CITY OF WILLIAMSBURG, KANSAS

Financial Statements for the
Year Ended December 31, 2021
And Independent Auditors' Report

CITY OF WILLIAMSBURG, KANSAS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Williamsburg, Kansas

Adverse and Unmodified Opinions

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our 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 Williamsburg, Kansas as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Williamsburg, Kansas as of December 31, 2021, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide.* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Williamsburg, Kansas on the basis of the financial reporting provisions of the *Kanas Municipal Audit and Accounting Guide,* which is a bais 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* (KMAAG) 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's 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

Our 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 auditro's report that includes our 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 statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and asses the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scoped and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures-agency funds are presented for purposes of additional analysis and are not a required part of the basic financial statements however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated August 30, 2022 on our consideration of the City of Williamsburg, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Williamsburg, Kansas' internal control over financial reporting and compliance.

August 30, 2022

CITY OF WILLIAMSBURG, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
YEAR ENDED DECEMBER 31, 2021

	Beginning Unencumbered Cash	Receipts	Actual Expenditures	Ending Unencumbered Cash	Outstanding Encumbrances	Cash Balance December 31, 2021
General Fund	$ 105,747	$ 124,201	$ 84,408	$ 145,540	$ 2,388	$ 147,928
Special Purpose Funds						
Library Fund	1,131	16,482	16,267	1,346	-	1,346
Special Highway Fund	7,090	11,391	4,404	14,077	38	14,115
CARES ACT Fund	(29,553)	29,553	-	-	-	-
ARPA Grant Fund	-	29,835	26,884	2,951	-	2,951
Capital Projects Funds						
Parks and Recreation Fund	3,301	15,000	7,205	11,096	113	11,210
Street Project Fund	(59,423)	891,078	798,837	32,819	75	32,894
Capital Improvement Reserve Fund	11,412	14,301	-	25,713	-	25,713
Capital Equipment Reserve Fund	4,301	-	4,301	-	-	-
Sewer Project Fund	(6,550)	90,244	83,694	-	375	375
Sidewalk Project Fund	-	-	-	-	-	-
Enterprise Funds						
Water Utility Fund	119,245	92,937	84,742	127,440	3,648	131,089
Sewer Utility Fund	189,715	88,307	83,260	194,762	829	195,591
Agency Fund						
Payroll Clearing Fund	-	49,897	49,897	-	2,748	2,748
Sales Tax Clearing Fund	30	218	173	75	33	108
Deposit Clearing Fund	6,362	13,688	13,191	6,859	-	6,859
Penalty Clearing Fund	8,889	4,053	-	12,942	-	12,942
Total Reporting Entity	$ 361,695	$ 1,471,185	$ 1,257,261	$ 575,619	$ 10,249	$ 585,868
Less transfers		-	-			
		$ 1,471,185	$ 1,257,261			

Composition of Cash:

Checking Account	$ 491,690
Savings Account	93,978
Other	200
Total	$ 585,868

See notes to financial statements

CITY OF WILLIAMSBURG, KANSAS

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the City of Williamsburg (City) is presented to assist in understanding the City's financial statements. The financial statements and notes are representations of the City's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

The City is a municipal corporation governed by an elected five-member council. The accompanying financial statements present the City (the primary government), but omit its related municipal entity.

The City's related municipal entity, the Williamsburg Community Library, has a governing body that is appointed by the City. The related municipal entity has not been audited and is not included in the accompanying financial statements.

a. Basis of Presentation - Fund Accounting - The accounts of the City of Williamsburg, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2021.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special purpose funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Capital project funds - to account for major capital expenditures.

Agency funds - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, etc)

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs 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.

b. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America – The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net

unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above. The City had no material encumbrances at December 31, 2021.

c. GAAP Waiver – 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.

d. 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 for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.

2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.

3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25.

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 year ended December 31, 2021.

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 cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

Spending in funds that 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.

2. 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 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.

Under K.S.A 12-1675, the City is limited in the type of investments it may engage in; primarily certificates of deposit, savings accounts, U.S. Treasuries, Kansas Municipal Investment Pool, and money market accounts. All these investments are considered low risk. The cost approximates market value. The City has no other policies that would further limit its investment choices.
State statues 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 K.S.A. 9-1405.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2021.

At year-end the carrying amount of the City's deposits was $585,868 and the bank balance was $588,538. The differences between the carrying amount and the balance are outstanding checks and deposits in transit.

3. TAXES

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following May 10.

Motor Vehicle Taxes – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles, from 30% to 20% of market value.

In 2021, the City received the following from county and state taxes:

	General Fund	Library Fund	Special Highway Fund	Sewer Fund	Total
Property Taxes	$ 18,445	$ 12,590	$		31,035
Delinquent Taxes	630	510			1,140
Motor Vehicle Taxes	4,988	3,282			8,269
Sales and Use Tax	54,119			9,225	63,344
State Highway Aid			11,391		11,391
	$ 78,182	$ 16,382	$ 11,391	9,225	115,179

The assessed valuation in 2020 was $1,442,931, which was used to determine the mill levy for 2021. The mill levy was 21.999 for 2021.

4. UTILITIES

The City provides water, sewer, and solid waste services. The City mails their utility bills on or before the 5th of each month. The utility bills are due by the 15th day of the month. Payments received after the 15th are subject to a late charge of 15% on the current month's activity.

Utility Rates as of December 31, 2021 are as follows:

Water Rates:

Inside the City limits:	Outside the City limits:
Monthly minimum of $15.50	Monthly minimum of $20.50
$7.50/1,000 gallons	$9.00/1,000 gallons

Sewer Rates:

Monthly charge	$45.00

Solid Waste:

Monthly charge	$13.30
Polycart	$1.25

5. LONG-TERM DEBT

The City's long-term debt is comprised of General Obligation Bonds Series 2018 and 2021, which were used to finance the costs related to certain improvements to the City's sewer and street system.

General Obligation Bonds Series 2018

On June 13, 2018 the City issued general obligation bonds in the amount of $1,264,000 to finance certain sewer system improvements. The bonds mature from June 2021 to June 2058 at the stated interest rate of 1.75%. Total interest paid on these bonds in 2021 was $21,341.

General Obligation Bonds Series 2021

On July 29, 2021 the City issued general obligation bonds in the amount of $500,000 to finance certain street improvements. The bonds mature from September 2022 to September 2041 at interest rates that range from 0.300% of 2.250%. Total interest paid on these bonds in 2021 was $0.

Changes in Long-Term Debt:

	Payable at 1/1/2021	Advances	Payments	Payable at 12/31/2021
GO Bond Series 2018	1,219,483		22,874	1,196,609
GO Bond Series 2018	$ -	$ 500,000	$ -	$ 500,000
	$ 1,219,483	$ 500,000	$ 22,874	$ 1,696,609

Interest Payments:	
GO Bond Series 2021	$ -
GO Bond Series 2018	21,341
	$ 21,341

Principal and interest payments of long-term debt are as follows:

GO Bond Series 2021

	Principal	Interest	Total
2022	$ 20,000	$ 8,600	$ 28,600
2023	20,000	7,798	27,798
2024	20,000	7,708	27,708
2025	20,000	7,588	27,588
2026	25,000	7,438	32,438
2027	25,000	7,213	32,213
2028	25,000	3,950	28,950
2029	25,000	6,650	31,650
2030	25,000	6,325	31,325
2031	25,000	5,975	30,975
2032	25,000	5,600	30,600
2033	25,000	5,200	30,200
2034	25,000	4,700	29,700
2035	25,000	4,200	29,200
2036	25,000	3,700	28,700
2037	25,000	3,200	28,200
2038	30,000	2,700	32,700
2039	30,000	2,025	32,025
2040	30,000	1,350	31,350
2041	30,000	675	30,675
	$ 500,000	$ 102,592	$ 602,592

GO Bond Series 2018

	Principal	Interest	Total
2022	$ 23,265	$ 20,940	$ 44,205
2023	23,672	20,533	44,205
2024	24,086	20,119	44,205
2025	24,507	19,697	44,205
2026	24,936	19,268	44,205
2027	25,373	18,832	44,205
2028	25,817	18,388	44,205
2029	26,269	17,936	44,205
2030	26,728	17,476	44,205
2031	27,196	17,009	44,205
2032	27,672	16,533	44,205
2033	28,156	16,049	44,205
2034	28,649	15,556	44,205
2035	29,150	15,054	44,205
2036	29,660	14,544	44,205
2037	30,179	14,025	44,205
2038	30,708	13,497	44,205
2039	31,245	12,960	44,205
2040	31,792	12,413	44,205
2041	32,348	11,857	44,205
2042	32,914	11,291	44,205
2043	33,490	10,715	44,205
2044	34,076	10,128	44,205
2045	34,673	9,532	44,205
2046	35,279	8,925	44,205
2047	35,897	8,308	44,205
2048	36,525	7,680	44,205
2049	37,164	7,041	44,205
2050	37,815	6,390	44,205
2051	38,476	5,728	44,205
2052	39,150	5,055	44,205
2053	39,835	4,370	44,205
2054	40,532	3,673	44,205
2055	41,241	2,964	44,205
2056	41,963	2,242	44,205
2057	42,697	1,507	44,205
2058	43,473	731	44,205
	$ 1,196,609	$ 438,966	$ 1,635,575

6. CONTRACTS

In 1990, the City entered into a 40-year agreement with Public Wholesale Water Supply District No. 12 (District) for the purchase of water. The District shall furnish water to the City, not to exceed 1,600,000 gallons of water per month. The City shall purchase a minimum of 800,000 gallons per month. The City entered into a lease agreement during the year with a telecommunications company (Company) whereby the Company leases the use of a certain City tower for the placement of antennae and other telecommunications equipment for a period of 2 years with the subsequent option to renew for 1 year terms.

7. INTERFUND TRANSFERS

There were no interfund transfers in 2021.

8. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer and sanitation to customers located in Franklin County in Kansas. The City grants credit to those customers and requires no collateral.

9. COMPLIANCE WITH KANSAS LAW

Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. 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 City. There were no other apparent statutory violations during the year ended December 31, 2021 for the funds that were part of this audit.

10. RISK MANAGEMENT

The City is subjected to various risks, including liability, workers' compensation, property, etc. The City insures these risks through Employers Mutual Casualty Company.

11. LITIGATION

The City was not involved in any material litigation at December 31, 2021.

12. SUBSEQUENT EVENTS

Management is not aware of any other subsequent events from the financial statement date through August 30, 2022, the date at which these financial statements were available to be issued, and determined there are no other items to disclose or adjust.

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CITY OF WILLIAMSBURG, KANSAS

SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

	Actual	Budget	Variance-Favorable (Unfavorable)
General Fund	$ 84,408	$ 187,054	$ 102,646
Special Purpose Funds			
Library Fund	16,267	17,504	1,237
Special Highway Fund	4,404	14,078	9,674
Capital Projects Funds			
Parks and Recreation Fund	7,205	26,287	19,082
Enterprise Funds:			
Water Fund	84,742	207,298	122,556
Sewer Fund	83,260	278,909	195,649
Total Budgeted Funds	$ 280,284	$ 731,130	$ 450,846
Nonbudgeted Funds:			
Agency Funds	63,260		
Capital Improvement Res Fund			
Sewer Project Fund	83,694		
Sidewalk Project Fund			
Total Reporting Entity	$ 427,239		

CITY OF WILLIAMSBURG, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

		2021 Actual	2021 Budget	Variance- Favorable (Unfavorable)
Receipts				
Ad Valorem Taxes	$	$ 18,445	$ 18,757	$ (312)
Motor Vehicle Taxes		4,849	3,919	930
Rec Vehicle Taxes		139	71	68
16/20M Vehicle Taxes		-	4	(4)
Com Vehicle Taxes		-	217	(217)
Delinquent Taxes		630	1,200	(570)
Sales Tax		54,119	46,700	7,419
Franchise Fees		16,186	15,000	1,186
Licenses and Permits		325	500	(175)
Interest Income		792	100	692
Reimbursed Expenses		269	4,000	(3,731)
Trash Service Charges		21,368	21,500	(132)
Miscellaneous		7,078	5,400	1,678
Total Cash Receipts		$ 124,201	$ 117,368	$ 6,833
Expenditures				
General Government				
Personal Services		13,328	14,500	1,172
Contractual Services		43,415	65,000	21,585
Materials and Supplies		2,291	5,000	2,709
Capital Outlay		-	76,054	76,054
Transfer to Cap Imp Res		10,000	10,000	-
Transfer to Parks and Rec		15,000	15,000	-
Miscellaneous		330	-	(330)
Taxes remitted		44	1,500	1,456
Total Expenditures		$ 84,408	$ 187,054	$ 102,646
Receipts over (under) Expenditures		39,793		
Beginning Unencumbered Cash		105,747		
Ending Unencumbered Cash	$	$ 145,539	$	

CITY OF WILLIAMSBURG, KANSAS

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

	2021 Actual	2021 Budget	Variance- Favorable (Unfavorable)
Receipts			
Ad Valorem Taxes	$ 12,590	$ 12,987	$ 397
Motor Vehicle Taxes	3,190	2,527	(663)
Delinquent Tax	510	565	55
Rec Vehicle Taxes	91	45	(46)
16/20M Vehicle Taxes	-	3	3
Com Vehicle Taxes	-	140	140
Other	100		
Watercraft Taxes	-	-	-
Total Receipts	16,482	$ 16,267	$ (215)
Expenditures			
Remittances	16,267	17,504	1,237
Total Expenditures	16,267	$ 17,504	$ 1,237
Receipts over (under) Expenditures	215		
Beginning Unencumbered Cash	1,131		
Ending Unencumbered Cash	$ 1,346		

CITY OF WILLIAMSBURG, KANSAS

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

	2021 Actual	2021 Budget	Variance- Favorable (Unfavorable)
Receipts			
State Motor Fuels Tax	$ 11,391	$ 8,930	$ (2,461)
Total Receipts	11,391	8,930	$ (2,461)
Expenditures			
Personal Services	745	715	(30)
Contractual Services	2,158	12,363	10,205
Materials and Supplies	1,500	1,000	(500)
Total Expenditures	4,404	$ 14,078	$ (9,674)
Receipts over (under) Expenditures	6,987		
Beginning Unencumbered Cash	7,090		
Ending Unencumbered Cash	$ 14,077		

CITY OF WILLIAMSBURG, KANSAS

PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

	2021 Actual	2021 Budget	Variance- Favorable (Unfavorable)
Receipts			
Transfer from General	$ 15,000	$ 15,000	$ -
Miscellaneous	-	-	
Total Receipts	15,000	15,000	$ -
Expenditures			
Personal Services	3,485	2,100	(1,385)
Contractual Services	2,927	6,000	3,073
Materials and Supplies	486	2,000	1,514
Capital Outlay	306	16,187	15,881
Total Expenditures	7,205	$ 26,287	$ (19,082)
Receipts over (under) Expenditures	7,795		
Beginning Unencumbered Cash	3,301		
Ending Unencumbered Cash	$ 11,096		

CITY OF WILLIAMSBURG, KANSAS

CAPITAL IMPROVEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL
YEAR ENDED DECEMBER 31, 2021

		2021 Actual
Receipts		
Transfer from General	$	10,000
Transfer Agency Clearing		4,301
Total Receipts		14,301
Expenditures		
Contractual Services		-
Materials and Supplies		-
Building Improvements		-
Total Expenditures		-
Receipts over (under) Expenditures		14,301
Beginning Unencumbered Cash		11,411
Ending Unencumbered Cash	$	25,712

CITY OF WILLIAMSBURG, KANSAS

SEWER PROJECT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL
YEAR ENDED DECEMBER 31, 2021

		2021 Actual
Receipts		
General Revenues	$	-
Debt Proceeds		-
Grants		90,244
Total Receipts		90,244
Expenditures		
Contractual Services		83,694
Materials and Supplies		-
Other		-
Total Expenditures		83,694
Receipts over (under) Expenditures		6,550
Beginning Unencumbered Cash		(6,550)
Ending Unencumbered Cash	$	-

CITY OF WILLIAMSBURG, KANSAS

CAPITAL EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL
YEAR ENDED DECEMBER 31, 2021

		2021 Actual
Receipts		
Transfer from General	$	-
Total Receipts		-
Expenditures		
Capital Outlay		4,301
Total Expenditures		4,301
Receipts over (under) Expenditures		(4,301)
Beginning Unencumbered Cash		4,301
Ending Unencumbered Cash	$	-

CITY OF WILLIAMSBURG, KANSAS

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

	2021 Actual	2021 Budget	Variance- Favorable (Unfavorable)
Receipts			
Reimbursed Expenses	$	$	$
Water Service Charges	87,487	90,000	(2,513)
Other Utility Charges	4,000	5,000	(1,000)
Utility Reconnection Fee	1,450		1,450
Total Receipts	92,937	$ 95,000	$ (2,063)
Expenditures			
Personal Services	15,130	15,000	(130)
Contractual Services	65,245	70,000	4,755
Materials and Supplies	4,180	10,000	5,820
Capital Outlay	-	112,148	112,148
Refunds and Remittances	186	150	(36)
Total Expenditures	84,742	$ 207,298	$ 122,556
Receipts over (under) Expenditures	8,196		
Beginning Unencumbered Cash	119,244		
Ending Unencumbered Cash	$ 127,440		

CITY OF WILLIAMSBURG, KANSAS

SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2021

	2021 Actual	2021 Budget	Variance- Favorable (Unfavorable)
Receipts			
General Sales Tax	$ 13,179	$ 12,450	$ 729
Sewer Service Charges	75,127	79,140	(4,013)
Reimbursed Expenses		3,000	(3,000)
Total Receipts	88,307	$ 94,590	$ (6,283)
Expenditures			
Personal Services	16,367	15,000	(1,367)
Contractual Services	20,757	35,000	14,243
Materials and Supplies	1,716	5,000	3,284
Capital Outlay	205	179,705	179,500
Loan Principal	22,874	22,864	(10)
Loan Interest	21,341	21,340	(1)
Total Expenditures	83,260	$ 278,909	$ 195,649
Receipts over (under) Expenditures	5,047		
Beginning Unencumbered Cash	189,715		
Ending Unencumbered Cash	$ 194,762		

CITY OF WILLIAMSBURG, KANSAS

CARES ACT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL
YEAR ENDED DECEMBER 31, 2021

		2021 Actual
Receipts		
Grants	$	29,553
Total Receipts		29,553
Expenditures		
Materials and Supplies		-
Building Improvements		-
Computers		-
Total Expenditures		-
Receipts over (under) Expenditures		29,553
Beginning Unencumbered Cash		(29,553)
Ending Unencumbered Cash	$	-

CITY OF WILLIAMSBURG, KANSAS

STREET PROJECT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL
YEAR ENDED DECEMBER 31, 2021

		2021 Actual
Receipts		
Grants	$	416,500
Debt Proceeds		474,578
Total Receipts		891,078
Expenditures		
Contractual Services		116,327
Street Improvement		579,330
Materials and Supplies		103,181
Total Expenditures		798,837
Receipts over (under) Expenditures		92,241
Beginning Unencumbered Cash		(59,423)
Ending Unencumbered Cash	$	32,819

CITY OF WILLIAMSBURG, KANSAS

ARPA GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES- ACTUAL
YEAR ENDED DECEMBER 31, 2021

		2021 Actual
Receipts		
Grants	$	29,835
Total Receipts		29,835
Expenditures		
Contractual Services		26,884
Total Expenditures		26,884
Receipts over (under) Expenditures		2,951
Beginning Unencumbered Cash		-
Ending Unencumbered Cash	$	2,951

CITY OF WILLIAMSBURG, KANSAS

AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
Payroll Clearing Fund	$ -	$ 49,897	$ 49,897	$ -
Sales Tax Clearing Fund	30	218	173	75.03
Deposit Clearing Fund	6,361	13,688	13,191	6,859
Penalty Clearing Fund	8,889	4,053	-	12,942
Total	$ 15,280	$ 67,855	$ 63,260	$ 19,875

CITY OF WILLIAMSBURG, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal grantor/pass-through grantor/program title	Pass-through Entity Identifying Number	Federal CFDA number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through the State of Kansas Deparment of Commerce			
Community Development Block Grant	20-PF-016	14.228	$ 798,837
U.S. Department of the Treasury			
Passed through the State of Kansas Deparment of Administration			
American Rescue Plan Act - ARPA Funds		21.027	$ 26,884
Total expenditures of federal awards			$ 825,721

NOTE A - BASIS OF PRESENTATION
The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Williamsburg, KS and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

NOTE B - INDIRECT COSTS
The City of Williamsburg, KS did no elect to use the 10% de minimis cost rate.

CITY OF WILLIAMSBURG, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AND SUMMARY OF AUDITORS' RESULTS - FEDERAL REQUIREMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Section I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified regulatory basis adverse GAAP

- Material weaknesses identified? ____ Yes ___X___ No
- Significant deficiencies identified that are not considered material weaknesses? ___X___ Yes ____ None reported

Noncompliance material to financial statements noted? ____ Yes ___X___ No

Federal Awards
Internal control over major programs:

- Material weaknesses identified? ____ Yes ___X___ No
- Significant deficiencies identified that are not considered material weaknesses? ____ Yes ___X___ None reported

Type of auditors' reports issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? ____ Yes ___X___ No

The programs tested as a major program were:
US Department of Housing and Urban Development
Community Planning and Development CFDA 14.228

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ___X___ Yes ____ No

Section II: Financial Statement Findings
Finding 2021-01: Segregation of Duties

Condition: City of Williamsburg, KS has potential conflicts with personnel who have the ability to single-handedly access, record, adjust, reconcile and report the financial activity of the City.

Criteria: The objectives of internal control are to provide reasonable, but not absolute, assurance that assets are safeguarded and the financial statements are reliable. When the duties of one employee involve complete control over most facets of an accounting cycle, without the involvement of other intervening employees, conflcits with the internal control objective may arise. This kind of conflict is generally referred to as a lack of segregation of duties

Effect: The lack of segregation of duties increases the risk of both fraud and error within the City's accounting system and financial statements.

Recommendation: To address the segregation of duties issue, we recommend cross-training of staff and periodic rotation of duties among staff.

Response: City staff agrees that segregation of duties is problematic given the small number of employees. The City can not afford to increase staff or outsource some of the financial duties. The Staff recognizes that segregation of duties is a potential area of weakness and will make every effort to minimize this risk through increased monitoring and approval of financial activities by the City Treasurer.

Section III: Federal Award Findings and Questioned Costs
None

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and City Council
Williamsburg, KS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of City of Williamsburg, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise City of Williamsburg, Kansas' basic financial statements, and have issued our report thereon dated August 30, 2022. Our report on the financial statement disclosed that, as described in Note 1 to the financial statement, the City has prepared this financial statement 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies, or material weaknesses may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2021-01 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

August 30, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
Williamsburg, KS

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Williamsburg, Kansas (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Williamsburg, Kansas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Williamsburg, Kansas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Williamsburg, Kansas' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Williamsburg, Kansas' compliance based on our audit. 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 generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Williamsburg, Kansas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Williamsburg, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Williamsburg, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Williamsburg, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021-01. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on City of Williamsburg, Kansas' response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. City of Williamsburg, Kansas' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

August 30, 2022