

**City of Alta Vista
Wabaunsee County, Kansas**

**Independent Auditors' Report and
Regulatory Basis Financial Statement
Year Ended December 31, 2020**

**Cindy Jensen, CPA
218 W. Main St.
Council Grove, KS 66846
(620) 767-5064**

The City of Alta Vista
Wabaunsee County, Kansas

Regulatory Basis Financial Statement
Year Ended December 31, 2020

Table of Contents

	Page
Independent Auditors' Report	1-2
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statement	4-10
Regulatory – Required Supplementary Information:	
Schedule 1 – Summary of Expenditures – Actual & Budget	11
Schedule 2 – Schedule of Receipts and Expenditures	
General Fund	12
Special Purpose Funds	
Special Park Fund	13
Special Highway Fund	14
Equipment Reserve	15
Capital Improvements	16
Business Funds	
Gas Utility	17
Sewer Utility	18
Sewer Reserve	19
Refuse Utility	20
Water Utility	21

Cindy Jensen

Certified Public Accountant

218 W Main
Council Grove, KS 66846

620-767-5064
c.jensen@tctelco.net

Independent Auditors' Report

Mayor and City Council
City of Alta Vista, Kansas

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Alta Vista, Kansas as of and for the year ended December 31, 2020 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 to meet the financial reporting requirements of the State of Kansas; 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

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my 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 that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on the U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the City of Alta Vista, Kansas prepared this financial statement to meet the requirements of the State of 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 the U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the 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 Alta Vista, Kansas, as of December 31, 2020, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Alta Vista, Kansas, as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Regulatory – Required Supplementary Information

My audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such supplementary 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 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 Alta Vista, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued my report dated October 26, 2020 which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and my report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/chief-financial-officer/municipal-services/municipal-audits>. The 2019 actual column (2019 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) is presented for analysis and are not a required part of the basic financial statement. Such 2019 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 2019 basic financial statement. The 2019 comparative information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 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, 2019, on the basis of accounting described in Note 1.



Cindy Jensen, CPA
October 12, 2021

City of Alta Vista
Wabaunsee County, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & Accounts	Ending Cash Balance
General Fund	\$ 106,992	\$ 0	\$ 203,134	\$ 159,980	\$ 150,146	\$ 10,470	\$ 160,616
Special Purpose Funds							
Special Parks & Recreation	2,671	0	475	0	3,146	0	3,146
Special Highway	31,768	0	11,004	0	42,772	0	42,772
Equipment Reserve	3,158	0	15,000	0	18,158	0	18,158
Capital Improvement Res	107,852	0	0	0	107,852	0	107,852
Business Fund							
Gas	166,795	0	0	0	166,795	0	166,795
Sewer	77,273	0	104,424	101,003	80,694	1,265	81,959
Sewer Reserve	54,000	0	3,000	0	57,000	0	57,000
Solid Waste	1,631	0	42,604	32,323	11,912	20	11,932
Water	177,344	0	105,853	108,360	174,837	8,524	183,361
Total Reporting Entity	<u>\$ 729,484</u>	<u>\$ 0</u>	<u>\$ 485,494</u>	<u>\$ 401,666</u>	<u>\$ 813,312</u>	<u>\$ 20,279</u>	<u>\$ 833,591</u>

Composition of Cash Balance:

Checking	\$ 608,566
Certificates of Deposit	225,000
Petty Cash	25
Total Reporting Entity	<u>\$ 833,591</u>

The accompanying notes are an integral part of this statement.

City of Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 1 – Summary of Significant Accounting Policies

The City has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the City's accounting policies are described below.

Financial Reporting Entity

The City of Alta Vista is a governmental entity and operates as a third-class city under a Mayor-Council form of government. The City provides the following services: public safety (police & fire), streets, recreation, public improvements, planning and zoning and general administrative services. In addition, the City operates three enterprise activities; water, sewer, and trash utilities. The City sold its' gas utility in 2009.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

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

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond & 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 Funds – these are financed in whole or in part by fees charged to users of the goods or services. Business funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of receipts, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

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

City of Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 1 – Summary of Significant Accounting Policies (Cont.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America (Cont)

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

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records the reimbursement as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

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 & interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the Municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, permanent funds, and the following special purpose funds: Equipment Reserve, Capital Improvement, and Sewer Reserve. 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 Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 2 – Stewardship, Compliance, and Accountability

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the Municipality.

Management is not aware of any items of noncompliance with Kansas statutes.

Note 3 – Cash and Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be entirely returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by Federal Depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan of Topeka, except during designated peak periods when required coverage is 50%. The City has no designated peak periods. All deposits were legally secured at December 31, 2020.

The City maintains a cash pool that is available for use by all funds. At year-end, the carrying amount of the City's deposits was \$833,566. The bank balance was \$834,701. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance and \$584,701 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The City held no other investments at December 31, 2020.

City of Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 4 – Property Taxes

The City certifies its' budget to the County Clerk annually. Using this certified budget and those of other political subdivisions within the county, the County Clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20 of the same year, and the second installment is due May 10 of the subsequent year. The County Treasurer collects and distributes the property taxes. In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations. Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at year end and, further, the amounts are not material in relationship to the financial statements taken as a whole.

Note 5 – Defined Benefit Pension Plan

Plan Description

The City of Alta Vista, 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 to KPERS (611 S Kansas St. 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 contributions 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, 2, and 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 rate for KPERS 1, KPERS 2, and KPERS 3 to be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$6,440 for the year ended December 31, 2020.

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$59,863. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

City of Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 6 – Water Supply Contract

The City of Alta Vista entered into a contract on July 13, 1992, with the Rural Water District No. 1, Morris County, Kansas for the purpose of obtaining a source of water for the City. Rural Water District No. 1 is a Kansas entity formed under K.S.A 82a-612. Per contract, RWD#1 constructed a water supply and distribution system. The RWD#1 will deliver to the City potable treated water, meeting applicable quality standards of the Kansas Dept. of Health and Environment, a maximum daily amount not to exceed 86,000 gallons. On July 15, 1994, the Rural Water District No. 1 delivered water to the City of Alta Vista. The City has no right of ownership in the fixed assets or interest in the net income or loss of the Rural Water District. The City of Alta Vista's obligation is to pay the Water District a total fixed monthly charge of \$913 and to purchase a minimum of 750,000 gallons of water per month. The rate charged to the City for water is subject to modification at the end of every year.

The full faith and credit of the City is not pledged; and the City has no obligation to levy a tax to make any payment pursuant to this contract. However, the City will adjust water rates charged its users at a level sufficient to meet the City's obligations. The City's contract obligation to purchase water from the Rural Water District extends for a term of 40 years from the date of the initial delivery of any water to the City. The contract does not contain a termination clause. In the event of any occurrence rendering the Water District incapable of performing under this contract, any successor of the Water District, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Water District.

During 2020, the City purchased 10,041,000 gallons of water from RWD#1 for \$35,290; which includes the fixed charge of \$913 per month for 12 months. This amount has been considered to be a commodity expenditure of the water fund in 2020.

No provision has been made in the financial statements for the amount remaining to be paid to the Rural Water District over the life of the contract for the water to be purchased by the City. The City's obligation will continue in effect until July 15, 2034.

Note 7 – Other Long-Term Obligations from Operations

Compensated Absences

Vacation for full time employees is based on years of employment. One week is earned upon completion of the first year of service, two weeks after the second year, and three weeks after ten years of service. Employees are given compensatory time off, in lieu of cash payments, for the overtime worked. Full time employees earn 4 hours of sick leave for each full month of service cumulative to no more than 120 hours. Upon termination, an employee will be compensated for any earned but unused vacation leave and sick leave. Amounts paid for compensated absences are paid from the fund that corresponds to the employee's duties.

Death and Disability Other Post Employment Benefits

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

City of Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 8 – Long-term Debt

KDHE Loan

In 2001, a new 4-cell sewage facility was constructed at a cost of \$1,152,470. A community development block grant from the Kansas Dept. of Commerce for \$400,000 was awarded to the City for the project on June 15, 2001. The City expended \$387,836 of grant proceeds. Additional financing of \$764,904 was obtained from the Kansas Department of Health and Environment with a loan agreement. Semi-annual payments of \$25,843 began on March 1, 2003. Beginning September 1, 2008, the payment schedule was revised and the remaining balance due was scheduled to be paid with twenty-nine semi-annual payments of \$25,049.

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

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Due January 1</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance Due December 31</u>	<u>Interest Paid</u>
KDHE Wastewater loan	3.08%	4/28/2001	767,904	3/1/2022	\$ 142,514	\$ 0	\$ 46,060	\$ 96,454	\$ 4,038
Total contractual indebtedness					<u>\$ 142,514</u>	<u>\$ 0</u>	<u>\$ 46,060</u>	<u>\$ 96,454</u>	<u>\$ 4,038</u>

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Principal						
KDHE Wastewater loan	\$ 47,490	\$ 48,964	\$ 0	\$ 0	\$ 0	\$ 96,454
Interest						
KDHE Wastewater loan	<u>2,608</u>	<u>1,134</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,742</u>
Total Principal & Interest	<u>\$ 50,098</u>	<u>\$ 50,098</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100,196</u>

Note 9 – Transfers

The City transferred monies between funds as allowed by applicable Kansas statutes. The following schedule details transfers made in 2020.

<u>Fund from:</u>	<u>Fund to:</u>	<u>Amount</u>	<u>Authorization</u>
Water	Equipment Reserve	15,000	12-1,1117
Sewer	Sewer Reserve	3,000	12-6310

City of Alta Vista
Wabaunsee County, Kansas

Notes to the Financial Statement
December 31, 2020

Note 10– Claims and Judgments

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

The City participates in Federal and State programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulation, the City may be required to reimburse the grantor government. Any disallowed claim resulting from such audit could become a liability of the City. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the City at December 31, 2020.

During its' ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City.

Note 11 – Subsequent Events

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

Regulatory – Required Supplementary Information

City of Alta Vista
Wabaunsee County, Kansas

Schedule 1

Summary of Expenditures-Actual and Budget
Regulatory Basis
Budgeted Funds Only
For the Year Ended December 31, 2020

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 270,198	\$ 0	\$ 270,198	\$ 159,980	\$ (110,218)
Special Purpose Funds					
Special Parks & Recreation	2,871	0	2,871	0	(2,871)
Special Highway	43,209	0	43,209	0	(43,209)
Business Funds					
Gas	50,000	0	50,000	0	(50,000)
Sewer	113,098	0	113,098	101,003	(12,095)
Solid Waste	37,500	0	37,500	32,323	(5,177)
Water	109,500	0	109,500	108,360	(1,140)

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

GENERAL FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Wabaunsee County	\$ 140,379	\$ 141,568	\$ 141,110	\$ 458
Liquor Tax	0	0	0	0
Franchise Tax	26,084	24,564	25,000	(436)
Sales Tax	22,179	24,038	22,000	2,038
Licenses & Permits	2,350	2,892	2,500	392
Use of Money & Property	5,871	3,988	1,000	2,988
Other	12,045	6,084	0	6,084
Transfers In	0	0	0	0
Total Receipts	<u>208,908</u>	<u>203,134</u>	<u>191,610</u>	<u>11,524</u>
Expenditures				
General	95,863	74,081	79,000	(4,919)
Fire	6,490	9,155	8,600	555
Public Safety	15,817	16,324	16,000	324
Parks	4,579	5,292	6,000	(708)
Street	59,587	55,128	135,300	(80,172)
Transfers out	30,000	0	25,298	(25,298)
Total Expenditures	<u>212,336</u>	<u>159,980</u>	<u>270,198</u>	<u>(110,218)</u>
Receipts Over (Under) Expenditures	(3,428)	43,154	<u>\$ (78,588)</u>	<u>\$ 121,742</u>
Unencumbered Cash, January 1	<u>110,420</u>	<u>106,992</u>		
Unencumbered Cash, December 31	<u>\$ 106,992</u>	<u>\$ 150,146</u>		

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

SPECIAL PARKS & RECREATION

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Liquor tax	\$ 0	\$ 0	\$ 0	\$ 0
Other	400	475	300	175
Total Receipts	<u>400</u>	<u>475</u>	<u>300</u>	<u>175</u>
Expenditures				
Park expenditures	0	0	2,871	(2,871)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>2,871</u>	<u>(2,871)</u>
Receipts Over (Under) Expenditures	400	475	<u>\$ (2,571)</u>	<u>\$ 3,046</u>
Unencumbered Cash, January 1	<u>2,271</u>	<u>2,671</u>		
Unencumbered Cash, December 31	<u>\$ 2,671</u>	<u>\$ 3,146</u>		

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

SPECIAL HIGHWAY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas Gas Tax	\$ 11,558	\$ 11,004	\$ 11,510	\$ (506)
Other Receipts	0	0	0	0
Total Receipts	<u>11,558</u>	<u>11,004</u>	<u>11,510</u>	<u>(506)</u>
Expenditures				
Street repair & maintenance	0	0	43,209	(43,209)
Adjustment for Budget Credits	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>43,209</u>	<u>(43,209)</u>
Receipts Over (Under) Expenditures	11,558	11,004	<u>\$ (31,699)</u>	<u>\$ 42,703</u>
Unencumbered Cash, January 1	<u>20,210</u>	<u>31,768</u>		
Unencumbered Cash, December 31	<u>\$ 31,768</u>	<u>\$ 42,772</u>		

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2D

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

EQUIPMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 0	\$ 15,000
Other Receipts	0	0
Total Receipts	<u>0</u>	<u>15,000</u>
Expenditures		
Equipment	10,000	0
Other	0	0
Total Expenditures	<u>10,000</u>	<u>0</u>
Receipts Over (Under) Expenditures	(10,000)	15,000
Unencumbered Cash, January 1	<u>13,158</u>	<u>3,158</u>
Unencumbered Cash, December 31	<u>\$ 3,158</u>	<u>\$ 18,158</u>

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2E

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

CAPITAL IMPROVEMENT RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous Receipts	\$ 0	\$ 0
Transfers In	80,000	0
Total Receipts	<u>80,000</u>	<u>0</u>
Expenditures		
Capital improvements	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	80,000	0
Unencumbered Cash, January 1	<u>27,852</u>	<u>107,852</u>
Unencumbered Cash, December 31	<u>\$ 107,852</u>	<u>\$ 107,852</u>

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

GAS UTILITY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 0	\$ 0	\$ 0	\$ 0
Other Receipts	0	0	0	0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Commodities	0	0	0	0
Transfers out	50,000	0	50,000	(50,000)
Total Expenditures	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>(50,000)</u>
Receipts Over (Under) Expenditures	(50,000)	0	<u>\$ (50,000)</u>	<u>\$ 50,000</u>
Unencumbered Cash, January 1	<u>216,795</u>	<u>166,795</u>		
Unencumbered Cash, December 31	<u>\$ 166,795</u>	<u>\$ 166,795</u>		

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

SEWER				
	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 104,346	\$ 104,424	\$ 108,500	\$ (4,076)
Other Receipts	0	0	0	0
Total Receipts	<u>104,346</u>	<u>104,424</u>	<u>108,500</u>	<u>(4,076)</u>
Expenditures				
Personal Service	5,569	6,116	13,000	(6,884)
Contractual	20,235	17,795	24,000	(6,205)
Commodities	20,889	23,994	23,000	994
Capital Outlay	0	0	0	0
Loan payments	50,098	50,098	50,098	0
Transfer to Sewer Reserve	3,000	3,000	3,000	0
Total Expenditures	<u>99,791</u>	<u>101,003</u>	<u>113,098</u>	<u>(12,095)</u>
Receipts Over (Under) Expenditures	4,555	3,421	<u>\$ (4,598)</u>	<u>\$ 8,019</u>
Unencumbered Cash, January 1	<u>72,718</u>	<u>77,273</u>		
Unencumbered Cash, December 31	<u>\$ 77,273</u>	<u>\$ 80,694</u>		

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2H

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

SEWER RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfer in	\$ 3,000	\$ 3,000
Other Receipts	0	0
Total Receipts	<u>3,000</u>	<u>3,000</u>
Expenditures		
Sewer maintenance	0	0
Other	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	3,000	3,000
Unencumbered Cash, January 1	<u>51,000</u>	<u>54,000</u>
Unencumbered Cash, December 31	<u>\$ 54,000</u>	<u>\$ 57,000</u>

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 21

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

SOLID WASTE

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 35,861	\$ 42,604	\$ 37,000	\$ 5,604
Other Receipts	0	0	0	0
Total Receipts	<u>35,861</u>	<u>42,604</u>	<u>37,000</u>	<u>5,604</u>
Expenditures				
Personal Service	363	403	500	(97)
Contractual	<u>35,041</u>	<u>31,920</u>	<u>37,000</u>	<u>(5,080)</u>
Total Expenditures	<u>35,404</u>	<u>32,323</u>	<u>37,500</u>	<u>(5,177)</u>
Receipts Over (Under) Expenditures	457	10,281	<u>\$ (500)</u>	<u>\$ 10,781</u>
Unencumbered Cash, January 1	<u>1,174</u>	<u>1,631</u>		
Unencumbered Cash, December 31	<u>\$ 1,631</u>	<u>\$ 11,912</u>		

See Accompanying Auditors' Report.

City of Alta Vista
Wabaunsee County, Kansas

Schedule 2J

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
With Comparative Actual Totals for the Prior Year Ended December 31, 2019

WATER				
	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges for Services	\$ 105,258	\$ 103,361	\$ 104,000	\$ (639)
Other Receipts	1,970	2,492	0	2,492
Total Receipts	<u>107,228</u>	<u>105,853</u>	<u>104,000</u>	<u>1,853</u>
Expenditures				
Personal Service	19,870	22,210	31,500	(9,290)
Commodities	3,881	8,174	12,000	(3,826)
Water purchased	34,334	35,290	34,000	1,290
Contractual	23,543	27,686	31,000	(3,314)
Capital Outlay	0	0	1,000	(1,000)
Transfer out	0	15,000	0	15,000
Total Expenditures	<u>81,628</u>	<u>108,360</u>	<u>109,500</u>	<u>(1,140)</u>
Receipts Over (Under) Expenditures	25,600	(2,507)	<u>\$ (5,500)</u>	<u>\$ 2,993</u>
Unencumbered Cash, January 1	<u>151,744</u>	<u>177,344</u>		
Unencumbered Cash, December 31	<u>\$ 177,344</u>	<u>\$ 174,837</u>		

See Accompanying Auditors' Report.