

CITY OF WELLSVILLE
WELLSVILLE, KANSAS

Independent Auditors' Report, and Regulatory Basis Financial Statement
With Regulatory- Required Supplementary Information
For the Year Ended December 31, 2021

Gregg A. Neis CPA

CERTIFIED PUBLIC ACCOUNTANT

CITY OF WELLSVILLE
WELLSVILLE, KANSAS

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CITY OF WELLSVILLE
WELLSVILLE, KANSAS

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

December 14, 2022

The Honorable Mayor and City Council
City of Wellsville, Kansas

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the 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.

Responsibilities of Management 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, I have:

- exercised professional judgment and maintain professional skepticism throughout the audit.
- identified and assessed the risks of material misstatement of the financial statement, whether due to fraud or error, and design and performed audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluated the overall presentation of the financial statement.
- concluded whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I have identified during the audit.

Supplementary Information

I have conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, (Schedules 1, 2 as listed in the table of contents) are presented for purposes of additional 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 my opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

I also previously audited in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Wellsville, Kansas as of and for the year ended 2020 not presented herein), and issued my report thereon dated December 20, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration web address <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2020 actual columns (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) are presented for additional analysis and are not a required part of the basic financial statement. Such 2020 comparative 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 comparative information was 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 my opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement, as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

A handwritten signature in dark ink, appearing to read 'G. A. Neis', with a stylized flourish extending from the end.

Gregg A. Neis CPA

CITY OF WELLSVILLE, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2021

<u>Funds</u>	Beginning Unencumbered Balance	Prior Year Cancelled Encumbrance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General	\$ 400,732	\$ -	\$ 1,085,029	\$ 1,364,839	\$ 120,922		\$ 120,922
Special Purpose Funds:							
Employee Benefit	19,176		113,510	120,540	12,146	-	12,146
Special Tort Claim	4,854		35,712	32,000	8,566	-	8,566
Library	480		97,738	97,647	571	-	571
Library Employee Benefit	93		147	240	-	-	-
Capital Improvement	118,364		-	112,417	5,947	-	5,947
Special Highway	-		51,734	44,828	6,906	-	6,906
Combined Sales Tax Improvement	-		330,351	330,351	-	-	-
Community Enhancement Sales Tax Fund	64,731		122,555	46,997	140,289	-	140,289
Fire Improvement Reserve	31,755		-	-	31,755	-	31,755
Police Improvement Reserve	49,792		22,006	49,792	-	-	-
Park Improvement Reserve	26,869		-	21,998	26,877	-	26,877
Street Improvement Reserve	376,000		-	-	376,000	-	376,000
Public Works Equipment Reserve	77,852		-	62,981	14,671	-	14,671
Employee Benefit Trust Reserve	21,960		26,105	25,845	22,420	-	22,420
Capital Improvement Engineer/Design Reserve	8,945		-	1,095	7,850	-	7,850
Grant Fund Cares Act	194,716		148,410	57,124	286,002	-	286,002
Capital Project Fund:							
General Obligation Bonds 2018	949,535		61,329	718,271	292,593		292,593
Debt Service Fund:							
Bond and Interest	45,938		73	8,042	37,969	-	37,969
Business Type Funds:							
Water/ Sewer Utility Operating	454,201		935,438	1,080,146	309,493	-	309,493
Water/ Sewer Utility Reserve	68,590		14	-	68,604	-	68,604
Agency and Trust Funds:							
Payroll Clearing and Court Escrow	-		13,074	13,074	-	13,074	13,074
Cemetery Perpetual Care	43,264		351	-	43,615	-	43,615
Total Primary Government	\$ 2,957,647	\$ -	\$ 3,043,576	\$ 4,188,027	\$ 1,813,196	\$ 13,074	\$ 1,826,270
Related Municipal Entity							
Library Board	100,603	-	155,951	158,349	98,205	-	98,205
Library Board Building Reserve	264,834	-	232,246	-	497,080	-	497,080
Total Related Municipal Entity	365,437	-	388,197	158,349	595,285	-	595,285
Total Reporting Entity	\$ 3,323,084	\$ -	\$ 3,431,773	\$ 4,346,376	\$ 2,408,481	\$ 13,074	\$ 2,421,555

Landmark National Bank, Wellsville, Kansas
Checking accounts \$1,224,407
Savings accounts 201,863
Certificates of deposit 400,000

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

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Wellsville, Kansas, (the City) is a municipal corporation governed by a mayor and a five member council. The financial statement present the City and its related municipal entity for which the City is considered to be financially accountable.

Related Municipal Entity. The Wellsville City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies taxes for the Library's operations. The Library is presented as a governmental fund type. Complete financial statements are available for the Library for the year ended December 31, 2021.

Basis of Accounting

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

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

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES – Continued

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 of the City:

Governmental Funds

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

Special Purpose Fund - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Project Fund - -- to account for resources designated to construct or acquire capital facilities and improvements (other than those financed by business funds and trust funds).

Bond and Interest Fund - to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest, and the financing of special assessments which are general obligations of the city.

Business funds:

Enterprise funds -- to account for operations that are financed and operated in a manner similar to private business enterprises -- where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges -- or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds

Trust and Agency Funds - to account for the assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds (payroll clearing, cemetery care)

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 City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A.9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES – Continued

Deposits and Investments Continued

Investments. 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; US 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 event of a bank failure, the City's deposits in financial institutions to be entirely covered by federal depository insurance (FDIC) or 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. All deposits were legally secured December 31, 2021.

Custodial credit risk- investments. For an investment, this is the risk that, in the event of the failure 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.

Deposits At December 31, 2021 the carrying amount of the City's deposits, was \$1,826,270. The bank balance was \$ 2,032,496. The bank balance was held at one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining \$1,782,496 was collateralized by securities held by the pledging institution's agents in the City's name.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide the following sequence and timetable in the adoption of the legal annual budget:

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

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

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES – Continued

Budgetary Information Continued

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

A legal operating budget is not required for capital projects funds, trust and agency funds and the following special purpose funds:

Utility Reserve Fund	Capital Improvement Design Reserve Fund
Grant Fund	Fire Improvement Reserve Fund
Police Improvement Reserve Fund	Park Improvement Reserve Fund
Street Improvement Reserve Fund	Public Works Improvement Reserve

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

NOTE 2 – LONG TERM DEBT

The City has entered into lease agreements for the acquisition of equipment in the current and prior years including police cars and radios, automated water meters, and street equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of lease term).

The City of Wellsville, Kansas entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) effective as of May 26, 2001 and Amendment No.3 effective as of September 6, 2016 whereby KDHE will loan an amount not to exceed \$2,791,976 to the City for the purpose of financing wastewater treatment facilities. The loan agreement provides for interest at 3.11% per annum on the unpaid principal balance and requires the City to collect revenues from the wastewater treatment system sufficient in amount to pay the cost of the operation and maintenance of the wastewater treatment system, pay the principal of and interest on the loan as and when the same become due, and pay all other amounts due under the loan agreement. Loan payments of \$99,209 began March 1, 2016 and are due semi-annually thereafter thru March 1, 2024. At December 31, 2021, the remaining principal balance was \$ 367,631.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 2 – LONG TERM DEBT – Continued

On November 20, 2018 the City issued \$1,940,000 Series 2018 general obligation bonds to finance capital improvements and pay issuance costs with annual payments due of \$184,625 beginning in 2020 maturing 12/01/2033 with an interest rate of 3.5 to 5 %. At December 31, 2021, the remaining principal balance was \$ 1,725,000.

The following schedule shows the changes in long-term debt and related maturities.

Issue and Date	Interest Rate	Original Amount	Balance 1/1/2021	Additions	Principal Payments	Balance 12/31/2021	Interest Paid
2018 General Obligation	3.75% - 5.00%	\$ 1,940,000	\$1,835,000	\$	\$ 110,000	\$ 1,725,000	\$ 74,625
Equipment Capital Leases	2.71% - 5.00%	\$ 417,628	\$ 126,862	\$ -	\$ 72,550	\$ 54,312	\$ 3,978
5/31/2001 KDHE Revolving Loan	3.11%	\$ 2,651,611	\$ 543,111	\$ -	\$ 175,480	\$ 367,631	\$ 15,537
Total Indebtedness		\$ 5,009,239	\$2,504,973	\$ -	\$ 358,030	\$2,146,943	\$ 94,140

Maturity Schedule

	Principal Due	Interest Due
2022	\$323,927	\$ 81,221
2023	\$303,128	\$ 67,964
2024	\$154,888	\$ 58,707
2025	\$130,000	\$ 51,325
2026	\$135,000	\$ 46,900
thereafter	<u>\$1,100,000</u>	<u>\$178,500</u>
	<u>\$ 2,146,943</u>	<u>\$ 484,617</u>

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 3- DEFINED BENEFIT PENSION PLAN

The City of Wellsville 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 publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing KPERS (611 South Kansas Avenue; Topeka, KS 66603-3803) 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 structure 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 on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member-employees' 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 8.87% for the fiscal year ended December 31, 2021. The City's employer contributions to KPERS for the year ending December 31, 2021, were \$ 68,623 equal to the statutory required contributions for the year.

Net Pension Liability: At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$ 550,958. 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 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 contribution to KPERS relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMMAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements. The complete actuarial valuation report may be obtained from the web site of KPERS at the following link www.kpers.org.

NOTE 4 – OTHER LONG- TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences

The City's policy regarding vacation leave allows employees to earn vacation time based upon length of service. Annual vacation time is payable upon termination of employment. Sick leave may be accumulated to a maximum of 90 days. Upon termination of employment, all accrued sick leave shall be lost and have no monetary value except when the employee retires, is permanently disabled or dies. At December 31, 2021, the City has estimated the cost of accumulated sick pay or vacation time at \$ 88,190..

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2021

NOTE 5 – CAPITAL PROJECTS

Capital project authorizations, with approved change orders, compared with expenditures from inception, are as follows.

	Project <u>Authorization</u>	Expenditures <u>to Date</u>
2018 General Obligation Bonds	\$ 1,940,000	\$1,519,517

NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance-Related Legal and Contractual Provisions

The City had a budget violation in the general fund for fiscal year 2021.

Management was not aware of any other statutory violations.

NOTE 8 – LITIGATION

The City is a party to various claims, none of which is expected to have a material financial impact on the City.

NOTE 9 – CARES ACT FUNDING

As a result of COVID 19, the State of Kansas and Franklin County, Kansas received CARES Act funds from the Federal Government for local government response to the pandemic. The City applied for and received \$ 148,410 in CARES Act funds for the fiscal year 2021.

NOTE 10 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 14, 2022, the date which the financial statements were available to be issued. There were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statement.

CITY OF WELLSVILLE, KANSAS

Summary of Expenditures – Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2021

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year (Unfavorable)</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:					
General	\$ 1,173,453	\$ 127,662	\$ 1,301,115	\$ 1,364,839	\$ (63,724)
Special Revenue Funds:					
Employee Benefit	120,540	-	120,540	120,540	-
Special Tort Claim	32,000	-	32,000	32,000	-
Library	97,945	-	97,945	97,647	298
Library Employee Benefit	485	-	485	240	245
Capital Improvement	134,444	-	134,444	112,417	22,027
Special Highway	41,057	3,771	44,828	44,828	-
Combined Sales Tax Improvement	291,266	86,536	377,802	330,351	47,451
Community Sales Tax Improvemer	144,000		144,000	46,997	97,003
Debt Service Fund:					
Bond and Interest	8,042	-	8,042	8,042	-
Proprietary Type Funds:					
Water/ Sewer Utility Operating	1,320,193	-	1,320,193	1,080,146	240,047

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

General Fund

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)	
		Actual	Budget		
Cash Receipts					
Ad Valorem Property Taxes	\$ 562,703	\$ 612,457	\$ 614,506	\$ (2,049)	
Delinquent Property Tax	7,258	11,362	-	11,362	
Motor Vehicle Taxes	70,506	77,432	67,003	10,429	
Rec. Vehicle Tax	1,174	1,812	1,523	289	
Commercial Vehicle/Watercraft	3,066	2,566	3,855	(1,289)	
Local Sales Tax	237,153	185,815	182,500	3,315	
Local Alcoholic Liquor Tax	-	-	580	(580)	
Utility Franchise Tax	44,096	52,635	34,000	18,635	
Police Fines	64,942	27,443	15,000	12,443	
Building Permits	118,343	1,503	2,500	(997)	
License and Permits	2,209	3,099	-	3,099	
Swimming Pool Admissions	3,920	8,549	7,500	1,049	
Cemetery Fees	6,900	16,975	2,000	14,975	
Fire Station Rent	26,400	26,400	26,400	-	
Reimbursed Expenses	160,105	55,761	-	55,761	
Interest on Idle Funds	1,001	1,220	-	1,220	
Total Cash Receipts	1,309,776	1,085,029	957,367	127,662	
Expenditures					
General Administration	241,095	182,906	155,850	(27,056)	
General Administration Court	4,981	5,749	12,500	6,751	
Police Department	452,052	440,534	375,000	(65,534)	
Fire Department	12,402	16,547	8,000	(8,547)	
Parks Department	43,881	45,213	28,840	(16,373)	
Pool Operations	27,834	48,711	45,000	(3,711)	
Street Department	256,886	130,013	160,000	29,987	
Planning Department	104,476	92,728	74,160	(18,568)	
Public Works - Salary Benefits	-	-	24,000	24,000	
Public Works - Engineering and Design	-	-	107,981	107,981	
Police Special Budget	24,842	385,693	42,622	(343,071)	
Bea Peck Animal Shelter	-	1,000	-	1,000	
Cemetery Maintenance	44,184	15,745	40,500	24,755	
Total expenditures	1,212,633	1,364,839	1,074,453	(290,386)	
Receipts Over (Under) Expenditures	97,143	(279,810)	(117,086)	(162,724)	
Other Financing Sources (Uses)					
Capital Lease Proceeds	-	-	-	-	
Operating transfers out	(111,925)	-	(99,000)	99,000	
Total other financing sources (uses)	(111,925)	-	(99,000)	99,000	
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(14,782)	(279,810)	(216,086)	(63,724)	
Unencumbered Cash Balance - Beginning	415,514	400,732	216,086	184,646	
Prior Year Cancelled Encumbrance	-	-	-	-	
Unencumbered Cash Balance - Ending	\$ 400,732	\$ 120,922	\$ -	\$ 120,922	

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Employee Benefit FundSchedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance
	Prior Year	Actual	Budget	Favorable
	Actual			(Unfavorable)
Cash Receipts				
Ad Valorem Property Taxes	\$ 67,642	\$ 102,616	\$103,003	\$ (387)
Delinquent Property Tax	1,058	1,530		1,530
Motor Vehicle Taxes	4,604	8,860	8,054	806
Commercial Vehicle/Watercraft	240	303	464	
Rec. Vehicle Tax	76	201	183	
Interest on Idle Funds			-	-
Total Cash Receipts	73,620	113,510	111,704	1,806
Expenditures				
Social Security Payroll Taxes	39,801	41,949	42,540	591
Unemployment Taxes	16,353	7,525	5,000	(2,525)
KPERS Retirement	45,743	46,854	38,000	(8,854)
Insurance Health Life	-	24,212	35,000	10,788
Employee Retirement Benefit				-
Total expenditures	101,897	120,540	120,540	-
Receipts Over (Under) Expenditures	(28,277)	(7,030)	(8,836)	1,806
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(2,000)	-	-	-
Total other financing sources (uses)	(2,000)	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(30,277)	(7,030)	(8,836)	1,806
Unencumbered Cash Balance - Beginning	49,453	19,176	8,836	10,340
Unencumbered Cash Balance - Ending	\$ 19,176	\$ 12,146	\$ -	\$ 12,146

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Special Tort Claim Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year				
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)	Prior Year Actual
Cash Receipts					
Ad Valorem Property Taxes	\$ 23,462	\$ 28,108	\$28,210	\$ (102)	\$ 16,381
Delinquent Property Tax	360	553		553	502
Special Assessment Weed Control	720	3,735		3,735	1,148
Motor Vehicle Taxes	3,319	3,139	2,792	347	2,863
Commercial Vehicle/Watercraft	146	104	160		93
Rec. Vehicle Tax	55	73	63	10	51
Total Cash Receipts	28,062	35,712	31,225	4,487	21,038
Expenditures					
Insurance Property and Liability	30,600	32,000	32,000	-	26,500
Total expenditures	30,600	32,000	32,000	-	26,500
Receipts Over (Under) Expenditures	(2,538)	3,712	(775)	4,487	(5,462)
Other Financing Sources (Uses)					
Operating transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Receipts and Other Sources Over (Under) and Expenditures and Other Uses	(2,538)	3,712	(775)	4,487	(5,462)
Unencumbered Cash Balance - Beginning	7,392	4,854	775	4,079	8,611
Unencumbered Cash Balance - Ending	\$ 4,854	\$ 8,566	\$ -	\$ 8,566	\$ 3,149

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Library Levy Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
LIBRARY FUND				
Cash Receipts				
Ad Valorem Property Taxes	\$ 78,735	\$ 85,023	\$85,310	\$ (287)
Delinquent Property Tax	1,084	1,652		1,652
Motor Vehicle Taxes	9,413	10,471	9,375	1,096
Commercial Vehicle/Watercraft	415	347	540	
Rec. Vehicle Tax	156	245	213	32
Total Cash Receipts	89,803	97,738	95,438	2,493
Expenditures				
Appropriation to Library Board	95,378	97,647	97,945	298
Total expenditures	95,378	97,647	97,945	298
Receipts Over (Under) Expenditures	(5,575)	91	(2,507)	2,598
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(5,575)	91	(2,507)	2,598
Unencumbered Cash Balance - Beginning	6,055	480	2,507	(2,027)
Unencumbered Cash Balance - Ending	\$ 480	\$ 571	\$ -	\$ 571
LIBRARY EMPLOYEE BENEFITS				
Cash Receipts				
Ad Valorem Property Taxes	\$ 11	\$ 2	\$ -	\$ 2
Delinquent Property Tax	96	114		114
Motor Vehicle Taxes	797	30	-	30
Commercial Vehicle/Watercraft	35		-	-
Rec. Vehicle Tax & 60/2	13	1	-	1
Total Cash Receipts	952	147	-	147
Expenditures				
Appropriation to Library Board	1,344	240	485	245
Total expenditures	1,344	240	485	245
Receipts Over (Under) Expenditures	(392)	(93)	(485)	392
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(392)	(93)	(485)	392
Unencumbered Cash Balance - Beginning	485	93	485	(392)
Unencumbered Cash Balance - Ending	\$ 93	\$ -	\$ -	\$ -

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Capital Improvement Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Park Impact Fees	\$ -	\$ -	\$ -	\$ -
Reimbursed Expenses	-	-	-	-
Investment Income	-	-	-	-
Total Cash Receipts	-	-	-	-
Expenditures				
Insurance Replacement	-	-	-	-
Roof Replacement	-	-	-	-
Building Improvements	-	112,417	134,444	22,027
Total expenditures	-	112,417	134,444	22,027
Receipts Over (Under) Expenditures	-	(112,417)	(134,444)	22,027
Other Financing Sources (Uses)				
Operating transfers in	24,000	-	24,000	(24,000)
Total other financing sources (uses)	24,000	-	24,000	(24,000)
Receipts and Other Sources Over (Under) Expenditures and Other Uses	24,000	(112,417)	(110,444)	(1,973)
Unencumbered Cash Balance - Beginning	94,364	118,364	110,444	(7,601)
Prior Year Cancelled Encumbrance	-	-	-	-
Unencumbered Cash Balance - Ending	\$ 118,364	\$ 5,947	\$ -	\$ (9,574)

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Special Highway Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance- Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Payments Gas Tax	\$ 46,607	\$ 51,734	\$40,890	\$ 10,844
Total Cash Receipts	46,607	51,734	40,890	10,844
Expenditures				
Streets and Highways	47,198	44,828	41,057	(3,771)
Total expenditures	47,198	44,828	41,057	(3,771)
Receipts Over (Under) Expenditures	(591)	6,906	(167)	7,073
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(591)	6,906	(167)	7,073
Unencumbered Cash Balance - Beginning	591	-	167	(167)
Unencumbered Cash Balance - Ending	\$ -	\$ 6,906	\$ -	\$ 6,906

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Community Enhancement Sales Tax Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance- Favorable
	Prior Year Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sales Tax	\$ 64,731	\$ 121,555	\$ 96,000	\$ 25,555
Reimbursed Expenses	-	1,000	-	1,000
Total Cash Receipts	64,731	122,555	96,000	1,000
Expenditures				
Capital Improvements				
Community Improvements	-	6,997	-	(6,997)
Community Organizations Support	-	40,000	144,000	104,000
Total expenditures	-	46,997	144,000	97,003
Receipts Over (Under) Expenditures	64,731	75,558	(48,000)	123,558
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
Total other financing sources (used)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	64,731	75,558	(48,000)	123,558
Unencumbered Cash Balance - Beginning		64,731	48,000	16,731
Unencumbered Cash Balance - Ending	\$ 64,731	\$ 140,289	\$ -	\$ 140,289

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Combined Sales Tax Improvement Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance- Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sales Tax	208,846	243,315	190,000	53,315
Reimbursed Expenses		86,536	-	
Sidewalk Grant		500	-	500
Total Cash Receipts	208,846	330,351	190,000	53,815
Expenditures				
Public Safety Improvements	13,037			-
Street Improvements			-	-
Sidewalk Improvements		42,590		(42,590)
Building Improvements	25,000	2,678	-	(2,678)
Utility Improvements		16,863	23,296	6,433
Total expenditures	38,037	62,131	23,296	(38,835)
Receipts Over (Under) Expenditures	170,809	268,220	166,704	101,516
Other Financing Sources (Uses)				
Operating transfers in	52,925		-	
Capital Lease Automated Utility	(53,670)	(53,670)	(53,670)	-
General Obligation 2018 Bond Issue	(184,875)	(184,875)	184,625	(369,500)
KDHE Revolving Loan Payments	(29,675)	(29,675)	(35,476)	(65,151)
Operating transfers out	-	-	(100,000)	100,000
Total other financing sources (uses)	(215,295)	(268,220)	(4,521)	(334,651)
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(44,486)	-	162,183	(233,135)
Unencumbered Cash Balance - Beginning	44,486	-	165,884	(165,884)
Prior Year Cancelled Encumbrance				-
Unencumbered Cash Balance - Ending	\$ -	\$ -	\$328,067	\$ (399,019)

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Equipment Reserve Fund

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Fire Improvement Reserve		
Cash Receipts		
Memorials and other donations	\$ -	\$ -
Equipment grant	-	-
Total Cash Receipts	-	-
Expenditures		
Capital Improvements	-	-
Total expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	-	-
Unencumbered Cash Balance - Beginning	31,755	31,755
Unencumbered Cash Balance - Ending	<u>\$ 31,755</u>	<u>\$ 31,755</u>
<i>*This fund is not required to be budgeted.</i>		
	Prior Year Actual	Current Year Actual
Police Improvement Reserve		
Cash Receipts		
Reimbursed Expenses		
Memorials and other donations	-	-
Total Cash Receipts	-	-
Expenditures		
Capital Improvements	23,214	49,792
Total expenditures	23,214	49,792
Receipts Over (Under) Expenditures	(23,214)	(49,792)
Other Financing Sources (Uses)		
Operating transfers in	20,000	-
Total other financing sources (uses)	20,000	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(3,214)	(49,792)
Unencumbered Cash Balance - Beginning	53,006	49,792
Unencumbered Cash Balance - Ending	<u>\$ 49,792</u>	<u>\$ -</u>
<i>*This fund is not required to be budgeted.</i>		

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Equipment Reserve Fund

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Park Improvement Reserve		
Cash Receipts		
Memorials and other donations	\$ -	
Fire Insurance Fees	-	21,998
Park Impact Fees	2,050	-
Investment Income	8	8
Total Cash Receipts	<u>2,058</u>	<u>22,006</u>
Expenditures		
Fire Insurance Payments	-	21,998
Capital Improvements	-	-
Total expenditures	<u>-</u>	<u>21,998</u>
Receipts Over (Under) Expenditures	<u>2,058</u>	<u>8</u>
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>2,058</u>	<u>8</u>
Unencumbered Cash Balance - Beginning	<u>24,811</u>	<u>26,869</u>
Unencumbered Cash Balance - Ending	<u>\$ 26,869</u>	<u>\$ 26,877</u>
<i>*This fund is not required to be budgeted.</i>		
	Prior Year Actual	Current Year Actual
Street Improvement Reserve		
Cash Receipts		
Reimbursed Expenses	\$ -	\$ -
Memorials and other donations	-	-
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Capital Improvements	-	-
Total expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>
Unencumbered Cash Balance - Beginning	<u>376,000</u>	<u>376,000</u>
Unencumbered Cash Balance - Ending	<u>\$ 376,000</u>	<u>\$ 376,000</u>

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Equipment and Employee Benefit Trust Reserve
Schedule of Receipts and Expenditures – Actual Only*
Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Public Works Equipment Reserve		
Cash Receipts		
Investment Income	\$ -	\$ -
Insurance Reimbursement		
Equipment sales	-	-
Total Cash Receipts	-	-
Expenditures		
Equipment Purchases		62,981
Capital Improvements	13,250	-
Total expenditures	13,250	62,981
Receipts Over (Under) Expenditures	(13,250)	(62,981)
Other Financing Sources (Uses)		
Operating transfers in	15,000	-
Total other financing sources (uses)	15,000	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	1,750	(62,981)
Unencumbered Cash Balance - Beginning	75,902	77,652
Unencumbered Cash Balance - Ending	\$ 77,652	\$ 14,671
<i>*This fund is not required to be budgeted.</i>		
	Prior Year Actual	Current Year Actual
Employee Benefit Trust Reserve		
Cash Receipts		
Investment Income	\$ -	\$ -
Employee medical deductible contributions	30,595	26,105
Total Cash Receipts	30,595	26,105
Expenditures		
Employee medical deductible payments	21,806	25,645
Total expenditures	21,806	25,645
Receipts Over (Under) Expenditures	8,789	460
Other Financing Sources (Uses)		
Operating transfers in	2,000	-
Operating transfers out	-	-
Total other financing sources (uses)	2,000	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	10,789	460
Unencumbered Cash Balance - Beginning	11,171	21,960
Unencumbered Cash Balance - Ending	\$ 21,960	\$ 22,420

**This fund is not required to be budgeted.*

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Capital Improvement Engineer/Design Reserve
 Schedule of Receipts and Expenditures – Actual Only*
 Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Capital Improvement Engineer/Design Reserve		
Cash Receipts		
Investment Income	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures		
Capital Improvements	-	1,095
Total expenditures	-	1,095
Receipts Over (Under) Expenditures	-	(1,095)
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	-	(1,095)
Unencumbered Cash Balance - Beginning	8,945	8,945
Unencumbered Cash Balance - Ending	\$ 8,945	\$ 7,850

*This fund is not required to be budgeted.

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Grant Fund Cares Act
Schedule of Receipts and Expenditures – Actual Only*
Regulatory Basis
For the year ended December 31, 2021
(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Cares Act Franklin County Reimbursement	\$ 194,716	\$ 13,315
Cares Act Kansas Governor Reimbursement		135,095
Miscellaneous		-
Total Cash Receipts	<u>194,716</u>	<u>148,410</u>
Expenditures		
Public Sector		57,124
Water and Sewer		
Capital Improvements	-	-
Total expenditures	<u>-</u>	<u>57,124</u>
Receipts Over (Under) Expenditures	<u>194,716</u>	<u>91,286</u>
Other Financing Sources (Uses)		
Operating transfers in		-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	194,716	91,286
Unencumbered Cash Balance - Beginning		<u>194,716</u>
Unencumbered Cash Balance - Ending	<u>\$ 194,716</u>	<u>\$ 286,002</u>

**This fund is not required to be budgeted.*

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Capital Project Fund

General Obligation Bonds Series 2018

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursed Expense	\$ 1,354	\$ 61,329
Interest on Idle Funds	-	-
Total Cash Receipts	<u>1,354</u>	<u>61,329</u>
Expenditures		
Bond Issue Expense		2,600
Bond Issue Engineer Expense	111,088	111,659
Walnut Storm Sewer	221,114	
Pine Street Sewer	105,169	
K33 Water and Sewer		604,012
Pendleton/Stafford Road	251,950	
Utility Improvements		
Total expenditures	<u>689,321</u>	<u>718,271</u>
Receipts Over (Under) Expenditures	<u>(687,967)</u>	<u>(656,942)</u>
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>(687,967)</u>	<u>(656,942)</u>
Unencumbered Cash Balance - Beginning	<u>1,637,502</u>	<u>949,535</u>
Unencumbered Cash Balance - Ending	<u>\$ 949,535</u>	<u>\$ 292,593</u>

*This fund is not required to be budgeted.

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Bond and Interest Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance- Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Ad Valorem Property Taxes	\$ 19,172		\$ -	\$ -
Delinquent Property Tax	10	73		73
Motor Vehicle Taxes	-	-	-	-
Rec. Vehicle Tax & 60/2	-	-	-	-
West Benefit District Special Assessments	-	-	-	-
Total Cash Receipts	19,182	73	-	73
Expenditures				
Bond Principal	\$ 19,182			\$ -
Bond Interest		8,042	8,042	-
Temporary Note Interest				-
Bond Commission and Fees	-	-	-	-
Total expenditures	19,182	8,042	8,042	-
Receipts Over (Under) Expenditures	-	(7,969)	(8,042)	73
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	-	(7,969)	(8,042)	73
Unencumbered Cash Balance - Beginning	45,938	45,938	8,042	37,896
Unencumbered Cash Balance - Ending	\$ 45,938	\$ 37,969	\$ -	\$ 37,969

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Water/Sewer Utility Operating Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year			Variance- Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Utility Usage Charges	\$ 880,391	\$ 903,233	\$ 950,000	\$ (46,767)
Utility Connection Tap Fees	7,200	-		-
Tank Collections	-	1,154	-	1,154
Utility Deposits and Charges	16,320	15,623		15,623
Refuse Charges				-
Reimbursed Expenses	21,049	13,775	25,000	(11,225)
Investment income	849	1,653		1,653
Total Cash Receipts	925,809	935,438	975,000	(39,562)
Operating Expenditures				
Cost of Water	233,191	290,178	300,000	9,822
Water Office Payroll	35,332	36,515	40,000	3,485
Water Office Services and Supplies	57,589	54,686	40,000	(14,686)
Payroll Taxes and Benefits	21,620	33,141	56,650	23,509
Transmission and Distribution Payroll	75,192	109,950	88,000	(21,950)
Transmission and Distribution Services	25,490	18,799	39,900	21,101
Transmission and Distribution Supplies	76,851	63,003	35,500	(27,503)
Sewer Operation Expenses	98,302	130,118	138,000	7,882
Contractual Refuse Service	99,278	100,953	110,000	9,047
Improvements		46,141	300,000	253,859
Sales Tax	4,960	5,341	5,000	(341)
Total Operating expenditures	727,805	888,825	1,153,050	264,225
Receipts Over (Under) Expenditures	198,004	46,613	(178,050)	224,663
Other Financing Sources (Uses)				
KDHE Revolving Loan Payments	(161,341)	(191,321)	(167,143)	(24,178)
Operating transfers in	-	-		-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	(161,341)	(191,321)	(167,143)	(24,178)
Receipts and Other Sources Over (Under) Expenditures and Other Uses	36,663	(144,708)	(345,193)	200,485
Unencumbered Cash Balance - Beginning	417,538	454,201	444,345	9,856
Unencumbered Cash Balance - Ending	\$ 454,201	\$ 309,493	\$ 99,152	\$ 210,341

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Water/Sewer Utility Reserve Fund

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Utility Connection Impact Fees	\$ 21,725	\$ -
Investment Income	15	14
Total Cash Receipts	<u>21,740</u>	<u>14</u>
Expenditures		
Capital Improvements	-	-
Total expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	<u>21,740</u>	<u>14</u>
Other Financing Sources (Uses)		
Operating transfers out	-	-
Operating transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>21,740</u>	<u>14</u>
Unencumbered Cash Balance - Beginning	<u>46,850</u>	<u>68,590</u>
Unencumbered Cash Balance - Ending	<u>\$ 68,590</u>	<u>\$ 68,604</u>

**This fund is not required to be budgeted.*

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Payroll Clearing and Court Escrow
 Schedule of Receipts and Expenditures – Actual Only*
 Regulatory Basis

For the year ended December 31, 2021
 (With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Payroll Deductions and Court Bonds	\$ 13,074	\$ 9,277
Total Cash Receipts	\$ 13,074	9,277
Expenditures		
Payroll Deductions and Court Bonds	13,074	9,277
Total expenditures	13,074	9,277
Receipts Over (Under) Expenditures		-
Unencumbered Cash Balance - Beginning	-	-
Unencumbered Cash Balance - Ending		\$ -

*This fund is not required to be budgeted.

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Cemetery Perpetual Care Fund

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Perpetual care Fees	\$ 200	\$ 325
Investment Income	8	26
Total Cash Receipts	208	351
Expenditures		
Cemetery Maintenance	-	-
Total expenditures	-	-
Receipts Over (Under) Expenditures	208	351
Unencumbered Cash Balance - Beginning	43,056	43,264
Unencumbered Cash Balance - Ending	<u>\$ 43,264</u>	<u>\$ 43,615</u>

**This fund is not required to be budgeted.*

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Schedule of Receipts and Expenditures – Actual Only*
Regulatory Basis**Related Municipal Entity- Wellsville City Library**

For the year ended December 31, 2021

(With Comparative Actual Amounts for the Year Ended December 31, 2020)

	Current Year		Prior Year	
	General Actual	Building Reserve Actual	General Actual	Building Reserve Actual
Cash Receipts				
City tax appropriation Library	\$ 97,647	\$ -	\$ 95,378	\$ -
City tax appropriations Employee Benefit	240	-	1,344	-
City Community enhancement tax appropriation	-	30,000	-	-
Northeast Kansas Library Association	22,104	-	21,460	-
Grants	31,285	-	5,752	-
State Aid	506	-	518	-
Memorials and other donations	1,430	189,941	2,028	11,994
Interest	540	3,074	746	4,831
Library fines and other	1,764	-	667	-
Rental income	435	-	420	-
Total Cash Receipts	155,951	223,015	128,313	16,825
Expenditures				
Salaries and wages	74,613	-	69,311	-
Payroll taxes and retirement	11,790	-	11,190	-
Supplies	1,877	-	2,522	-
Utilities	8,201	-	8,228	-
Inservice/Children services	2,933	-	3,019	-
Books and periodicals	21,101	-	18,649	-
Office expense	1,618	-	2,203	-
Miscellaneous	93	-	286	-
Insurance	100	-	100	-
Equipment	23,776	-	581	-
Contract services	2,170	-	1,875	-
Repairs and maintenance	846	-	1,242	-
Total Expenditures	149,118	-	119,206	-
Receipts Over (Under) Expenditures	6,833	223,015	9,107	16,825
Other Financing Sources (Uses)				
Operating transfers in		9,231		
Operating transfers out	(9,231)	-	-	-
Total other financing sources (uses)	(9,231)	9,231	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(2,398)	232,246	9,107	16,825
Unencumbered Cash Balance - Beginning	100,603	264,834	91,496	248,009
Unencumbered Cash Balance - Ending	<u>\$ 98,205</u>	<u>\$ 497,080</u>	<u>\$ 100,603</u>	<u>\$ 264,834</u>

*This fund is not required to be budgeted.

See independent auditor's report on the required supplementary information.