686)
Fire Contracts	48,139	38,840	9,299
Cemetery Lot Sales and Opening	14,975	8,000	6,975
Franchise Fees	185,588	186,000	(412)
Swimming Pool Receipts	9,477	11,000	(1,523)
Grants	226,632	-	226,632
Vehicle Inspections	5,880	6,000	(120)
Fines	62,160	100,000	(37,840)
Donations	1,319	-	1,319
Community Building	2,425	1,200	1,225
Reimbursed Expense	56,532	-	56,532
Other	15,550	13,000	2,550
Interest	819	700	119
Court Bonds Collected	5,460	6,500	(1,040)
Operating Transfers	284,684	65,000	219,684
<b>Total Receipts</b>	<b>\$ 2,777,962</b>	<b>\$ 2,150,684</b>	<b>\$ 627,278</b>
<b>Expenditures</b>			
General Administration	\$ 438,641	\$ 457,260	\$ (18,619)
Streets	537,529	14,400	523,129
Street Lighting	77,335	52,000	25,335
Parks	121,223	95,000	26,223
Fire	131,372	105,000	26,372
Vehicle Identification Numbers	3,951	30,839	(26,888)
Police	745,281	538,400	206,881
Civil Defense	647	7,000	(6,353)
Municipal Court	78,963	75,000	3,963
Cemetery	95,054	80,000	15,054
Swimming Pool	29,637	27,277	2,360
Deferred Maintenance	-	39,444	(39,444)
Professional Services	43,838	150,000	(106,162)
Capital Lease - Fire Truck	61,148	61,147	1
Capital Lease - Fire Equipment	15,555	15,555	-
Operating Transfers	440,082	425,000	15,082
Qualifying Budget Credits	-	284,483	(284,483)
<b>Total Expenditures</b>	<b>\$ 2,820,256</b>	<b>\$ 2,457,805</b>	<b>\$ 362,451</b>
<b>Receipts Over (Under) Expenditures</b>	<b>\$ (42,294)</b>		
Unencumbered Cash, Beginning	303,917		
Unencumbered Cash, Ending	<u>\$ 261,623</u>		

## CITY OF GALENA, 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			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 58,117	\$ 55,113	\$ 3,004
Delinquent Tax	5,267	3,214	2,053
Motor Vehicle Tax	3,374	3,997	(623)
Recreational Vehicle Tax	48	48	-
16/20 M Vehicle Tax	24	34	(10)
Commercial Vehicle Tax	17	179	(162)
Watercraft Tax	17	18	(1)
Total Receipts	<u>\$ 66,864</u>	<u>\$ 62,603</u>	<u>\$ 4,261</u>
Expenditures			
Appropriation to the Library Board	<u>\$ 66,864</u>	<u>\$ 67,186</u>	<u>\$ (322)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	<u>1,157</u>		
Unencumbered Cash, Ending	<u>\$ 1,157</u>		

**CITY OF GALENA, KANSAS**  
 Noxious Weed Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Delinquent Tax	\$ -	\$ -	\$ -
Expenditures			
Public Works	\$ -	\$ 1,864	\$ (1,864)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	1,864		
Unencumbered Cash, Ending	\$ 1,864		

## CITY OF GALENA, KANSAS

## Employee Benefits Fund

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 49,726	\$ 45,031	\$ 4,695
Delinquent Tax	16,514	5,895	10,619
Motor Vehicle Tax	9,258	10,970	(1,712)
Recreational Vehicle Tax	132	131	1
16/20 M Vehicle Tax	58	93	(35)
Commercial Vehicle Tax	47	491	(444)
Watercraft Tax	47	50	(3)
Total Receipts	<u>\$ 75,782</u>	<u>\$ 62,661</u>	<u>\$ 13,121</u>
Expenditures			
General Government	<u>\$ 217,782</u>	<u>\$ 275,000</u>	<u>\$ (57,218)</u>
Receipts Over (Under) Expenditures	\$ (142,000)		
Unencumbered Cash, Beginning	<u>165,052</u>		
Unencumbered Cash, Ending	<u>\$ 23,052</u>		



**CITY OF GALENA, 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 of Kansas	\$ 79,081	\$ 78,240	\$ 841
Operating Transfers	15,082	-	15,082
Total Receipts	<u>\$ 94,163</u>	<u>\$ 78,240</u>	<u>\$ 15,923</u>
Expenditures			
Public Works	\$ 63,924	\$ 67,988	\$ (4,064)
Capital Lease - Street Sweeper	14,597	14,597	-
Total Expenditures	<u>\$ 78,521</u>	<u>\$ 82,585</u>	<u>\$ (4,064)</u>
Receipts Over (Under) Expenditures	\$ 15,642		
Unencumbered Cash, Beginning	<u>(15,642)</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

**CITY OF GALENA, KANSAS**  
Special Parks and Recreation Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Local Alcohol Liquor Tax	\$ 2,283	\$ 412	\$ 1,871
Other	1,500	-	1,500
	<u>\$ 3,783</u>	<u>\$ 412</u>	<u>\$ 3,371</u>
Expenditures			
Recreation	\$ -	\$ 4,699	\$ (4,699)
Receipts Over (Under) Expenditures	\$ 3,783		
Unencumbered Cash, Beginning	<u>6,736</u>		
Unencumbered Cash, Ending	<u>\$ 10,519</u>		

**CITY OF GALENA, KANSAS**  
 Cemetery Perpetual Care Interest Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Interest	\$ 105	\$ 90	\$ 15
Expenditures			
Cemetery Maintenance	\$ -	\$ 1,635	\$ (1,635)
Receipts Over (Under) Expenditures	\$ 105		
Unencumbered Cash, Beginning	1,560		
Unencumbered Cash, Ending	\$ 1,665		

**CITY OF GALENA, KANSAS**  
Landfill Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Fees	\$ 55,975	\$ 100,000	\$ (44,025)
Expenditures			
Sanitation and Tipping Fees	\$ 48,473	\$ 50,000	\$ (1,527)
Closure Costs	-	386,591	(386,591)
Total Disbursements	\$ 48,473	\$ 436,591	\$ (388,118)
Receipts Over (Under) Expenditures	\$ 7,502		
Unencumbered Cash, Beginning	388,297		
Unencumbered Cash, Ending	\$ 395,799		

**CITY OF GALENA, KANSAS**  
Police Training Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Municipal Court Fees	\$ 1,354	\$ 2,000	\$ (646)
Expenditures			
Public Safety	\$ -	\$ 6,337	\$ (6,337)
Receipts Over (Under) Expenditures	\$ 1,354		
Unencumbered Cash, Beginning	2,406		
Unencumbered Cash, Ending	\$ 3,760		

**CITY OF GALENA, KANSAS**  
City Attorney Training 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			
Municipal Court Fees	<u>\$          271</u>	<u>\$          400</u>	<u>\$          (129)</u>
Expenditures			
Public Safety	<u>\$              -</u>	<u>\$          2,803</u>	<u>\$          (2,803)</u>
Receipts Over (Under) Expenditures	\$          271		
Unencumbered Cash, Beginning	<u>2,350</u>		
Unencumbered Cash, Ending	<u>\$          2,621</u>		

**CITY OF GALENA, KANSAS**  
Park Improvement Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Donations	\$ -	\$ -	\$ -
Expenditures			
Recreation	\$ -	\$ 29	\$ (29)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	29		
Unencumbered Cash, Ending	\$ 29		

**CITY OF GALENA, KANSAS**  
City Beautification 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			
Donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Public Works	<u>\$ 156</u>	<u>\$ 281</u>	<u>\$ (125)</u>
Receipts Over (Under) Expenditures	\$ (156)		
Unencumbered Cash, Beginning	<u>281</u>		
Unencumbered Cash, Ending	<u>\$ 125</u>		



**CITY OF GALENA, KANSAS**  
 Zelliken Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Interest	\$ -	\$ -	\$ -
Expenditures			
Welfare	\$ -	\$ 2,483	\$ (2,483)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	2,483		
Unencumbered Cash, Ending	\$ 2,483		

**CITY OF GALENA, KANSAS**  
Special Water Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Operating Transfers	\$ 12,000	\$ 12,000	\$ -
Expenditures			
Public Works	\$ 230	\$ 35,767	\$ (35,537)
Receipts Over (Under) Expenditures	\$ 11,770		
Unencumbered Cash, Beginning	53,470		
Unencumbered Cash, Ending	\$ 65,240		

**CITY OF GALENA, KANSAS**  
Police DUI 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			
Municipal Court Fees	<u>\$          659</u>	<u>\$          300</u>	<u>\$          359</u>
Expenditures			
Public Safety	<u>\$              -</u>	<u>\$          5,241</u>	<u>\$         (5,241)</u>
Receipts Over (Under) Expenditures	\$          659		
Unencumbered Cash, Beginning	<u>7,990</u>		
Unencumbered Cash, Ending	<u>\$         8,649</u>		

**CITY OF GALENA, KANSAS**  
Water Meter Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
KDHE Loan Proceeds	\$ 4,226	\$ -	\$ 4,226
Operating Transfers	33,946	-	33,946
Total Receipts	<u>\$ 38,172</u>	<u>\$ -</u>	<u>\$ 38,172</u>
Expenditures			
Water Meters	\$ 3,868	\$ 84,730	\$ (80,862)
Debt Service	54,506	-	54,506
Total Disbursements	<u>\$ 58,374</u>	<u>\$ 84,730</u>	<u>\$ (26,356)</u>
Receipts Over (Under) Expenditures	\$ (20,202)		
Unencumbered Cash, Beginning	<u>88,054</u>		
Unencumbered Cash, Ending	<u>\$ 67,852</u>		

**CITY OF GALENA, KANSAS**  
City Attorney DUI Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Municipal Court Fees	\$ 220	\$ 100	\$ 120
Expenditures			
Public Safety	\$ -	\$ 1,060	\$ (1,060)
Receipts Over (Under) Expenditures	\$ 220		
Unencumbered Cash, Beginning	976		
Unencumbered Cash, Ending	\$ 1,196		

**CITY OF GALENA, KANSAS**  
Drug Seizure Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2019

Receipts	
Drug Control Payments	<u>\$ -</u>
Expenditures	
Public Safety	<u>\$ 2,570</u>
Receipts Over (Under) Expenditures	\$ (2,570)
Unencumbered Cash, Beginning	<u>4,196</u>
Unencumbered Cash, Ending	<u><u>\$ 1,626</u></u>

**CITY OF GALENA, KANSAS**  
 Monofill-Bluehole Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Fees	\$ 4,495	\$ 3,000	\$ 1,495
Expenditures			
Monofill Fees	\$ -	\$ 6,098	\$ (6,098)
Receipts Over (Under) Expenditures	\$ 4,495		
Unencumbered Cash, Beginning	16,318		
Unencumbered Cash, Ending	\$ 20,813		

**CITY OF GALENA, KANSAS**  
Economic Development Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2019

Receipts	
Donations and Other	<u>\$          5,913</u>
Expenditures	
Economic Development	<u>\$          1,662</u>
Receipts Over (Under) Expenditures	\$          4,251
Unencumbered Cash, Beginning	<u>164</u>
Unencumbered Cash, Ending	<u><u>\$          4,415</u></u>



**CITY OF GALENA, KANSAS**  
Special Liability Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2019

Receipts	
Taxes and Shared Receipts:	
Delinquent Tax	\$ 378
Expenditures	
General Government	\$ -
Receipts Over (Under) Expenditures	\$ 378
Unencumbered Cash, Beginning	46,159
Unencumbered Cash, Ending	\$ 46,537

**CITY OF GALENA, KANSAS**  
Technology Reserve Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2019

Receipts	
Municipal Court Fees	\$ 1,087
Expenditures	
Public Safety	\$ -
Receipts Over (Under) Expenditures	\$ 1,087
Unencumbered Cash, Beginning	3,641
Unencumbered Cash, Ending	\$ 4,728

**CITY OF GALENA, KANSAS**  
 Municipal Equipment Reserve Fund  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended December 31, 2019

Receipts	
Sale of Equipment	\$ 881
Operating Transfers	<u>425,000</u>
Total Receipts	<u>\$ 425,881</u>
Expenditures	
Equipment	\$ 28,690
Operating Transfers	<u>284,684</u>
Total Expenditures	<u>\$ 313,374</u>
Receipts Over (Under) Expenditures	\$ 112,507
Unencumbered Cash, Beginning	<u>390,919</u>
Unencumbered Cash, Ending	<u><u>\$ 503,426</u></u>

**CITY OF GALENA, KANSAS**  
Sewer Equipment Reserve Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2019

Receipts	
Operating Transfers	\$ 10,161
Expenditures	
Equipment	\$ -
Receipts Over (Under) Expenditures	\$ 10,161
Unencumbered Cash, Beginning	44,053
Unencumbered Cash, Ending	\$ 54,214

**CITY OF GALENA, KANSAS**  
 Bond and Interest Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 140,405	\$ 133,606	\$ 6,799
Delinquent Tax	11,244	3,400	7,844
Motor Vehicle Tax	6,771	8,023	(1,252)
Recreational Vehicle Tax	96	96	-
16/20 M Vehicle Tax	37	68	(31)
Commercial Vehicle Tax	35	359	(324)
Watercraft Tax	34	36	(2)
Total Receipts	<u>\$ 158,622</u>	<u>\$ 145,588</u>	<u>\$ 13,034</u>
Expenditures			
Debt Service	<u>\$ 134,555</u>	<u>\$ 194,166</u>	<u>\$ (59,611)</u>
Receipts Over (Under) Expenditures	\$ 24,067		
Unencumbered Cash, Beginning	<u>63,649</u>		
Unencumbered Cash, Ending	<u>\$ 87,716</u>		

## CITY OF GALENA, KANSAS

## Water 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	\$ 672,554	\$ 638,600	\$ 33,954
Other	8,286	-	8,286
Total Receipts	<u>\$ 680,840</u>	<u>\$ 638,600</u>	<u>\$ 42,240</u>
Expenditures			
Personal Services	\$ 137,108	\$ 135,000	\$ 2,108
Contractual Services	89,787	125,000	(35,213)
Commodities	387,161	350,000	37,161
Capital Outlay	-	10,000	(10,000)
Debt Service	7,443	61,950	(54,507)
Operating Transfers	45,946	12,000	33,946
Total Expenditures	<u>\$ 667,445</u>	<u>\$ 693,950</u>	<u>\$ (26,505)</u>
Receipts Over (Under) Expenditures	\$ 13,395		
Unencumbered Cash, Beginning	<u>25,944</u>		
Unencumbered Cash, Ending	<u>\$ 39,339</u>		

**CITY OF GALENA, KANSAS**  
Sewer 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	\$ 297,975	\$ 300,000	\$ (2,025)
Expenditures			
Personal Services	\$ 159,227	\$ 80,000	\$ 79,227
Contractual Services	47,278	200,000	(152,722)
Commodities	95,294	65,000	30,294
Capital Outlay	-	25,000	(25,000)
Operating Transfers	10,161	-	10,161
Total Expenditures	\$ 311,960	\$ 370,000	\$ (58,040)
Receipts Over (Under) Expenditures	\$ (13,985)		
Unencumbered Cash, Beginning	171,985		
Unencumbered Cash, Ending	\$ 158,000		

**CITY OF GALENA, KANSAS**  
Solid Waste 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	\$ 263,341	\$ 315,000	\$ (51,659)
Expenditures			
Personal Services	\$ 147,286	\$ 120,000	\$ 27,286
Contractual Services	116,797	160,000	(43,203)
Commodities	15,660	20,000	(4,340)
Total Expenditures	\$ 279,743	\$ 300,000	\$ (20,257)
Receipts Over (Under) Expenditures	\$ (16,402)		
Unencumbered Cash, Beginning	47,363		
Unencumbered Cash, Ending	\$ 30,961		



**CITY OF GALENA, KANSAS**  
Cemetery Perpetual Care 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	<u>\$          105</u>	<u>\$          90</u>	<u>\$          15</u>
Expenditures			
Operating Transfers	<u>\$              -</u>	<u>\$          90</u>	<u>\$          (90)</u>
Receipts Over (Under) Expenditures	\$          105		
Unencumbered Cash, Beginning	<u>126,406</u>		
Unencumbered Cash, Ending	<u>\$      126,511</u>		

**CITY OF GALENA, KANSAS**  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended December 31, 2019

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Utility Deposits	<u>\$ 84,234</u>	<u>\$ 11,622</u>	<u>\$ 11,726</u>	<u>\$ 84,130</u>