

**CITY OF WATHENA, KANSAS**

**FINANCIAL STATEMENT**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

December 31, 2021

**CITY OF WATHENA, KANSAS**  
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December 31, 2021

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September 8, 2022

Mayor and Council Members  
City of Wathena, Kansas

## Independent Auditor's Report

### ***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Wathena, Kansas (the City), 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 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 below does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City 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 accompanying financial statement referred to below presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2021, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) 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) and KMAAG. 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 audits. 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 the 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 on the basis of the financial reporting provisions of the KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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 auditor'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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 City'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 statement.
- Conclude whether, in our judgment, 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 a reasonable period of time.

We are 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 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 (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. 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.

*Varney & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

**CITY OF WATHENA, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	\$ 469,528	\$ -	\$ 653,735	\$ 496,042	\$ 627,221	\$ 2,155	\$ 629,376
Special Purpose Funds							
Special Highway Fund	3,919	-	37,251	28,220	12,950	-	12,950
Employee Benefit Fund	18,149	-	32,378	32,756	17,771	-	17,771
Special Parks and Recreation Fund	16,488	-	7,702	10,000	14,190	-	14,190
Tort Liability Fund	26,481	-	40	-	26,521	-	26,521
Equipment Reserve Fund	87,387	-	30,428	-	117,815	-	117,815
Law Enforcement Fund	2,976	-	2,200	500	4,676	-	4,676
Municipal Pool Fund	76,477	-	113	3,663	72,927	-	72,927
Asset Forfeiture Fund	1	-	-	-	1	-	1
Capital Project Fund							
Electrical Project Fund	365,940	-	655,887	764,340	257,487	-	257,487
Business Funds							
Electric System Fund	557,717	-	1,202,054	1,158,056	601,715	43,880	645,595
Water System Fund	236,554	-	306,298	278,669	264,183	11,095	275,278
Sewer System Fund	258,005	-	170,576	176,076	252,505	9	252,514
Sewer Lagoon Replacement Fund	44,044	-	12,065	-	56,109	-	56,109
City Sales Tax Infrastructure Fund	225,841	-	221,447	113,000	334,288	-	334,288
Total Reporting Entity	<u>\$ 2,389,507</u>	<u>\$ -</u>	<u>\$ 3,332,174</u>	<u>\$ 3,061,322</u>	<u>\$ 2,660,359</u>	<u>\$ 57,139</u>	<u>\$ 2,717,498</u>

Composition of Cash:	Checking Accounts	\$ 2,305,561
	Petty Cash	300
	Certificates of Deposit	<u>411,637</u>
	Total Reporting Entity	<u>\$ 2,717,498</u>

**CITY WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies**

***Financial Reporting Entity***

The City of Wathena (the City) is a municipal corporation governed by an elected five member council. The City as an entity has been defined to include, on a combined basis, (a) the City (b) organizations for which the City is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. The City's only related municipality entity, the Wathena Public Housing Authority, is not included in this financial statement.

***Fund Descriptions***

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 for the year:

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

*Special Purpose Funds* - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

*Capital Projects Fund* - Capital projects fund is used to account for capital projects.

*Business Funds* - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

***Basis of Accounting***

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 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.

***Reimbursed Expenses***

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

**CITY OF WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
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.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

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 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 revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and airport improvement fund.

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.

***Inventories and Prepaid Expenses***

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

***Use of Estimates***

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

**CITY OF WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 2: Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such 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 government 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 - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when coverage is 50%. The City does not utilize "peak periods". All deposits were legally secured at December 31, 2021.

As of December 31, 2021, the City's carrying amount of the deposits was \$2,717,498 and the bank balance was \$2,737,854. The bank balance was held by one bank, in checking, money market and certificates of deposit. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*Custodial Credit Risk - Investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government 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.

**Note 3: Defined Benefit Pension Plan**

***Plan Description***

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503) or by calling 1-888-275-5737.

*Contributions.* KSA 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 8.87% for fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$33,119 for the year ended December 31, 2021.



**CITY OF WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 3: Defined Benefit Pension Plan (Continued)**

**Plan Description (Continued)**

*Net Pension Liability.* At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$228,316. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

**Note 4: Risk Management**

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**Note 5: Compliance with Kansas Statutes**

We noted no violations of Kansas Statutes for the period under audit.

**Note 6: Compensated Absences**

It is the City's policy to pay employees' accrued vacation pay upon termination of employment, subject to the maximum hours of accumulation authorization in the following schedule:

	<b>Years of Continuous Employment</b>			
	<b>0-5</b>	<b>5-10</b>	<b>10-15</b>	<b>&gt;15</b>
Full-Time employees				
Maximum Hours Accumulation	80	120	160	200

**Note 7: Interfund Transfers**

Transfers for the year ended December 31, 2021 were as follows:

<b>From</b>	<b>To</b>	<b>Regulatory Authority</b>	<b>Amount</b>
Sewer	Equipment Reserve Fund	K.S.A. 12-825d	\$ 10,000
Sewer	Sewer Lagoon Replacement Fund	K.S.A. 12-825d	12,000
Electrical Fund	General Fund	K.S.A. 12-825d	85,000
Electrical Fund	Equipment Reserve Fund	K.S.A. 12-8,177	15,000
Electrical Fund	Special Parks and Recreation Fund	K.S.A. 12-8,177	5,000
Water Fund	Equipment Reserve Fund	K.S.A. 12-825d	5,000
			<u>\$ 132,000</u>

**CITY OF WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 8: Other Post Employment Benefits**

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

**Note 9: Commitments and Contingencies**

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have material effect on the financial statement of the City as of December 31, 2021.

**Note 10: Subsequent Events**

Subsequent events for management's review have been evaluated through September 8, 2022. The date in the prior sentence is the date the financial statement was available to be issued.

**Note 11: COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the City to assist with the risks and help offset incurred costs of the City.

**CITY OF WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 12: Changes in Long-Term Debt**

<u>ISSUE</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
<b>General Obligation Bonds</b>										
2021 Issue	0.75-2.0%	3/23/21	\$ 585,000	5/1/33	\$ -	\$ 585,000	\$ 50,000	\$ 535,000	\$ 535,000	\$ 5,014
<b>Revenue Bonds</b>										
2012 Issue	0.75-4.0%	5/1/12	925,000	5/1/33	670,000	-	670,000	(670,000)	-	9,609
<b>TOTAL LONG-TERM DEBT</b>					<u>\$ 670,000</u>	<u>\$ 585,000</u>	<u>\$ 720,000</u>	<u>\$ (135,000)</u>	<u>\$ 535,000</u>	<u>\$ 14,623</u>

**CITY OF WATHENA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2021

**Note 13: Maturity of Long-Term Debt**

**PRINCIPAL**

General Obligation Bonds  
Series 2021

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027-2031</u>	<u>2032-2036</u>	<u>Total</u>
\$ 40,000	\$ 40,000	\$ 40,000	\$ 45,000	\$ 45,000	\$ 225,000	\$ 100,000	\$ 535,000

**INTEREST**

General Obligation Bonds  
Series 2021

\$ 8,035	\$ 7,655	\$ 7,225	\$ 6,703	\$ 6,118	\$ 20,125	\$ 2,000	\$ 57,861
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**TOTAL PRINCIPAL AND  
INTEREST**

<u>\$ 48,035</u>	<u>\$ 47,655</u>	<u>\$ 47,225</u>	<u>\$ 51,703</u>	<u>\$ 51,118</u>	<u>\$ 245,125</u>	<u>\$ 102,000</u>	<u>\$ 592,861</u>
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**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF WATHENA, KANSAS**  
**SUMMARY EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

<u>Fund</u>	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Funds			
General Fund	\$ 785,850	\$ 496,042	\$ (289,808)
Special Purpose Funds			
Special Highway Fund	35,000	28,220	(6,780)
Employee Benefit Fund	43,700	32,756	(10,944)
Special Parks and Recreation Fund	15,000	10,000	(5,000)
Tort Liability Fund	-	-	-
Equipment Reserve Fund	45,000	-	(45,000)
Law Enforcement Fund	3,500	500	(3,000)
Municipal Pool Fund	50,000	3,663	(46,337)
Asset Forfeiture Fund	5,000	-	(5,000)
Capital Project Fund			
Electrical Project Fund	765,000	764,340	(660)
Business Funds			
Electric System Fund	1,303,450	1,158,056	(145,394)
Water System Fund	368,550	278,669	(89,881)
Sewer System Fund	213,250	176,076	(37,174)
Sewer Lagoon Replacement Fund	20,000	-	(20,000)
City Sales Tax Infrastructure Fund	250,000	113,000	(137,000)
<b>Total Reporting Entity</b>	<b>\$ 3,903,300</b>	<b>\$ 3,061,322</b>	<b>\$ (841,978)</b>

**CITY OF WATHENA, KANSAS**  
**GENERAL FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
<b>Taxes</b>			
Ad valorem	\$ 174,221	\$ 181,640	\$ (7,419)
Delinquent	411	-	411
Motor vehicle	23,886	22,021	1,865
RV tax	311	306	5
16/20 vehicle tax	-	536	(536)
Commercial vehicle tax	2,027	2,003	24
Watercraft tax	-	185	(185)
Intangible tax	7,464	3,043	4,421
Licenses and permits	2,056	2,100	(44)
Utility franchise fees	67,764	75,000	(7,236)
Intergovernmental	101,333	90,000	11,333
Local alcohol tax	77	1,685	(1,608)
Fines and fees	42,572	85,000	(42,428)
Miscellaneous	145,917	21,900	124,017
Interest income	696	500	196
Transfers in	85,000	85,000	-
<b>Total Receipts</b>	<u>\$ 653,735</u>	<u>\$ 570,919</u>	<u>\$ 82,816</u>
<b>Expenditures</b>			
<b>General Government</b>			
Personnel services	\$ 59,870	\$ 72,000	\$ (12,130)
Contractual services	55,976	73,100	(17,124)
Commodities	31,843	43,500	(11,657)
Public safety	194,819	223,000	(28,181)
Highway and streets	93,541	120,750	(27,209)
Capital outlay	59,993	253,500	(193,507)
<b>Total Expenditures</b>	<u>\$ 496,042</u>	<u>\$ 785,850</u>	<u>\$ (289,808)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 157,693		
<b>Unencumbered Cash - Beginning</b>	<u>469,528</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 627,221</u>		

**CITY OF WATHENA, KANSAS**  
**SPECIAL HIGHWAY FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Intergovernmental	\$ 37,246	\$ 29,810	\$ 7,436
Interest income	5	-	5
<b>Total Receipts</b>	<u>\$ 37,251</u>	<u>\$ 29,810</u>	<u>\$ 7,441</u>
<b>Expenditures</b>			
Capital outlay	<u>\$ 28,220</u>	<u>\$ 35,000</u>	<u>\$ (6,780)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 9,031		
<b>Unencumbered Cash - Beginning</b>	<u>3,919</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 12,950</u>		



**CITY OF WATHENA, KANSAS  
EMPLOYEE BENEFIT FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2021**

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
<b>Taxes</b>			
Ad valorem	\$ 27,857	\$ 28,973	\$ (1,116)
Delinquent	69	-	69
Motor vehicle	4,030	3,839	191
RV tax	53	52	1
Commercial vehicle tax	342	338	4
Interest income	27	-	27
<b>Total Receipts</b>	\$ 32,378	\$ 33,202	\$ (824)
 <b>Expenditures</b>			
Payroll taxes	\$ 4,561	\$ 6,000	\$ (1,439)
Retirement	3,997	6,000	(2,003)
Health insurance	23,897	31,700	(7,803)
Unemployment	301	-	301
<b>Total Expenditures</b>	\$ 32,756	\$ 43,700	\$ (10,944)
 <b>Receipts Over (Under) Expenditures</b>	 \$ (378)		
 <b>Unencumbered Cash - Beginning</b>	 18,149		
 <b>Unencumbered Cash - Ending</b>	 \$ 17,771		

**CITY OF WATHENA, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Intergovernmental	\$ 77	\$ 1,685	\$ (1,608)
Contributions	2,600	-	2,600
Interest income	25	-	25
Transfers in	5,000	5,000	-
<b>Total Cash Receipts</b>	<b>\$ 7,702</b>	<b>\$ 6,685</b>	<b>\$ 1,017</b>
 <b>EXPENDITURES</b>			
Capital outlay	\$ 10,000	\$ 15,000	\$ (5,000)
 <b>Receipts Over (Under) Expenditures</b>	 \$ (2,298)		
 <b>Unencumbered Cash - Beginning</b>	 16,488		
 <b>Unencumbered Cash - Ending</b>	 \$ 14,190		

**CITY OF WATHENA, KANSAS**  
**TORT LIABILITY FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Interest income	<u>\$ 40</u>	<u>\$ 50</u>	<u>\$ (10)</u>
<b>Expenditures</b>			
Contingency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 40		
<b>Unencumbered Cash - Beginning</b>	<u>26,481</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 26,521</u>		

**CITY OF WATHENA, KANSAS**  
**EQUIPMENT RESERVE FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Interest income	\$ 428	\$ 350	\$ 78
Transfers in	30,000	30,000	-
<b>Total Receipts</b>	<b>\$ 30,428</b>	<b>\$ 30,350</b>	<b>\$ 78</b>
<b>Expenditures</b>			
Capital outlay	\$ -	\$ 45,000	\$ (45,000)
<b>Receipts Over (Under) Expenditures</b>	\$ 30,428		
<b>Unencumbered Cash - Beginning</b>	87,387		
<b>Unencumbered Cash - Ending</b>	<b>\$ 117,815</b>		

**CITY OF WATHENA, KANSAS**  
**LAW ENFORCEMENT FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Intergovernmental	\$ 2,200	\$ 2,500	\$ (300)
<b>Expenditures</b>			
Capital outlay	\$ 500	\$ 3,500	\$ (3,000)
<b>Receipts Over (Under) Expenditures</b>	\$ 1,700		
<b>Unencumbered Cash - Beginning</b>	2,976		
<b>Unencumbered Cash - Ending</b>	\$ 4,676		

**CITY OF WATHENA, KANSAS**  
**MUNICIPAL POOL FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Interest income	\$ 113	\$ -	\$ 113
<b>EXPENDITURES</b>			
Capital outlay	\$ 3,663	\$ 50,000	\$ (46,337)
<b>Receipts Over (Under) Expenditures</b>	\$ (3,550)		
<b>Unencumbered Cash - Beginning</b>	<u>76,477</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 72,927</u>		

**CITY OF WATHENA, KANSAS**  
**ASSET FORFEITURE FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Asset forfeiture	\$ -	\$ 5,000	\$ (5,000)
<b>EXPENDITURES</b>			
Capital outlay	\$ -	\$ 5,000	\$ (5,000)
<b>Receipts Over (Under) Expenditures</b>	\$ -		
<b>Unencumbered Cash - Beginning</b>	<u>1</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 1</u>		

**CITY OF WATHENA, KANSAS**  
**ELECTRICAL PROJECT FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Intergovernmental	\$ 585,000	\$ 585,000	\$ -
Special assessment	70,396	72,000	(1,604)
Interest income	491	600	(109)
<b>Total Cash Receipts</b>	<b>\$ 655,887</b>	<b>\$ 657,600</b>	<b>\$ (1,713)</b>
 <b>EXPENDITURES</b>			
Contractual services	\$ 29,716	\$ 30,000	\$ (284)
Debt service	734,624	735,000	(376)
<b>Total Expenditures</b>	<b>\$ 764,340</b>	<b>\$ 765,000</b>	<b>\$ (660)</b>
 <b>Receipts Over (Under) Expenditures</b>	<b>\$ (108,453)</b>		
 <b>Unencumbered Cash - Beginning</b>	<b>365,940</b>		
 <b>Unencumbered Cash - Ending</b>	<b>\$ 257,487</b>		



**CITY OF WATHENA, KANSAS**  
**ELECTRIC SYSTEM FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Sales to consumers	\$ 1,200,608	\$ 1,179,350	\$ 21,258
Interest income	1,446	1,500	(54)
<b>Total Cash Receipts</b>	<u>\$ 1,202,054</u>	<u>\$ 1,180,850</u>	<u>\$ 21,204</u>
<b>EXPENDITURES</b>			
Personnel services	\$ 164,444	\$ 178,500	\$ (14,056)
Contractual services	818,297	32,150	786,147
Commodities	30,751	937,800	(907,049)
Capital outlay	37,897	50,000	(12,103)
Miscellaneous	1,667	-	1,667
Transfers out	105,000	105,000	-
<b>Total Expenditures</b>	<u>\$ 1,158,056</u>	<u>\$ 1,303,450</u>	<u>\$ (145,394)</u>
<b>Receipts Over (Under) Expenditures</b>	\$ 43,998		
<b>Unencumbered Cash - Beginning</b>	<u>557,717</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 601,715</u>		

**CITY OF WATHENA, KANSAS**  
**WATER SYSTEM FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Sales to consumers	\$ 304,923	\$ 329,700	\$ (24,777)
Interest income	1,375	1,000	375
<b>Total Cash Receipts</b>	<b>\$ 306,298</b>	<b>\$ 330,700</b>	<b>\$ (24,402)</b>
 <b>EXPENDITURES</b>			
Personnel services	\$ 77,000	\$ 90,000	\$ (13,000)
Contractual services	166,975	31,400	135,575
Commodities	23,501	212,150	(188,649)
Capital outlay	2,250	30,000	(27,750)
Miscellaneous	3,943	-	3,943
Transfers out	5,000	5,000	-
<b>Total Expenditures</b>	<b>\$ 278,669</b>	<b>\$ 368,550</b>	<b>\$ (89,881)</b>
 <b>Receipts Over (Under) Expenditures</b>	 \$ 27,629		
 <b>Unencumbered Cash - Beginning</b>	 236,554		
 <b>Unencumbered Cash - Ending</b>	 \$ 264,183		

**CITY OF WATHENA, KANSAS**  
**SEWER SYSTEM FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Sales to consumers	\$ 169,820	\$ 178,500	\$ (8,680)
Interest income	516	600	(84)
Miscellaneous	240	-	240
<b>Total Cash Receipts</b>	<b>\$ 170,576</b>	<b>\$ 179,100</b>	<b>\$ (8,524)</b>
 <b>EXPENDITURES</b>			
Personnel services	\$ 76,998	\$ 90,000	\$ (13,002)
Contractual services	20,549	33,750	(13,201)
Commodities	35,349	42,500	(7,151)
Capital outlay	19,020	25,000	(5,980)
Miscellaneous	2,160	-	2,160
Transfers out	22,000	22,000	-
<b>Total Expenditures</b>	<b>\$ 176,076</b>	<b>\$ 213,250</b>	<b>\$ (37,174)</b>
 <b>Receipts Over (Under) Expenditures</b>	 \$ (5,500)		
 <b>Unencumbered Cash - Beginning</b>	 258,005		
 <b>Unencumbered Cash - Ending</b>	 \$ 252,505		

**CITY OF WATHENA, KANSAS**  
**SEWER LAGOON REPLACEMENT FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<b>Actual</b>	<b>Budget</b>	<b>Variance Over (Under)</b>
<b>Receipts</b>			
Transfers in	\$ 12,000	\$ 12,000	\$ -
Interest income	65	-	65
<b>Total Cash Receipts</b>	<b>\$ 12,065</b>	<b>\$ 12,000</b>	<b>\$ 65</b>
 <b>EXPENDITURES</b>			
Capital outlay	\$ -	\$ 20,000	\$ (20,000)
 <b>Receipts Over (Under) Expenditures</b>	\$ 12,065		
 <b>Unencumbered Cash - Beginning</b>	44,044		
 <b>Unencumbered Cash - Ending</b>	\$ 56,109		

**CITY OF WATHENA, KANSAS**  
**CITY SALES TAX INFRASTRUCTURE FUND**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
City sales tax	\$ 221,112	\$ 180,000	\$ 41,112
Interest income	335	-	335
<b>Total Cash Receipts</b>	<u>\$ 221,447</u>	<u>\$ 180,000</u>	<u>\$ 41,447</u>
 <b>EXPENDITURES</b>			
Capital outlay	<u>\$ 113,000</u>	<u>\$ 250,000</u>	<u>\$ (137,000)</u>
 <b>Receipts Over (Under) Expenditures</b>	\$ 108,447		
 <b>Unencumbered Cash - Beginning</b>	<u>225,841</u>		
 <b>Unencumbered Cash - Ending</b>	<u>\$ 334,288</u>		