

***City of Wellington, Kansas***

**Financial Statement**

***December 31, 2016***

**City Manager**  
*Shane Shields*

**City Clerk**  
*Carol Mericle*

***Kenneth L Cooper Jr CPA, Chtd.***  
**Certified Public Accountants**  
*Wellington, Kansas*

# City of Wellington, Kansas

Year Ended December 31, 2016

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***City of Wellington, Kansas***  
**Regulatory Basis Financial Statement**  
*Year Ended December 31, 2016*

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**KENNETH L COOPER JR CPA, CHTD**  
*Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Wellington  
Wellington, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Wellington, Kansas, as of and for the year ended December 31, 2016 and the related notes to the financial statement.

**Management's Responsibility for the Financial Statements**

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**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Wellington, Kansas 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 U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Wellington, Kansas as of December 31, 2016, or changes in net position or 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 Wellington, Kansas as of December 31, 2016, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### **Other Matters**

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the 2016 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 disbursements-agency funds, schedules of regulatory basis receipts, and expenditures-actual-related municipal entities, (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for additional analysis and are not a required part of the 2016 basic financial statement; however are required to be presented under the provisions of the *Kansas Municipal Audit Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information as noted in the preceding paragraph is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual-related municipal entities (Schedules 2 and 4 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated June 22, 2016. The 2015 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2015 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 2015 basic financial statement. The 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 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 2015 basic financial statement or to the 2015 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 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement taken as a whole, on the basis of accounting described in Note 1.



Certified Public Accountants  
Wellington, Kansas  
July 3, 2017

**City of Wellington, Kansas**  
**Summary Statement of Receipts, Expenditures and Unencumbered Cash**  
 Regulatory Basis  
 For the Year Ended December 31, 2016

Funds	Beginning	Prior Year	Receipts	Expenditures	Ending	Add Outstanding	Ending
	Unencumbered	Cancelled			Unencumbered	Encumbrances	Cash
	Cash Balance	Encumbrances			Cash Balance	and Accounts Payable	Balance
General	\$ 1,563,714	\$ 4,118	\$ 7,497,271	\$ 7,607,938	\$ 1,457,165	\$ 105,154	\$ 1,562,319
Special Purpose Funds:							
Ambulance & Fire Fighting Equip	14,379	-	127,169	33,578	107,970	-	107,970
Library	19,919	-	235,793	225,284	30,428	-	30,428
Permanent Cemetery Endowment	133,584	-	6,086	772	138,898	-	138,898
Special City Highway	29,934	-	211,820	190,386	51,368	-	51,368
Special Alcohol and Drug	3,648	-	16,749	9,848	10,549	-	10,549
Special Parks & Recreation	12,496	176	16,836	12,728	16,780	9,275	26,055
Tourism and Convention	839	-	34,991	25,279	10,551	-	10,551
Emergency Shelter Grant	(1,444)	-	1,444	-	-	-	-
Special Liability Expense	188,554	-	372,178	420,458	140,274	-	140,274
Equipment Reserve	181,042	2,296	243,714	157,943	269,109	3,671	272,780
FEMA Grant Fund	36,636	-	-	-	36,636	-	36,636
Wellington Airport FAA Grant	(51,568)	-	27,056	716	(25,228)	25,228	-
Hazmat Response	11,070	-	10,905	8,205	13,770	-	13,770
Fire Prevention and Education	17	-	-	-	17	-	17
Hospital Sales Tax Fund	-	-	1,226,186	1,226,186	-	-	-
SCCDAT Grant Fund	40	-	104,534	127,662	(23,088)	-	(23,088)
Auditorium Grant Fund	-	-	-	-	-	-	-
Bond and Interest Funds:							
Bond and Interest	38,293	-	963,510	919,528	82,275	-	82,275
Capital Projects Funds:							
Special Improvements	167,768	-	1,017	-	168,785	-	168,785
Capital Improvements	993,078	1,641	820,110	452,768	1,362,061	309,764	1,671,825
Coyote Ridge Dev. Fund	10,767	-	-	-	10,767	-	10,767
Waste Water Treatment Plant	9,862	-	60	-	9,922	-	9,922
Short 2nd Addition	6,343	-	-	-	6,343	-	6,343
Business Funds							
Electric, Waterworks & Sewage							
Utility System Operating Fund	5,906,990	27,072	18,916,627	17,880,480	6,970,209	871,945	7,842,154
Electric, Waterworks & Sewage							
Capital Improvement Fund	1,260,849	111,649	1,442,757	623,263	2,191,992	25,530	2,217,522
Electric, Waterworks & Sewage							
Construction Fund	-	-	4,300,707	3,091,504	1,209,203	1,598,207	2,807,410
Sanitation Utility	93,529	-	1,387,708	1,347,696	133,541	62,899	196,440
Sanitation Equipment Reserve	188,579	-	26,047	99,401	115,225	-	115,225
Municipal Golf Course	-	-	340,255	340,255	-	1,632	1,632
Municipal Airport	11,871	14,698	260,697	278,364	8,902	3,916	12,818
Employee Benefit Contribution	675,884	-	1,319,210	1,704,681	290,413	-	290,413

**City of Wellington, Kansas**  
**Summary Statement of Receipts, Expenditures and Unencumbered Cash**  
 Regulatory Basis  
 For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Trust Funds:</b>							
Public Library Trust	287,336	-	1,731	14,515	274,552	-	274,552
Annie Hamilton Trust	1,621	-	10	-	1,631	-	1,631
Mildred Share McLean Trust	9,268	-	53	4,300	5,021	-	5,021
Mausoleum Maintenance	13,942	-	85	-	14,027	-	14,027
Regional Park Trust	53,292	-	5,214	901	57,605	-	57,605
Municipal Auditorium Trust	2,836	-	5,975	-	8,811	-	8,811
Municipal Auditorium Renovation	37,124	-	(141)	-	36,983	-	36,983
Recreation Trust	27,070	-	160	774	26,456	-	26,456
Municipal Golf Course Trust	39,606	-	30,980	7,977	62,609	-	62,609
Ambulance Service Trust	621	-	781	-	1,402	-	1,402
Municipal Airport Trust	1,444	-	9	-	1,453	-	1,453
Nichols Family Trust	661	-	104	345	420	-	420
Drug Tax Distribution Trust	6,973	-	1,365	-	8,338	-	8,338
Cemetery Beautification Trust	9,962	-	872	-	10,834	-	10,834
Cara Saunders Memorial Trust	493	-	3	-	496	-	496
Drug Awareness Trust	6,316	-	12,713	13,739	5,290	1,100	6,390
Housing Authority Reserve	121,075	-	-	-	121,075	-	121,075
Law Enforcement Trust	18,751	-	16,163	10,754	24,160	-	24,160
Employee Community Service	242	-	1,918	711	1,449	-	1,449
<b>Related Municipal Entities:</b>							
Wellington Public Library	84,203	-	434,065	256,066	262,202	230	262,432
PBC SRMC Bond & Interest	-	-	97,540	97,540	-	-	-
PBC WRC Bond & Interest	-	-	71,975	71,975	-	-	-
PBC WRC Construction	-	-	-	-	-	-	-
Total Reporting Entity (excluding Agency Funds)	<u>\$ 12,229,509</u>	<u>\$ 161,650</u>	<u>\$40,593,012</u>	<u>\$37,264,520</u>	<u>\$ 15,719,651</u>	<u>\$ 3,018,551</u>	<u>\$ 18,738,202</u>
<b>Composition of Cash Balance:</b>							
<b>Cash in checking account:</b>							
Security State Bank, Wellington, KS							\$ 172
Bank of Commerce, Wellington, KS							984
Impact Bank, Wellington, KS							10
Bank of Commerce Employee Benefit account, Wellington, KS							290,413
Security State Bank, Utility Petty cash account, Wellington, KS							3,000
<b>Cash in savings account:</b>							
RCB Bank, Wellington, KS							10
Bank of Commerce, Wellington, KS							6,175,477
<b>Cash on hand</b>							
							2,300
<b>Certificates of deposit:</b>							
Certificates of deposit, Bank of Commerce, Wellington, KS							2,000,000
Certificates of deposit, Impact Bank, Wellington, KS							4,890,000
<b>Investments:</b>							
US Treasury Notes and Bonds, Edward Jones							1,457,136
State of Kansas Municipal Investment Pool							3,657,465
<b>Related Municipal Entity</b>							
Wellington Public Library cash in bank and on hand							<u>262,432</u>
Total Cash and investments							18,739,399
Agency Funds per Schedule 3							<u>(1,197)</u>
Total Reporting Entity (Excluding Agency Funds)							<u>\$ 18,738,202</u>



# *City of Wellington, Kansas*

## **Notes to Financial Statement**

*December 31, 2016*

### **1. Summary of Significant Accounting Policies**

#### **A. Municipal Financial Reporting Entity**

The City of Wellington, Kansas ("City") was incorporated in 1872. The City operates under a Council-Manager form of government and provides the following services: Public Safety-Police, Fire and Emergency Medical Services, Highways and Streets, Culture-Recreation, Public Improvements, Planning and Zoning, Utilities-Electric, Water, Sewer and Refuse, and General Administrative Service.

This financial statement presents the City of Wellington (the municipality) and the following related municipal entities (RME's). These RME's are included in the City's reporting entity at the option of the City and have been established to benefit the City and/or its constituents.

Wellington Public Library Board – The City of Wellington Library Board operates the city's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

Public Building Commission – The City of Wellington Public Building Commission has issued revenue bonds which were used to fund improvements for Sumner Regional Medical Center (SRMC). The bonds are being retired as rent is paid to the City by SRMC. In January 2014, the Public Building Commission issued revenue bonds for construction of a new facility for the Wellington Recreation Commission under a similar arrangement. There are three funds used by the Public Building Commission and presented on Statement 1 to account for this activity.

#### **B. Regulatory Basis Fund Types**

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

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

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

Capital Project Fund—used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Fund—funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service funds).

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

Agency Fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, sales tax collection accounts, etc.).

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
December 31, 2016

**1. Summary of Significant Accounting Policies (continued)**

**C. Basis of Accounting**

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

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

**D. Property taxes**

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Federal and State grant aid and unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

**E. Property, plant and equipment**

The City does not present capital fixed assets, such as land, building and equipment in this financial statement; however, it does maintain accounting records for such assets. Accounting records for public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, which are immovable and of value only to the City have not been maintained. No depreciation has been provided on any capital assets.

**F. Interfund Charges**

The City General Fund is used to account for various administrative functions, which are partially allocated to other funds. Utility billing and collection, financial and management services are paid through the General Fund and billed to the utility funds.

Other charges for health care benefits are charged to appropriate funds by the Internal Service Fund each month as the benefits are purchased.

***City of Wellington, Kansas***  
**Notes to Financial Statement**  
*December 31, 2016*

**1. Summary of Significant Accounting Policies (continued)**

**F. Interfund Charges (continued)**

Insurance costs are paid from the Special Liability Expense Fund and reimbursed by other funds. Other expenses are periodically paid by a fund for administrative purposes and then later reimbursed.

**G. Special Assessments Receivable**

Improvements to roads, sidewalks, and sewer systems are paid for in part by the landowners being benefited. They have the option to pay their share in full, before the improvement is financed by the City through issuance of general obligation bonds, or they are assessed the amount to be paid in annual installments over a period of 15 or 20 years, generally the life of the bond obligation. The City certifies to the County the amount to be levied against the landowner each year. The county collects and periodically remits the assessments to the City. The amount received is recorded in the bond and interest fund.

**H. Temporary notes**

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding may be retired from the proceeds of the sale of new temporary notes and general obligation bonds, receipt of federal funds, or from any other source.

**I. Reimbursements**

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

**J. 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 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.

# *City of Wellington, Kansas*

## **Notes to Financial Statement**

*December 31, 2016*

### **1. Summary of Significant Accounting Policies (continued)**

#### **J. Budgetary Information**

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 commitments, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds: Permanent Cemetery Endowment, Equipment Reserve, Emergency Shelter Grant, Wellington Airport FAA Grant, FEMA Grant Fund, Hazmat Response, Fire Prevention and Education, SCCDAT Grant, and Auditorium Grant. 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.

### **2. Stewardship, Compliance and Accountability**

#### **A. Compliance With Finance-Related Legal Provisions**

*Expenditures in Excess of Budget* Expenditures in the Employee Benefit Contribution Fund exceeded the authorized budget by \$15,969, in violation of K.S.A. 79-2935

#### **B. Deficit Cash/Unencumbered Cash for Individual Funds**

The SCCDAT Grant Fund had a negative unencumbered cash balance of \$23,088 as of December 31, 2016, pending receipt of federal grant funds. The Wellington Airport FAA Grant had a negative unencumbered cash balance of \$25,228 due to a construction contract commitment that will be reimbursed by a federal grant as the construction progresses in 2017. These are exceptions to the cash basis law requirement that funds must not have a negative balance.

#### **C. Compliance with Bond Agreements – Utility System**

##### Utility System Bond security

In 2011 and in 2015, the City issued general obligation bonds and in 2016 issued revenue bonds to fund capital improvements and/or defease existing bonds of the Utility System. The 2016 revenue bonds are Parity Bonds with respect to security provisions and have a first lien on net revenues of the combined electric, waterworks and sewage system. The general obligation bonds are Junior Lien Bonds and are also secured by the taxing authority of the City. Under the KWPCRF loan agreement, the State of Kansas has no lien or security interest, however, the Utility must impose and collect such fees and/or ad valorem taxes as are necessary to pay the costs of operation and debt service.

##### Flow of funds

All system revenues are required to be deposited into the Operating Fund; (1) they are applied first to the operating and maintenance expenses of the system and may accumulate as much as a 60-day working capital balance, then monthly to (2) principal and interest accounts; (3) bond reserve accounts; (4) emergency and depreciation account and (5) surplus account, available for operating and maintenance expense, debt service or bond redemptions, system repairs and extensions, or any lawful purpose of the City.

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
*December 31, 2016*

**2. Stewardship, Compliance and Accountability (continued)**

**C. Compliance with Bond Agreements – Utility System (continued)**

The City has maintained these required accounts as follows:

Principal and Interest Accounts for 2011, 2015 and 2016 bonds:

Required balance, December 31, 2016	<u>\$ 450,383</u>
Actual balance, December 31, 2016	<u>\$ 510,531</u>

Bond Reserve Account:

Required balance, December 31, 2016	<u>\$ 345,430</u>
Actual balance, December 31, 2016	<u>\$ 345,430</u>

Emergency and Depreciation Account:

Required balance, December 31, 2016	<u>\$ 100,000</u>
Actual balance, December 31, 2016	<u>\$ 400,000</u>

Operating Account - 60-day maximum working capital amount:

Cash in operating and maintenance account	\$1,309,121
60-day working capital requirement (\$13,080,149 2016 O&M X 60/360)	<u>2,180,025</u>

Amount in excess of 60 day operating & maintenance allowed balance	<u>\$ none</u>
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Surplus account balance (all reserved accounts), 12/31/16	<u>\$7,587,460</u>
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Total cash and investments, Operating Fund (415)	\$7,842,154
Total cash and investments, Capital Improv & Equip Reserve (425)	2,217,522
Total cash and investments, Utility Construction Fund (423)	<u>2,807,410</u>

Total cash and investments, Utility System	<u>\$12,867,086</u>
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Rate Covenant

The City is required to maintain rates and charges to produce net revenues equal to 125% of the current year's Parity Bond debt service requirements and 100% of the Junior Lien Bond's debt service requirements. The City met this requirement in 2016 as shown below.

Gross revenue of the System	\$18,326,884
Current expenses of the System (not including depreciation expense)	<u>13,080,149</u>
Net revenue (numerator)	<u>\$5,349,624</u>
2016 Parity Bond Debt Service Requirement	\$ -0-
2016 Junior Lien Bonds Debt Service Requirement (denominator)	\$ 710,088

Debt Service Coverage Ratio on Parity Bonds	NA
Debt Service Coverage Ratio on Junior Lien Bonds	7.53

Other bond provisions

Other information to be disclosed is included in the debt service footnote to this financial statement and in the supplemental individual fund statements of the Utility System. In addition, there were 4,728 customers of the System as of 12/31/16, the City timely filed reports to meet SEC disclosure requirements and the City believes arbitrage rebate covenants have been fulfilled. The City's insurance carrier is EMC, the amount of insurance carried on the buildings and improvements of the City was \$101,906,914, the premium paid on the insurance policy was \$244,126 and the

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
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**2. Stewardship, Compliance and Accountability (continued)**

**C. Compliance with Bond Agreements – Utility System (continued)**

expiration date was 4/1/2017. An annual report on system condition and recommendations by system employee or consulting engineer is required but no formal report has been prepared, though the governing body receives regular reports on System equipment needs and improvements being done to the System.

**D. Compliance with Bond Agreements – Public Building Commission**

The 2010 and 2014 Series bond agreements of the Public Building Commission require that lease payments be made to the Public Building Commission sufficient to meet debt service requirements. These requirements were met by payments from either the lessees or the City General Fund.

**3. Deposits and Investments**

As of December 31, 2016, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Unrecognized Holding Gain</u>	<u>Rating</u>
Security Description				
U.S. Treasury Notes	\$ 1,457,135	\$ 1,627,373	\$ 170,238	Aaa/AAA
Kansas Municipal Investment Pool	<u>3,657,465</u>	<u>3,657,465</u>	-	S&P AAAf/S1+
	<u>\$ 5,114,600</u>	<u>\$ 5,284,838</u>	<u>\$ 170,238</u>	
Securities Maturing:	<u>Less than 1 year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Total</u>
U.S. Treasury Notes	\$ -	\$ 1,457,135	\$ -	\$ 1,457,135
Kansas Municipal Investment Pool	<u>3,657,465</u>	<u>-</u>	<u>-</u>	<u>3,657,465</u>
	<u>\$ 3,657,465</u>	<u>\$ 1,457,135</u>	<u>\$ -</u>	<u>\$ 5,114,600</u>

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 investment policy that would further limit interest rate risk.

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

*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. The City's allocation of investments as of December 31, 2016 is as follows:

<u>Investments</u>	<u>% of Investments</u>
U.S. Treasury Notes	28.49%
Kansas Municipal Investment Pool	71.51%

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
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**3. Deposits and Investments(continued)**

*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 required coverage is 50%. The City did not designate any peak periods in 2016. All deposits were legally secured at December 31, 2016.

At December 31, 2016, the City’s carrying amount of deposits was \$13,360,066 and the bank balance was \$13,462,429. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$1,016,263 was covered by federal depository insurance and \$12,456,166 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 City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2016 the City had invested \$3,657,465 in the State’s municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insure as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

At December 31, 2016, the City had U.S. Treasury notes with a carrying value of \$1,457,136. The City’s investment in United States Treasury securities are classified as held-to-maturity and are held by its agent, Edward Jones. They are insured by the Securities Investor Protection Corporation for the first \$500,000 with additional coverage for the net equity of the account provided by Edward Jones through a commercial insurer Underwriters at Lloyd’s. These investments are reported at amortized cost.

**4. Capital project funds**

The Special Improvements Fund is used to account for small project costs not directly attributable to another fund. Major capital projects are accounted for within their own fund. Since these funds are not required to be budgeted, expenditures are limited on a project-by-project basis to an amount authorized by resolution. During 2016, the following projects were completed or underway:

<u>Project</u>	<u>Project Authorization</u>	<u>Project to Date Expenditures</u>	<u>Dec. 31, 2016 Status</u>
EWS-substation, sub transmission line, switch, etc	5,500,000	3,091,504	In progress
Quiet Zone	31,055	20,080	Pending
FAA Airport Improvement	2,816,000	-	Pending

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
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**5. Long-term debt**

Changes in long-term liabilities for the City for the year ended December 31, 2016 were as follows:

	Interest Rate	Date of Issue	Amount of Issue	Final Maturity	Beginning of Year	Additions	Retired/Refunded	End of Year	Interest Paid
<u>General Obligation Bonds-Retired by Tax Levy</u>									
GO Refunding & improvement	2.0-3.0%	08/15/11	830,000	05/01/22	445,000	-	100,000	345,000	9,850
GO Street Improvements(USDA)	4.00%	09/22/11	394,200	09/22/31	337,985	-	15,487	322,498	13,519
GO Refunding & improvement	0.4-2.0%	07/01/12	3,600,000	10/01/22	2,585,000	-	320,000	2,265,000	36,113
GO Street Improvement	2.0-3.6%	08/01/13	2,160,000	09/01/28	1,900,000	-	125,000	1,775,000	52,335
GO SRMC Improvements		11/01/14	355,000	11/12/28	240,000	-	120,000	120,000	1,440
GO Refunding (2008 & 2009)	2.00%	12/15/15	1,495,000	10/01/24	1,495,000	-	115,000	1,380,000	23,754
			<u>\$ 8,834,200</u>		<u>\$ 7,002,985</u>	<u>\$ -</u>	<u>\$ 795,487</u>	<u>\$ 6,207,498</u>	<u>\$ 137,011</u>
<u>General Obligation Bonds-Retired by Utility Revenue</u>									
GO EW&S Refunding	2.0-3.0%	08/15/11	4,800,000	05/01/22	3,460,000	-	450,000	3,010,000	86,337
GO EW&S Refunding	2.0-3.0%	08/01/15	5,035,000	11/01/27	5,035,000	-	-	5,035,000	173,750
			<u>\$ 9,835,000</u>		<u>\$ 8,495,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 8,045,000</u>	<u>\$ 260,087</u>
<u>Revenue Bonds</u>									
Electric, W&S Revenue	2.0-3.5%	04/07/16	<u>\$ 4,755,000</u>	11/01/36	<u>\$ -</u>	<u>\$ 4,755,000</u>	<u>\$ -</u>	<u>\$ 4,755,000</u>	<u>\$ -</u>
<u>Other Debt</u>									
Kansas Water Pollution Control Revolving Loan	2.84%	06/12/09	<u>\$ 13,800,000</u>	03/01/30	<u>\$ 11,022,235</u>	<u>\$ -</u>	<u>\$ 598,727</u>	<u>10,423,508</u>	<u>\$ 308,810</u>
<u>Capital Leases</u>									
Tractor with boom mower	3.55%	03/13/12	78,734	03/01/17	19,608	-	16,785	2,823	427
Backhoe/loader	3.55%	07/05/12	81,575	06/01/19	25,995	-	17,199	8,796	647
Rescue fire truck	3.95%	06/14/12	200,410	07/01/17	104,606	-	29,223	75,383	3,611
Ambulance	2.38%	10/31/13	142,344	11/01/18	82,707	-	28,599	54,108	1,623
2013 Caterpillar 930K loader	3.00%	10/03/13	165,300	10/03/18	144,052	-	14,818	129,234	1,809
Jet-Vac Truck	2.29%	04/20/14	321,413	04/20/19	212,996	-	63,852	149,144	4,262
Compact Excavator	2.19%	04/15/14	73,710	04/15/17	33,392	-	24,948	8,444	499
Fire Engine - Tender	2.40%	01/05/15	490,901	07/05/25	475,656	-	45,122	430,534	10,922
Caterpillar D6T dozer	2.25%	12/29/15	224,500	12/29/20	224,500	-	77,381	147,119	4,174
Golf course irrigation system	2.60%	01/14/16	226,535	07/18/21	-	226,535	17,828	208,707	2,343
Digger derick truck	1.79%	5/1/2016	289,069	05/01/21	-	289,069	13,115	275,954	3,443
			<u>\$ 2,294,491</u>		<u>\$ 1,323,512</u>	<u>\$ 515,604</u>	<u>\$ 348,870</u>	<u>\$ 1,490,246</u>	<u>\$ 33,760</u>
<u>Related Municipal Entity - Revenue Bonds</u>									
Public Building Commission	1.0 - 4.0%	03/01/10	1,175,000	03/01/25	835,000	-	70,000	765,000	27,540
Public Building Commission	0.75 - 4.5%	01/01/14	960,000	12/01/33	885,000	-	40,000	845,000	31,975
			<u>\$ 2,135,000</u>		<u>\$ 1,720,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 1,610,000</u>	<u>\$ 59,515</u>
Total Reporting Entity			<u>\$ 41,653,691</u>		<u>\$ 29,563,732</u>	<u>\$ 5,270,604</u>	<u>\$ 2,303,084</u>	<u>\$ 32,531,252</u>	<u>\$ 799,183</u>



**City of Wellington, Kansas**  
**Notes to Financial Statement**  
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**5. Long-term debt (continued)**

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022-2026</u>	<u>2027-2031</u>	<u>2032-2036</u>	<u>Total</u>
<u>Principal</u>									
General Obligation Bonds:									
Retired by Tax Levy	\$ 866,106	\$ 761,750	\$ 772,420	\$ 768,117	\$ 788,842	1,781,134	\$ 469,129	\$ -	\$ 6,207,498
Retired by Utility Revenue	475,000	480,000	530,000	755,000	775,000	4,135,000	895,000	-	8,045,000
Revenue Bonds	-	200,000	200,000	200,000	200,000	1,070,000	1,335,000	1,550,000	4,755,000
Kansas Water Pollution									
Control Revolving Loan	615,852	633,466	651,585	670,221	689,391	3,754,242	3,408,751	-	10,423,508
Capital Leases	343,265	442,575	243,704	171,884	100,858	187,960	-	-	1,490,246
Public Building Commission									
Revenue Bonds (RME)	<u>115,000</u>	<u>115,000</u>	<u>120,000</u>	<u>120,000</u>	<u>125,000</u>	<u>605,000</u>	<u>280,000</u>	<u>130,000</u>	<u>1,610,000</u>
Total Principal	<u>\$ 2,415,223</u>	<u>\$ 2,632,791</u>	<u>\$ 2,517,709</u>	<u>\$ 2,685,222</u>	<u>\$ 2,679,091</u>	<u>\$ 11,533,336</u>	<u>\$ 6,387,880</u>	<u>\$ 1,680,000</u>	<u>\$ 32,531,252</u>
<u>Interest</u>									
General Obligation Bonds:									
Retired by Tax Levy	\$ 132,425	\$ 119,691	\$ 107,143	\$ 93,581	\$ 78,902	\$ 196,362	\$ 34,193	\$ -	\$ 762,297
Retired by Utility Revenue	215,494	204,150	191,900	177,550	157,225	492,950	26,850	-	1,466,119
Revenue Bonds	213,505	136,280	132,280	128,280	124,280	558,500	384,450	161,740	1,839,315
Kansas Water Pollution									
Control Revolving Loan	291,686	274,072	255,953	237,317	218,148	783,448	221,402	-	2,282,026
Capital Leases	32,480	24,232	13,480	8,858	5,503	8,192	-	-	92,745
Public Building Commission									
Revenue Bonds (RME)	<u>57,363</u>	<u>54,481</u>	<u>51,412</u>	<u>48,013</u>	<u>43,925</u>	<u>148,131</u>	<u>67,375</u>	<u>8,775</u>	<u>479,475</u>
Total Interest	<u>\$ 942,953</u>	<u>\$ 812,906</u>	<u>\$ 752,168</u>	<u>\$ 693,599</u>	<u>\$ 627,983</u>	<u>\$ 2,187,583</u>	<u>\$ 734,270</u>	<u>\$ 170,515</u>	<u>\$ 6,921,977</u>
Total Principal & Interest	<u>\$ 3,358,176</u>	<u>\$ 3,445,697</u>	<u>\$ 3,269,877</u>	<u>\$ 3,378,821</u>	<u>\$ 3,307,074</u>	<u>\$ 13,720,919</u>	<u>\$ 7,122,150</u>	<u>\$ 1,850,515</u>	<u>\$ 39,453,229</u>

Current and Advance Refundings

There were not current or advance refundings during 2016.

**6. Claims and Judgments**

The City participates in federal, state and county 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 regulations, the City may be required to reimburse the grantor government. As of the date of this report, the expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2015 to 2016 and there were no significant settlements that exceeded insurance coverage in the past three years.

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
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**6. Claims and Judgments (continued)**

The City has also filed a Petition for declaratory judgement to resolve an issue related to its water supply wells located on privately owned property. The City obtained easements for the wells over 50 years ago and in exchange agreed to provide free raw water to the landowners. The Kansas Department of Health and Environment (KDHE) has prohibited providing raw water for some time by regulation and the City has been providing bottled water to these landowners under a consent agreement with and order from KDHE. The City has hired outside counsel and seeks to have the court declare what obligations the City may have to these landowners. The City Attorney believes it unlikely this litigation will result in a monetary damages judgement, but rather declare a direction for the City to follow to continue to use these easements. There are ten property owners involved in this litigation, each with different standing and legal issues.

During the 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 financial impact on the City. See Note 13 below, for information regarding a lawsuit filed against the City in May, 2017.

**7. Interfund transfers and other interfund activity**

The following is a schedule of interfund operating transfers made in 2016:

<u>From:</u>	<u>To:</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Permanent Cemetery	General	KSA 12-1410	\$ 772
Electric, Water & Sewer Utility	General	KSA 12-825d	1,803,078
Sanitation	General	KSA 12-825d	124,940
General	Equipment Reserve	KSA 12-1,117	243,714
General	Capital Improvement	KSA 12-1,118	343,000
Electric, Water & Sewer Utility	EW&S Capital Improve & Equip	KSA 12-1,118	1,249,614
Sanitation	Sanitation Equipment Reserve	KSA 12-1,117	25,000
			<u>\$ 3,790,118</u>

In addition, the City made the following payments in 2016 from the general fund, to other funds as needed either to subsidize or to make a lease payment. Under KSA-12-101a, the general fund may be used for the general fund and other city purposes.

<u>From:</u>	<u>To:</u>	<u>Activity:</u>	<u>Amount</u>
General	Bond & Interest	Subsidy-SRMC	\$ 121,440
General	Golf Course	Subsidy	90,324
General	Airport	Subsidy	25,000
General	PBC-SRMC	Lease payment	97,540
General	PBC-WRC	Lease payment	55,988
			<u>\$ 390,292</u>

Prior to 2006, all utility services consumed by the City were metered and charged at an interdepartmental rate that approximated the cost of the services. These charges were recognized as revenue by the providing utility fund and as an expenditure by the consuming fund. Beginning in 2006, the City continued metering the usage but stopped transferring cash for these utility services as revenue and expenditures and provided the services free of charge to all its own departments. Under the City's basis of accounting, these free services are not recorded in Statement 1.

***City of Wellington, Kansas***  
**Notes to Financial Statement**  
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**8. Other Long-Term Obligations from Operations**

A. Post-Employment Health Care Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. The City's contribution shall be determined and set annually during the budget process of the city of Wellington. Rates paid by retirees will be determined annually by the Health Insurance Committee with consideration of the final budget, but shall not exceed 125% of the total premium cost.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes healthcare benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage.

*Plan Description.* The City of Wellington administers the Retiree's Health Care Program, a single-employer defined benefit plan, for all employees of the City of Wellington, established by the governing body. The Plan provides health insurance coverage to eligible retirees by allowing retirees to continue participating in the City's self-insured health insurance plan. To be eligible under the Plan, the retiree must work for the City at least 10 years, receive a retirement or disability benefit for service with the City, be under age 65 and not Medicare eligible and must pay required monthly contributions to the Plan. Retirees become ineligible once they are Medicare eligible or become deceased. Surviving spouses are not eligible for plan benefits, but are eligible for COBRA coverage in the health insurance plan. The Plan is not accounted for in a fund, but instead on a pay-as-you go basis, with expenditures recorded when paid from each retiring employee's department.

*Contributions.* Contributions are established by the Plan. In 2016, the City paid \$346 per month per retiree towards the premium, with the retiree paying \$596 for a family and \$491 for a single policy.

B. Compensated absences

The City's policies regarding vacations permit employees to accrue total vacation between 18 and 24 days depending on years of service. Vacation is accrued each pay period. Upon termination or resignation from service with the City, employees are entitled to payment for all accrued vacation earned prior to termination or resignation. All regular employees accumulate sick leave at the rate of 4 hours per each 80 work period. This sick leave accumulates first in a short-term sick leave account, up to a maximum of 64 hours, then into a long-term sick leave account, with a maximum accumulation of 960 hours. Employees have the option of receiving one half of the balance of their short-term sick leave account in cash with their last paycheck of the year. Upon termination of employment for medical reasons, retirement, or death, an employee or the employee's beneficiary receives payment at their regular hourly rate of pay for the balance in the short and long-term sick leave accounts, up to a maximum of 104 hours. Police and fire employees have higher accruals and maximum accumulation due to their unusual working hours.

**City of Wellington, Kansas**  
**Notes to Financial Statement**  
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**9. Defined benefit pension plan**

General Information about the 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 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 79-49,210 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer 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, KPERS 3 and KP&F 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 through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for KPERS and 20.42% for KP&F for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City were \$354,007 for KPERS, \$405,885 for KP&F, and \$11,939 for the Public Library for the year ended December 31, 2016.

Net Pension Liability

At December 31, 2016, the City of Wellington's proportionate share of the collective net pension liability reported by KPERS was \$3,495,436, \$3,493,377 for KP&F and \$102,800 for the Public Library. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The City of Wellington'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 with 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 publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

***City of Wellington, Kansas***  
**Notes to Financial Statement**  
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**10. Self Insured Health Insurance Plan**

In March 1993, the City began a self-insurance medical program by establishing the Employee Benefit Contribution Fund. The City purchases commercial stop-loss insurance for claims in excess of specified amounts and pays all claims below these amounts from its self-insurance fund

All funds of the City participate in the program and make payments to the Employee Benefit Contribution Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for unexpected losses.

The self-insured health insurance plan is administered by Blue Cross Blue Shield of Kansas.

**11. Economic Dependency**

The Utility relies upon purchasing a major portion of its electrical power at wholesale rates for resale to its customers since it is less expensive than producing its own power. Substantially all purchased electrical power is contracted through the Kansas Power Pool (KPP) a municipal power pool of 42 Kansas cities. Because of this concentration of electricity providers, the Utility may be economically dependent upon this vendor for purchased electrical power; however, operationally the City does have the capability of supplying all its own electrical generating capacity.

**12. Sumner Regional Medical Center—Financial Difficulties and City Support**

The City owns a hospital building operated by the Sumner Regional Medical Center (SRMC). SRMC is a separate legal entity governed by a city council appointed board of directors.

*City Utilities Forgiven or Delinquent* Due to financial difficulties of the hospital, the city council began forgiving a portion of the hospital utility bills in 2010 and continued through September of 2014, after which no payments have been made. As of 12/31/15, the total forgiven and unpaid since 2010 was \$1,422,202. The 2016 unpaid utility billings were \$427,696 for total unpaid utilities of \$1,849,898 as of 12/31/16. 2017 billings to date are also delinquent.

*Other Assistance Provided* In June 2014, the governing body loaned SRMC \$880,476 to be used by the hospital to pay its delinquent accounts payable. This was recorded as a general fund expenditure in 2014. SRMC is also delinquent on its lease payments to the Public Building Commission which are used to pay bond payments for the same amount of the lease. SRMC has not paid its lease payments for 2014 and 2015 of \$437,483, or its 2016 payments of \$218,980 for a total of \$656,463. All lease payments due the Public Building Commission for these years were paid by the General Fund of the City and related bond payments are current. Total loan and lease support provided to the hospital since 2010 was \$1,536,939 as of 12/31/16.

2016 support to SRMC totaled \$646,676, with an accumulation as of 12/31/16 of \$3,386,837.

In addition to the above support, there is a 1% dedicated sales tax collected by the City and remitted to the SRMC which was \$1,226,186 in 2016.

***City of Wellington, Kansas***  
**Notes to Financial Statement**  
*December 31, 2016*

**13. Subsequent Events**

*Electric Utility Construction Project and Issuance of Bonds.* The City began a project in 2013 to construct a switching station, substation and sub transmission line. That project continued through 2014, 2015 and 2016, with completion expected in 2017. Revenue bonds in the amount of \$4,755,000 were issued in May, 2016 to fund project costs.

*FAA Project at the Wellington Airport.* For some time, the City has been in the process of applying for FAA grant funding of a runway improvement project at the City airport. The scope of the project has been determined, requests for proposals sent out and bids were opened June 27, 2017. The total cost is expected to be approximately \$3.2 million with FAA paying 90% of qualified costs and the State of Kansas and the City each paying a portion of the remaining costs.

*Loan Guarantee for SRMC.* At the March 16, 2017 council meeting, the governing body approved a loan guarantee by the City of \$150,000 for the benefit of Sumner Regional Medical Center for its use in operations.

*Lawsuit Filed Against the City and SRMC.* SRMC and the City of Wellington were named in a May 2017 lawsuit by the former manager of SRMC's behavioral health unit at SRMC. The suit requests judgement of \$717,519 with a request for attorney fees and potential other damages. The City is being represented by outside counsel. The City does not believe it is responsible for and has denied liability for this debt of SRMC, as it is an independently managed health care authority and the City is not involved in any of management or payment agreements with this party.

Management has evaluated the effects of the financial statement of subsequent events occurring through July 3, 2017 which is the date at which the financial statement was available to be issued.

**REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION**

***City of Wellington, Kansas***  
**Summary of Expenditures--Actual and Budget**  
 Regulatory Basis  
*(Budgeted Funds Only)*  
 For the Year Ended December 31, 2016

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Favorable/ (Unfavorable)</u>
General	\$ 8,260,202	\$ -	\$ 8,260,202	\$ 7,607,938	\$ 652,264
Special Purpose Funds					
Ambulance and Fire Fighting Equip	107,600	-	107,600	33,578	74,022
Library	251,549	-	251,549	225,284	26,265
Special City Highway	236,127	-	236,127	190,386	45,741
Special Alcohol and Drug	12,864	-	12,864	9,848	3,016
Special Parks and Recreation	24,327	-	24,327	12,728	11,599
Tourism and Convention	26,034	-	26,034	25,279	755
Special Liability Expense	462,673	-	462,673	420,458	42,215
Hospital Sales Tax	1,490,000	-	1,490,000	1,226,186	263,814
Bond and Interest Funds:					
Bond & Interest	1,022,689	-	1,022,689	919,528	103,161
Business Funds:					
Electric, Waterworks & Sewage Uti	19,930,299	-	19,930,299	17,880,480	2,049,819
Sanitation Utility	1,460,621	-	1,460,621	1,347,696	112,925
Municipal Golf Course	367,671	-	367,671	340,255	27,416
Municipal Airport	594,684	-	594,684	278,364	316,320
Employee Benefit Contribution	1,688,712	-	1,688,712	1,704,681	(15,969)
Total	<u>\$ 35,936,052</u>	<u>\$ -</u>	<u>\$ 35,936,052</u>	<u>\$ 32,222,689</u>	<u>\$ 3,713,363</u>



**City of Wellington, Kansas**

**General Fund**

Summary Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016		Variance Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes	\$ 2,543,422	\$ 2,634,288	\$ 2,679,938	\$ (45,650)
Less NRP rebate	(35,327)	(38,526)	(34,639)	(3,887)
Intergovernmental	304,011	287,258	274,113	13,145
Licenses and fees	501,907	478,239	426,670	51,569
Fines	64,008	68,925	65,000	3,925
Charges for services	741,631	738,916	662,100	76,816
Other	23,756	16,453	7,330	9,123
Use of money and property	46,623	55,959	30,100	25,859
Sale of real estate	3,400	1,605	-	1,605
Reimbursed expense	79,353	58,744	48,600	10,144
Reimbursement from other funds	1,291,851	1,266,620	1,261,620	5,000
Operating transfers in	<u>2,452,575</u>	<u>1,928,790</u>	<u>1,928,018</u>	<u>772</u>
 Total receipts	 <u>\$ 8,017,210</u>	 <u>\$ 7,497,271</u>	 <u>\$ 7,348,850</u>	 <u>\$ 148,421</u>
<b>Expenditures</b>				
General government:				
Mayor and city council	\$ 13,786	\$ 14,174	\$ 15,108	\$ 934
City manager's office	302,422	373,503	296,784	(76,719)
City clerk's office	353,119	207,166	365,583	158,417
Utility collections	295,203	277,230	295,766	18,536
Economic development	12,797	6,484	18,500	12,016
Financial services	-	76,661	-	(76,661)
General services	86,764	92,840	107,215	14,375
Appropriations	32,000	27,000	32,000	5,000
Janitorial	46,478	45,108	45,968	860
I.T. / GIS	-	63,262	-	(63,262)
Contingency	-	-	798,260	798,260
Nondepartmental	504,463	534,163	226,156	(308,007)
Legal and police court	139,443	153,676	143,875	(9,801)
Cemetery	123,398	129,137	130,414	1,277
Public safety:				
Police department	1,493,367	1,454,310	1,537,449	83,139
Fire rescue	1,919,428	1,832,018	1,926,110	94,092
Transportation:				
Street department	1,032,473	985,347	1,047,964	62,617
Engineering, planning and inspection	260,476	217,170	249,354	32,184

**City of Wellington, Kansas**

**General Fund**

Summary Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance Favorable (Unfavorable)
		Actual	Budget	
<u>Expenditures (continued)</u>				
Recreation and culture:				
Park department	\$ 248,122	\$ 227,990	\$ 272,979	\$ 44,989
Swimming pool	40,224	43,277	46,000	2,723
Municipal auditorium	40,063	26,378	45,150	18,772
Lake recreation	229,250	234,330	231,214	(3,116)
Capital outlay:				
Capital improvements	-	-	-	-
Operating transfers out	<u>478,500</u>	<u>586,714</u>	<u>393,714</u>	<u>(193,000)</u>
Total expenditures	\$ 7,651,776	\$ 7,607,938	\$ 8,225,563	\$ 617,625
NRP rebate	<u>-</u>	<u>-</u>	<u>34,639</u>	<u>34,639</u>
Total	\$ 7,651,776	\$ 7,607,938	<u>\$ 8,260,202</u>	<u>\$ 652,264</u>
Receipts Over (Under) Expenditures	365,434	(110,667)		
Unencumbered Cash, Beginning	1,190,280	1,563,714		
Prior Year Cancelled Encumbrances	<u>8,000</u>	<u>4,118</u>		
Unencumbered Cash, Ending	<u>\$ 1,563,714</u>	<u>\$ 1,457,165</u>		

**City of Wellington, Kansas**  
**General Fund**  
**Detailed Schedule of Revenue and Expenditures**  
Regulatory Basis  
Years Ended December 31, 2016 and 2015

<u>Receipts</u>	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Taxes</u>				
Ad valorem property tax	\$ 1,195,132	\$ 1,336,905	\$ 1,425,938	\$ (89,033)
Less NRP rebate	(35,327)	(38,526)	(34,639)	(3,887)
Delinquent tax	51,267	50,149	45,000	5,149
Sales tax	1,289,617	1,237,261	1,205,000	32,261
Special assessments	7,406	9,973	4,000	5,973
Total taxes	<u>\$ 2,508,095</u>	<u>\$ 2,595,762</u>	<u>\$ 2,645,299</u>	<u>\$ (49,537)</u>
<u>Intergovernmental</u>				
Federal grants & FEMA	\$ 3,028	\$ 2,033	\$ -	\$ 2,033
State grants & other	17,387	14,843	17,431	(2,588)
Alcoholic liquor fund	12,737	16,715	10,953	5,762
State highway connection links	50,826	50,861	50,000	861
Recreational vehicle tax	2,573	2,482	1,921	561
Motor vehicle tax	217,460	200,324	193,808	6,516
Total intergovernmental	<u>\$ 304,011</u>	<u>\$ 287,258</u>	<u>\$ 274,113</u>	<u>\$ 13,145</u>
<u>Licenses and Fees</u>				
Franchise taxes	\$ 237,834	\$ 199,797	\$ 244,000	\$ (44,203)
Occupation licenses and amusement	17,637	16,900	19,780	(2,880)
Electric licenses	2,820	2,620	2,900	(280)
Plumbing licenses	2,311	880	1,300	(420)
Mammalian pet licenses	1,894	3,113	2,500	613
Cereal malt beverage, liquor, club licenses	3,725	4,050	3,200	850
Building permits	31,442	23,376	13,000	10,376
Burial permits	14,540	16,910	11,000	5,910
Plumbing permits	6,066	4,320	2,600	1,720
Electric permits	9,366	7,263	2,300	4,963
Lake recreation permits	130,061	154,646	91,350	63,296
Other permits	5,028	7,406	3,025	4,381
Administrative & other fees	39,183	36,958	29,715	7,243
Total license and permits	<u>\$ 501,907</u>	<u>\$ 478,239</u>	<u>\$ 426,670</u>	<u>\$ 51,569</u>
<u>Other</u>				
Ambulance service	\$ 463,850	\$ 434,574	\$ 360,000	\$ 74,574
Ambulance subsidy - County	214,272	243,000	240,000	3,000
Lake subsidy - County	15,000	15,000	15,000	-
Sale of cemetery lots	10,000	10,534	5,000	5,534
Sale of real estate	3,400	1,605	-	1,605

**City of Wellington, Kansas**

**General Fund**

**Detailed Schedule of Revenue and Expenditures**

Regulatory Basis

Years Ended December 31, 2016 and 2015

		2016		
	2015			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable
				(Unfavorable)
<u>Other (continued)</u>				
Other sales and rentals	23,889	21,833	12,800	9,033
Police court fines	64,008	68,925	65,000	3,925
Rural fire contracts	48,509	46,342	47,100	(758)
Miscellaneous	9,214	8,527	7,330	1,197
Interest earnings	12,734	23,592	12,300	11,292
Insurance claims received	14,542	7,926	-	7,926
Reimbursed expenses	79,353	58,744	48,600	10,144
Reimbursement from Sumner Regional Med Center	-			-
Reimbursements from other funds	<u>1,291,851</u>	<u>1,266,620</u>	<u>1,261,620</u>	<u>5,000</u>
Total other	<u>\$2,250,622</u>	<u>\$2,207,222</u>	<u>\$2,074,750</u>	<u>\$ 132,472</u>
<u>Operating transfers in:</u>				
Water & sewage	\$ 364,065	\$ 478,418	\$ 478,418	\$ -
Electric utility	1,976,836	1,324,660	1,324,660	-
Sanitation utility	111,139	124,940	124,940	-
Permanent Cemetery Endowment	535	772	-	772
Total operating transfers	<u>\$2,452,575</u>	<u>\$1,928,790</u>	<u>\$1,928,018</u>	<u>\$ 772</u>
Total receipts	<u>\$8,017,210</u>	<u>\$7,497,271</u>	<u>\$7,348,850</u>	<u>\$ 148,421</u>
 <u>EXPENDITURES</u>				
<u>Mayor and City Council</u>				
Personal services	\$ 10,617	\$ 10,350	\$ 10,371	\$ 21
Commodities	781	292	640	348
Contractual services	2,388	3,004	4,097	1,093
Capital outlay	-	528	-	(528)
Total mayor and city council	<u>\$ 13,786</u>	<u>\$ 14,174</u>	<u>\$ 15,108</u>	<u>\$ 934</u>
 <u>City Manager's Office</u>				
Personal services	\$ 281,449	\$ 359,067	\$ 277,094	\$ (81,973)
Commodities	1,552	2,036	4,350	2,314
Contractual services	19,421	12,390	15,340	2,950
Capital outlay	-	10	-	(10)
Total city manager's office	<u>\$ 302,422</u>	<u>\$ 373,503</u>	<u>\$ 296,784</u>	<u>\$ (76,719)</u>
 <u>City Clerk's Office</u>				
Personal services	\$ 317,121	\$ 170,957	\$ 327,423	\$ 156,466
Commodities	2,926	3,270	5,225	1,955
Contractual services	33,072	32,939	32,935	(4)
Capital outlay	-	-	-	-
Total city clerk's office	<u>\$ 353,119</u>	<u>\$ 207,166</u>	<u>\$ 365,583</u>	<u>\$ 158,417</u>

**City of Wellington, Kansas**  
**General Fund**  
**Detailed Schedule of Revenue and Expenditures**  
Regulatory Basis  
Years Ended December 31, 2016 and 2015

	2015 Actual	2016		Variance- Favorable (Unfavorable)
		Actual	Budget	
<u>Utility Collections</u>				
Personal services	\$ 238,626	\$ 217,507	\$ 237,496	\$ 19,989
Commodities	4,561	7,278	7,300	22
Contractual services	48,956	52,445	50,970	(1,475)
Capital outlay	3,060	-	-	-
Total utility collections	<u>\$ 295,203</u>	<u>\$ 277,230</u>	<u>\$ 295,766</u>	<u>\$ 18,536</u>
<u>Economic Development</u>				
Personal services	\$ 89	\$ -	\$ -	\$ -
Commodities	-	-	2,500	2,500
Contractual services	12,708	6,484	16,000	9,516
Capital outlay	-	-	-	-
Total public works/economic development	<u>\$ 12,797</u>	<u>\$ 6,484</u>	<u>\$ 18,500</u>	<u>\$ 12,016</u>
<u>Financial Services</u>				
Personal services	\$ -	\$ 76,342	\$ -	\$ (76,342)
Commodities	-	58	-	(58)
Contractual services	-	261	-	(261)
Capital outlay	-	-	-	-
Total general services	<u>\$ -</u>	<u>\$ 76,661</u>	<u>\$ -</u>	<u>\$ (76,661)</u>
<u>General Services</u>				
Personal services	\$ -	\$ -	\$ -	\$ -
Commodities	21,577	27,543	26,400	(1,143)
Contractual services	65,187	65,297	80,815	15,518
Capital outlay	-	-	-	-
Total general services	<u>\$ 86,764</u>	<u>\$ 92,840</u>	<u>\$ 107,215</u>	<u>\$ 14,375</u>
<u>Appropriations</u>				
Appropriation to Chisholm Trail Museum	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Appropriation to Senior Citizens Center	5,000	5,000	5,000	-
Miscellaneous appropriation	10,000	5,000	10,000	5,000
Appropriation to Futures Unlimited	10,000	10,000	10,000	-
Total appropriations	<u>\$ 32,000</u>	<u>\$ 27,000</u>	<u>\$ 32,000</u>	<u>\$ 5,000</u>
<u>Janitorial</u>				
Personal services	\$ 38,853	\$ 37,758	\$ 37,928	\$ 170
Commodities	5,394	5,995	5,840	(155)
Contractual services	2,231	1,355	2,200	845
Capital outlay	-	-	-	-
Total janitorial	<u>\$ 46,478</u>	<u>\$ 45,108</u>	<u>\$ 45,968</u>	<u>\$ 860</u>
<u>IT/ GIS</u>				
Personal services	\$ -	\$ 62,879	\$ -	\$ (62,879)
Commodities	-	91	-	(91)
Contractual services	-	292	-	(292)
Capital outlay	-	-	-	-
Total police department	<u>\$ -</u>	<u>\$ 63,262</u>	<u>\$ -</u>	<u>\$ (63,262)</u>

**City of Wellington, Kansas**

**General Fund**

**Detailed Schedule of Revenue and Expenditures**

Regulatory Basis

Years Ended December 31, 2016 and 2015

	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<b><u>Police Department</u></b>				
Personal services	\$ 1,365,277	\$ 1,307,553	\$ 1,374,699	\$ 67,146
Commodities	60,790	66,075	82,500	16,425
Contractual services	67,300	77,991	80,250	2,259
Capital outlay	-	2,691	-	(2,691)
Total police department	<u>\$ 1,493,367</u>	<u>\$ 1,454,310</u>	<u>\$ 1,537,449</u>	<u>\$ 83,139</u>
<b><u>Fire Department</u></b>				
Personal services	\$ 1,739,931	\$ 1,638,856	\$ 1,721,560	\$ 82,704
Commodities	101,956	100,382	117,000	16,618
Contractual services	77,541	92,780	87,550	(5,230)
Capital outlay	-	-	-	-
Total fire department	<u>\$ 1,919,428</u>	<u>\$ 1,832,018</u>	<u>\$ 1,926,110</u>	<u>\$ 94,092</u>
<b><u>Municipal Auditorium</u></b>				
Personal services	\$ -	\$ -	\$ -	\$ -
Commodities	995	3,493	14,700	11,207
Contractual services	39,068	22,885	30,450	7,565
Capital outlay	-	-	-	-
Total park department	<u>\$ 40,063</u>	<u>\$ 26,378</u>	<u>\$ 45,150</u>	<u>\$ 18,772</u>
<b><u>Park Department</u></b>				
Personal services	\$ 194,821	\$ 179,033	\$ 227,119	\$ 48,086
Commodities	32,651	35,713	33,500	(2,213)
Contractual services	12,812	13,244	12,360	(884)
Capital outlay	7,838	-	-	-
Total park department	<u>\$ 248,122</u>	<u>\$ 227,990</u>	<u>\$ 272,979</u>	<u>\$ 44,989</u>
<b><u>Swimming Pool</u></b>				
Personal services	\$ -	\$ -	\$ -	\$ -
Commodities	2,618	3,158	8,000	4,842
Contractual services	28,117	40,119	33,000	(7,119)
Capital outlay	9,489	-	5,000	5,000
Total swimming pool	<u>\$ 40,224</u>	<u>\$ 43,277</u>	<u>\$ 46,000</u>	<u>\$ 2,723</u>
<b><u>Street Department</u></b>				
Personal services	\$ 712,937	\$ 693,190	\$ 671,754	\$ (21,436)
Commodities	241,291	182,493	283,450	100,957
Contractual services	78,245	109,664	92,760	(16,904)
Capital outlay	-	-	-	-
Total street department	<u>\$ 1,032,473</u>	<u>\$ 985,347</u>	<u>\$ 1,047,964</u>	<u>\$ 62,617</u>

**City of Wellington, Kansas**

**General Fund**

**Detailed Schedule of Revenue and Expenditures**

Regulatory Basis

Years Ended December 31, 2016 and 2015

		2016		
	2015	Actual	Budget	Variance- Favorable (Unfavorable)
	Actual	Actual	Budget	(Unfavorable)
<u>Cemetery</u>				
Personal services	\$ 99,302	\$ 95,264	\$ 99,564	\$ 4,300
Commodities	19,255	23,595	20,900	(2,695)
Contractual services	4,841	3,688	4,450	762
Capital outlay	-	6,590	5,500	(1,090)
Total cemetery	\$ 123,398	\$ 129,137	\$ 130,414	\$ 1,277
 <u>Engineering, Planning and Inspection</u>				
Personal services	\$ 236,697	\$ 184,017	\$ 197,504	\$ 13,487
Commodities	3,247	4,806	8,750	3,944
Contractual services	20,532	28,347	43,100	14,753
Capital outlay	-	-	-	-
Total engineering, planning & inspection	\$ 260,476	\$ 217,170	\$ 249,354	\$ 32,184
 <u>Legal and Police Court</u>				
Personal services	\$ 72,635	\$ 64,275	\$ 70,530	\$ 6,255
Commodities	417	503	1,519	1,016
Contractual services	66,391	87,971	70,826	(17,145)
Capital outlay	-	927	1,000	73
Total legal and police court	\$ 139,443	\$ 153,676	\$ 143,875	\$ (9,801)
 <u>Lake Recreation</u>				
Personal services	\$ 167,329	\$ 179,834	\$ 176,614	\$ (3,220)
Commodities	24,928	30,520	27,175	(3,345)
Contractual services	23,481	11,956	12,425	469
Capital outlay	13,512	12,020	15,000	2,980
Total lake recreation	\$ 229,250	\$ 234,330	\$ 231,214	\$ (3,116)
 <u>Non-Departmental</u>				
Reimbursed expenses & other	\$ 143,816	\$ 137,396	\$ 135,581	\$ (1,815)
Subsidy to Airport	25,000	25,000	25,000	-
Subsidy to Golf Fund	96,740	90,324	57,500	(32,824)
Subsidy to SRMC Debt Serv Fund for GO & PBC bon	216,031	218,980	-	(218,980)
Subsidy to WRC PBC Bond Fund	-	55,987	-	(55,987)
Contractual services	21,789	6,476	8,075	1,599
Capital outlay	1,087	-	-	-
Contingencies	-	-	798,260	798,260
Total reimbursed expenses & other	\$ 504,463	\$ 534,163	\$ 1,024,416	\$ 490,253
 <u>Operating Transfers Out</u>				
Transfer to Equipment Reserve	\$ 162,500	\$ 243,714	\$ 193,714	\$ (50,000)
Transfer to Capital Improvement	316,000	343,000	200,000	(143,000)
Total operating transfers	\$ 478,500	\$ 586,714	\$ 393,714	\$ (193,000)
 <u>Total expenditures and operating transfers</u>				
	\$ 7,651,776	\$ 7,607,938	\$ 8,225,563	\$ 617,625
Receipts Over (Under) Expenditures	365,434	(110,667)		
Unencumbered cash, beginning	1,190,280	1,563,714		
Prior year cancelled encumbrances	8,000	4,118		
Unencumbered cash, ending	\$ 1,563,714	\$ 1,457,165		

**City of Wellington, Kansas**  
**Special Purpose Fund**  
**Ambulance and Fire Fighting Equipment**  
 Schedule of Receipts & Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2016  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015	2016		Variance-
<u>Receipts</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Taxes:				
Ad valorem property tax	\$ 79,649	\$ 81,065	\$ 80,029	\$ 1,036
Less NRP rebate	(2,355)	(2,336)	(2,100)	(236)
Delinquent tax	2,752	2,886	1,500	1,386
Intergovernmental:				
State grant	-	7,655	-	7,655
Motor vehicle tax	13,084	13,292	12,916	376
Recreational vehicle tax	154	165	128	37
Use of money and property:				
Sale of equipment	5,000	24,000	-	24,000
Interest earnings	135	442	160	282
	<u>\$ 98,419</u>	<u>\$ 127,169</u>	<u>\$ 92,633</u>	<u>\$ 34,536</u>
<u>Expenditures</u>				
Public safety:				
Commodities	\$ -	\$ 745	\$ -	\$ (745)
Contractual	-	-	-	-
Contingencies	-	-	70,070	70,070
Capital outlay	94,232	32,834	35,430	2,596
	<u>\$ 94,232</u>	<u>\$ 33,578</u>	<u>\$ 105,500</u>	<u>\$ 71,922</u>
NRP Rebate	-	-	2,100	2,100
	<u>\$ 94,232</u>	<u>\$ 33,578</u>	<u>\$ 107,600</u>	<u>\$ 74,022</u>
Receipts Over (Under) Expenditures	\$ 4,187	\$ 93,591		
Unencumbered Cash, Beginning	10,192	14,379		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 14,379</u>	<u>\$ 107,970</u>		



**City of Wellington, Kansas**

**Special Purpose Fund**

**Library**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015	2016		Variance- Favorable (Unfavorable)
		Actual	Actual	
<u>Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 197,881	\$ 201,289	\$ 198,773	\$ 2,516
Less NRP rebate	(5,851)	(5,800)	(5,215)	(585)
Delinquent tax	6,606	7,014	4,500	2,514
Intergovernmental:				
Motor vehicle tax	28,852	32,879	32,097	782
Recreational vehicle tax	341	411	318	93
Reimbursement from other funds	-	-	-	-
Total receipts	<u>\$ 227,829</u>	<u>\$ 235,793</u>	<u>\$ 230,473</u>	<u>\$ 5,320</u>
<u>Expenditures</u>				
Government:				
Other financing uses				
Appropriation to Library Board	\$ 225,284	\$ 225,284	\$ 225,284	\$ -
Contingency	-	-	21,050	21,050
Total expenditures	<u>\$ 225,284</u>	<u>\$ 225,284</u>	<u>\$ 246,334</u>	<u>\$ 21,050</u>
NRP Rebate	-	-	5,215	5,215
Total	<u>\$ 225,284</u>	<u>\$ 225,284</u>	<u>\$ 251,549</u>	<u>\$ 26,265</u>
Receipts Over (Under) Expenditures	\$ 2,545	\$ 10,509		
Unencumbered Cash, Beginning	<u>17,374</u>	<u>19,919</u>		
Unencumbered Cash, Ending	<u>\$ 19,919</u>	<u>\$ 30,428</u>		

**City of Wellington, Kansas**

Schedule 2-4

**Special Purpose Fund**

**Permanent Cemetery Endowment**

Schedule of Receipts & Expenditures

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
<u>Receipts</u>		
Use of money and property:		
Interest earnings	\$ 535	\$ 820
Other:		
1/3 of cemetery lots sold	<u>4,999</u>	<u>5,266</u>
Total receipts	<u>\$ 5,534</u>	<u>\$ 6,086</u>
<u>Expenditures:</u>		
Operating transfer to general fund	<u>\$ 534</u>	<u>\$ 772</u>
Total expenditures	<u>\$ 534</u>	<u>\$ 772</u>
Receipts Over (Under) Expenditures	\$ 5,000	\$ 5,314
Unencumbered Cash, Beginning	<u>128,584</u>	<u>133,584</u>
Unencumbered Cash, Ending	<u>\$ 133,584</u>	<u>\$ 138,898</u>

**City of Wellington, Kansas**

**Special Purpose Fund**

**Special City Highway**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Receipts</u>				
Intergovernmental:				
Fuel tax allocation	\$ 208,949	\$ 211,352	\$ 207,670	\$ 3,682
Use of money and property:				
Interest earnings	<u>97</u>	<u>468</u>	<u>95</u>	<u>373</u>
Total receipts	<u>\$ 209,046</u>	<u>\$ 211,820</u>	<u>\$ 207,765</u>	<u>\$ 4,055</u>
 <u>Expenditures</u>				
Transportation:				
Capital outlay	\$ 55,386	\$ 55,386	\$ 101,127	\$ 45,741
Reimbursement to General Fund	135,000	135,000	135,000	-
Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 190,386</u>	<u>\$ 190,386</u>	<u>\$ 236,127</u>	<u>\$ 45,741</u>
Receipts Over (Under) Expenditures	\$ 18,660	\$ 21,434		
Unencumbered Cash, Beginning	11,274	29,934		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 29,934</u>	<u>\$ 51,368</u>		

**City of Wellington, Kansas**

**Special Purpose Fund**

**Special Alcohol and Drug**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

		2016		
	2015			Variance-
<u>Receipts</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Intergovernmental:				
State of Kansas	\$ 12,737	\$ 16,715	\$ 10,953	\$ 5,762
Use of money and property:				
Interest earnings	<u>9</u>	<u>34</u>	<u>5</u>	<u>29</u>
Total receipts	<u>\$ 12,746</u>	<u>\$ 16,749</u>	<u>\$ 10,958</u>	<u>\$ 5,791</u>
 <u>Expenditures</u>				
General Government:				
Contractual	<u>\$ 9,499</u>	<u>\$ 9,848</u>	<u>\$ 12,864</u>	<u>\$ 3,016</u>
Total expenditures	<u>\$ 9,499</u>	<u>\$ 9,848</u>	<u>\$ 12,864</u>	<u>\$ 3,016</u>
Receipts Over (Under) Expenditures	\$ 3,247	\$ 6,901		
Unencumbered Cash, Beginning	401	3,648		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 3,648</u>	<u>\$ 10,549</u>		

**City of Wellington, Kansas**

**Special Purpose Fund**

**Special Park and Recreation**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

		2016		
	2015			Variance-
<u>Receipts</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Intergovernmental:				
State of Kansas	\$ 12,737	\$ 16,715	\$ 10,953	\$ 5,762
Use of money and property:				
Interest earnings	<u>148</u>	<u>121</u>	<u>170</u>	<u>(49)</u>
Total receipts	<u>\$ 12,885</u>	<u>\$ 16,836</u>	<u>\$ 11,123</u>	<u>\$ 5,713</u>
 <u>Expenditures</u>				
Recreation and Culture				
Capital Outlay	\$ 17,424	\$ 12,728	\$ 10,500	\$ (2,228)
Contingency	<u>-</u>	<u>-</u>	<u>13,827</u>	<u>13,827</u>
Total expenditures	<u>\$ 17,424</u>	<u>\$ 12,728</u>	<u>\$ 24,327</u>	<u>\$ 11,599</u>
Receipts Over (Under) Expenditures	\$ (4,539)	\$ 4,108		
Unencumbered Cash, Beginning	17,035	12,496		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>176</u>		
Unencumbered Cash, Ending	<u>\$ 12,496</u>	<u>\$ 16,780</u>		

**City of Wellington, Kansas**

**Special Purpose Fund**

**Tourism and Convention**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Receipts</u>				
Intergovernmental:				
Transient guest tax	\$ 29,257	\$ 34,962	\$ 25,000	\$ 9,962
Use of money and property:				
Interest earnings	<u>(15)</u>	<u>29</u>	<u>-</u>	<u>29</u>
Total receipts	<u>\$ 29,242</u>	<u>\$ 34,991</u>	<u>\$ 25,000</u>	<u>\$ 9,991</u>
 <u>Expenditures</u>				
General government:				
Contractual	\$ 29,418	\$ 25,279	\$ 25,000	\$ (279)
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Contingency	-	-	1,034	1,034
Total expenditures	<u>\$ 29,418</u>	<u>\$ 25,279</u>	<u>\$ 26,034</u>	<u>\$ 755</u>
Receipts Over (Under) Expenditures	\$ (176)	\$ 9,712		
Unencumbered Cash, Beginning	1,015	839		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
	<u>\$ 839</u>	<u>\$ 10,551</u>		

**City of Wellington, Kansas**

**Special Purpose Fund**

**Emergency Shelter Grant**

Schedule of Receipts & Expenditures

Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
Receipts:		
Intergovernmental:		
Federal grant	\$ 12,513	\$ 1,444
Total receipts	<u>\$ 12,513</u>	<u>\$ 1,444</u>
<u>Expenditures</u>		
General government:		
Contractual	\$ 11,830	\$ -
Other	-	-
Total expenditures	<u>\$ 11,830</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 683	\$ 1,444
Unencumbered Cash, Beginning	(2,127)	(1,444)
Prior Year Cancelled Encumbrances	-	-
Unencumbered Cash, Ending	<u>\$ (1,444)</u>	<u>\$ -</u>

**Note:** *This fund was not in violation of the cash basis law, as federal grant funds were receivable at 12/31/15.*

**City of Wellington, Kansas**

**Special Purpose Fund**

**Special Liability Expense**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance- Favorable (Unfavorable)
		Actual	Budget	
<u>Receipts</u>				
Intergovernmental:				
Interest earnings	\$ 958	\$ 1,054	\$ 990	\$ 64
Reimbursements from other funds	283,033	313,033	313,033	-
Other	<u>64,529</u>	<u>58,091</u>	<u>-</u>	<u>58,091</u>
Total receipts	<u>\$ 348,520</u>	<u>\$ 372,178</u>	<u>\$ 314,023</u>	<u>\$ 58,155</u>
<u>Expenditures</u>				
General government:				
Contractual services	\$ 404,594	\$ 420,458	\$ 390,000	\$ (30,458)
Contingency	<u>-</u>	<u>-</u>	<u>72,673</u>	<u>72,673</u>
Total expenditures	<u>\$ 404,594</u>	<u>\$ 420,458</u>	<u>\$ 462,673</u>	<u>\$ 42,215</u>
Receipts Over (Under) Expenditures	\$ (56,074)	\$ (48,280)		
Unencumbered Cash, Beginning	244,628	188,554		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 188,554</u>	<u>\$ 140,274</u>		



**City of Wellington, Kansas**

Schedule 2-11

**Special Purpose Fund**

**Equipment Reserve**

Schedule of Receipts & Expenditures

Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
Receipts		
Intergovernmental:		
Federal grant	\$ -	\$ -
Other	-	-
Operating transfers in:		
Transfer from general fund	162,500	243,714
Transfer from other funds	<u>-</u>	<u>-</u>
Total receipts	<u>162,500</u>	<u>243,714</u>
 <u>Expenditures</u>		
Capital outlay	<u>158,568</u>	<u>157,943</u>
Total expenditures	<u>158,568</u>	<u>157,943</u>
 Receipts Over (Under) Expenditures	3,932	85,771
 Unencumbered Cash, Beginning	170,289	181,042
 Prior Year Cancelled Encumbrances	<u>6,821</u>	<u>2,296</u>
 Unencumbered Cash, Ending	<u>\$ 181,042</u>	<u>\$ 269,109</u>

**City of Wellington, Kansas**

**Special Purpose Fund**

**FEMA Grant Fund**

Schedule of Receipts & Expenditures

Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
Receipts		
Intergovernmental:		
Federal grant	\$ -	\$ -
Other	-	-
	<u>-</u>	<u>-</u>
Total receipts	-	-
<u>Expenditures</u>		
Fire	\$ -	\$ -
Parks	-	-
Streets	-	-
Cemetery	-	-
Lake recreation	-	-
Electric line construction	-	-
	<u>-</u>	<u>-</u>
Total expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	36,636	36,636
Prior Year Cancelled Encumbrances	-	-
	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 36,636</u>	<u>\$ 36,636</u>

**City of Wellington, Kansas**

**Special Purpose Fund**

**Wellington Airport FAA Grant**

Schedule of Receipts & Expenditures

Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
Receipts		
Intergovernmental:		
Federal grant	\$ 347,201	\$ 27,056
Other:		
Reimbursement from other funds	<u>          -</u>	<u>          -</u>
Total receipts	<u>347,201</u>	<u>27,056</u>
 <u>Expenditures</u>		
General government:		
Contractual	\$ 6,710	\$ 716
Capital outlay	<u>7,392</u>	<u>          -</u>
Total expenditures	<u>14,102</u>	<u>716</u>
 Receipts Over (Under) Expenditures	333,099	26,340
 Unencumbered Cash, Beginning	(481,787)	(51,568)
 Prior Year Cancelled Encumbrances	<u>97,120</u>	<u>          -</u>
 Unencumbered Cash, Ending	<u>\$ (51,568)</u>	<u>\$ (25,228)</u>

**Note:** *This fund was not in violation of the cash basis law, as federal grant funds were receivable at 12/31/15 and 12/31/16.*

**City of Wellington, Kansas**

**Special Purpose Fund**

**Hazmat Response**

Schedule of Receipts & Expenditures

Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<u>Receipts:</u>		
Other	\$ 8,580	\$ 10,836
Use of money and property:		
Interest earnings	<u>26</u>	<u>69</u>
Total receipts	<u>8,606</u>	<u>10,905</u>
 <u>Expenditures</u>		
Public safety	<u>376</u>	<u>8,205</u>
Total expenditures	<u>376</u>	<u>8,205</u>
 Receipts Over (Under) Expenditures	8,230	2,700
 Unencumbered Cash, Beginning	2,840	11,070
 Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
 Unencumbered Cash, Ending	<u>\$ 11,070</u>	<u>\$ 13,770</u>

**City of Wellington, Kansas**

**Special Purpose Fund**

**Fire Prevention and Education**

Schedule of Receipts & Expenditures

Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<u>Receipts</u>		
Other	\$ -	\$ -
Use of money and property:		
Interest earnings	-	-
	-	-
Total receipts	-	-
 <u>Expenditures</u>		
Public safety	-	-
	-	-
Total expenditures	-	-
 Receipts Over (Under) Expenditures	-	-
 Unencumbered Cash, Beginning	17	17
 Prior Year Cancelled Encumbrances	-	-
 Unencumbered Cash, Ending	<u>\$ 17</u>	<u>\$ 17</u>

**City of Wellington, Kansas**

**Special Purpose Fund**

**Hospital Sales Tax Fund**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

		2016		
	2015			Variance-
<u>Receipts</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Intergovernmental:				
Sales tax	\$ 1,013,625	\$ 1,226,186	\$ 1,490,000	\$ (263,814)
Use of money and property:				
Interest earnings	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total receipts	<u>\$ 1,013,625</u>	<u>\$ 1,226,186</u>	<u>\$ 1,490,000</u>	<u>\$ (263,814)</u>
<u>Expenditures</u>				
Other financing uses				
Appropriation to Hospital Board	\$ 1,013,625	\$ 1,226,186	\$ 1,490,000	\$ 263,814
Contingency	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total expenditures	<u>\$ 1,013,625</u>	<u>\$ 1,226,186</u>	<u>\$ 1,490,000</u>	<u>\$ 263,814</u>
Receipts Over (Under) Expenditures	\$ -	\$ -		
Unencumbered Cash, Beginning	-	-		
Prior Year Cancelled Encumbrances	<u>          -</u>	<u>          -</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**City of Wellington, Kansas**

Schedule 2-17

**Special Purpose Fund**

**SCCDAT Grant Fund**

Schedule of Receipts & Expenditures

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
Receipts		
Intergovernmental:		
Federal grant	\$ 90,053	\$ 103,289
State grant	-	
Other	916	1,237
Use of money and property:		
Interest earnings	<u>(21)</u>	<u>8</u>
Total receipts	<u>\$ 90,948</u>	<u>\$ 104,534</u>
<u>Expenditures</u>		
General government:		
Personal services	\$ 48,087	\$ 68,292
Commodities	1,893	13,721
Contractual	29,701	45,649
Other		
Strengthening Families	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 79,681</u>	<u>\$ 127,662</u>
Receipts Over (Under) Expenditures	\$ 11,267	\$ (23,128)
Unencumbered Cash, Beginning	(11,227)	40
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 40</u>	<u>\$ (23,088)</u>

**Note:** This fund was not in violation of the cash basis law, as federal grant funds were receivable at 12/31/16.

***City of Wellington, Kansas***  
**Special Purpose Fund**  
**Auditorium Grant Fund**  
Schedule of Receipts & Expenditures  
Regulatory Basis  
*For the Year Ended December 31, 2016*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
Receipts		
Intergovernmental:		
Federal grant	\$ -	\$ -
Other	-	-
Use of money and property:		
Interest earnings	-	-
	<u>          -</u>	<u>          -</u>
Total receipts	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>		
Other financing uses:		
Reimbursement to other funds	<u>\$ 11,745</u>	<u>\$ -</u>
	<u>\$ 11,745</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ (11,745)	\$ -
Unencumbered Cash, Beginning	11,745	-
Prior Year Cancelled Encumbrances	<u>          -</u>	<u>          -</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>



**City of Wellington, Kansas****Bond and Interest Fund****Bond and Interest**

## Schedule of Receipts &amp; Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Receipts</b>				
Taxes:				
Ad valorem property tax	\$ 578,805	\$ 588,889	\$ 581,502	\$ 7,387
Less NRP rebate	(17,115)	(16,969)	(15,256)	(1,713)
Delinquent tax	17,771	19,524	11,000	8,524
Special assessments	83,466	100,983	106,253	(5,270)
Intergovernmental:				
Motor vehicle tax	76,794	95,854	93,896	1,958
Recreational vehicle tax	904	1,201	931	270
Use of money and property:				
Interest earnings	1,403	1,907	1,400	507
Premium on sale of bonds	27,282	-	-	-
Accrued interest on bond sale	-	582	-	582
Other:				
Subsidy from general fund	116,934	121,440	121,440	-
Refund of bond cost	-	854	-	854
Reimbursement from Airport Authority	50,785	49,245	49,245	-
Sale of refunding bonds	1,495,000	-	-	-
Total receipts	<u>\$ 2,432,029</u>	<u>\$ 963,510</u>	<u>\$ 950,411</u>	<u>\$ 13,099</u>
<b>Expenditures</b>				
Debt service:				
Principal - regular payments	\$ 795,000	\$ 782,517	\$ 812,517	\$ 30,000
Principal - refunded GO bonds	1,420,000	-	-	-
Interest	230,194	137,011	168,291	31,280
Cost of issuance, net of discount	38,841	-	-	-
Contractual-arbitrage fees	2,750	-	5,000	5,000
Cash basis	-	-	21,625	21,625
Total expenditures	<u>\$ 2,486,785</u>	<u>\$ 919,528</u>	<u>\$ 1,007,433</u>	<u>\$ 87,905</u>
NRP Rebate	-	-	15,256	15,256
Total	<u>\$ 2,486,785</u>	<u>\$ 919,528</u>	<u>\$ 1,022,689</u>	<u>\$ 103,161</u>
Receipts Over (Under) Expenditures	\$ (54,756)	\$ 43,982		
Unencumbered Cash, Beginning	93,049	38,293		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 38,293</u>	<u>\$ 82,275</u>		

**City of Wellington, Kansas****Capital Projects Funds**

## Schedule of Receipts &amp; Expenditures

## Regulatory Basis

For the Year Ended December 31, 2016

	<u>Special</u> <u>Improvements</u>	<u>Capital</u> <u>Improvements</u>	<u>Coyote</u> <u>Ridge Dev.</u>	<u>WasteWater</u> <u>Treatment Plnt</u>	<u>Short 2nd</u> <u>Addition</u>
<u>Receipts</u>					
Intergovernmental:					
Federal grant/loan	\$ -	\$ -	\$ -	\$ -	\$ -
State of Kansas reimbursement	-	475,897	-	-	-
Other:					
Miscellaneous	-	-	-	-	-
Interest earned	1,017	-	-	60	-
Reimbursement of expense	-	1,213	-	-	-
Prepaid assessments	-	-	-	-	-
Transfer from general fund	-	343,000	-	-	-
Transfer from utilities fund	-	-	-	-	-
Sale of bonds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total receipts	 \$ 1,017	 \$ 820,110	 \$ -	 \$ 60	 \$ -
<u>Expenditures</u>					
Capital outlay:					
Construction & equipment	\$ -	\$ 439,798	\$ -	\$ -	\$ -
Debt service:					
Principal payments	-	12,970	-	-	-
Interest payments	-	-	-	-	-
Other:					
Reimbursement to general fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	\$ -	\$ 452,768	\$ -	\$ -	\$ -
 Receipts Over (Under) Expenditures	 \$ 1,017	 \$ 367,342	 \$ -	 \$ 60	 \$ -
 Unencumbered Cash, Beginning	 167,768	 993,078	 10,767	 9,862	 6,343
 Prior Year Cancelled Encumbrances	 <u>-</u>	 <u>1,641</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Unencumbered Cash, Ending	 <u>\$ 168,785</u>	 <u>\$ 1,362,061</u>	 <u>\$ 10,767</u>	 <u>\$ 9,922</u>	 <u>\$ 6,343</u>

**City of Wellington, Kansas****Capital Projects Funds**

## Schedule of Receipts &amp; Expenditures

## Regulatory Basis

For the Year Ended December 31, 2015

	<u>Special</u> <u>Improvements</u>	<u>Capital</u> <u>Improvements</u>	<u>Coyote</u> <u>Ridge Dev.</u>	<u>WasteWater</u> <u>Treatment Plnt</u>	<u>Short 2nd</u> <u>Addition</u>
<u>Receipts</u>					
Intergovernmental:					
Federal grant/loan	\$ -	\$ -	\$ -	\$ -	\$ -
State of Kansas reimbursement	-	39,176	-	-	-
Other:					
Miscellaneous	-	1,418	-	-	-
Interest earned	736	-	-	40	-
Reimbursement of expense	-	2,733	-	-	-
Prepaid assessments	-	-	-	-	422,218
Transfer from general fund	-	316,000	-	-	-
Transfer from utilities fund	-	-	-	-	-
Sale of bonds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total receipts	 \$ 736	 \$ 359,327	 \$ -	 \$ 40	 \$ 422,218
<u>Expenditures</u>					
Capital outlay:					
Construction & equipment	\$ -	\$ 286,092	\$ -	\$ -	\$ 415,875
Debt service:					
Principal payments	-	14,891	-	-	-
Interest payments	-	14,115	-	-	-
Other:					
Reimbursement to general fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	\$ -	\$ 315,098	\$ -	\$ -	\$ 415,875
 Receipts Over (Under) Expenditures	 \$ 736	 \$ 44,229	 \$ -	 \$ 40	 \$ 6,343
 Unencumbered Cash, Beginning	 167,032	 941,795	 10,767	 9,822	 -
 Prior Year Cancelled Encumbrances	 <u>-</u>	 <u>7,054</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Unencumbered Cash, Ending	 <u>\$ 167,768</u>	 <u>\$ 993,078</u>	 <u>\$ 10,767</u>	 <u>\$ 9,862</u>	 <u>\$ 6,343</u>

**City of Wellington, Kansas**

**Business Fund**

**Electric, Waterworks, and Sewage Utility System Operating Fund**

Summary Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Favorable (Unfavorable)
		Actual	Budget	
<b>Receipts</b>				
Water sales and services	\$ 1,562,177	\$ 1,776,769	\$ 2,480,223	\$ (703,454)
Sewage charges	1,855,312	2,182,843	2,316,604	(133,761)
Electricity sales and services	12,564,802	13,363,649	14,953,626	(1,589,977)
Penalties	125,750	136,017	116,500	19,517
Interest earnings	161,540	130,240	116,800	13,440
Miscellaneous	171,021	860,980	71,237	789,743
Sale of bonds	5,035,000	466,129	-	466,129
Premium on sale of bonds	209,115	-	-	-
Operating transfer from:				
Electric, Water & Sewer Capital Improvement	-	-	-	-
<b>Total receipts</b>	<b>\$ 21,684,717</b>	<b>\$ 18,916,627</b>	<b>\$ 20,054,990</b>	<b>\$ (1,138,363)</b>
<b>Expenditures</b>				
Production, water and sewage	\$ 520,509	\$ 500,208	\$ 560,247	\$ 60,039
Production, electric	8,453,212	9,019,326	9,909,541	890,215
Distribution, water and sewage	425,831	402,417	438,756	36,339
Distribution, electric	1,291,714	1,386,877	1,510,394	123,517
Sewage treatment	498,561	467,345	496,521	29,176
Contingency	-	-	900,000	900,000
Admin. reimb. to general fund	1,078,377	1,048,443	1,048,443	-
Reimbursement to special liability fund	177,668	197,668	197,668	-
Debt service	7,451,419	1,741,532	1,617,627	(123,905)
Non-departmental-other	79,738	63,972	74,510	10,538
Operating transfers to:				
General fund	2,340,901	1,803,078	1,919,978	116,900
Other	-	-	7,000	7,000
Utility Capital Improvements	866,983	1,249,614	1,249,614	-
<b>Total</b>	<b>\$ 23,184,913</b>	<b>\$ 17,880,480</b>	<b>\$ 19,930,299</b>	<b>\$ 2,049,819</b>
Receipts Over (Under) Expenditures	\$ (1,500,196)	\$ 1,036,147		
Unencumbered Cash, Beginning	7,407,055	5,906,990		
Prior Year Cancelled Encumbrances	131	27,072		
Unencumbered Cash, Ending	<u>\$ 5,906,990</u>	<u>\$ 6,970,209</u>		

**City of Wellington, Kansas**  
**Business Fund**  
**Water and Sewage Utility**  
**Detailed Schedule of Receipts and Expenditures**  
Regulatory Basis  
Years Ended December 31, 2016 and 2015

	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Receipts</u>				
<u>Water Sales and Sewer Service Charges</u>				
Sale of water to customers	\$ 1,596,668	\$ 1,764,160	\$ 2,448,796	\$ (684,636)
Sewer Service charges	1,924,222	2,212,798	2,316,604	(103,806)
Interdepartmental water sales	6,321	6,352	18,777	(12,425)
Penalties	55,049	65,347	46,500	18,847
New water services	10,405	20,075	12,650	7,425
Cash basis conversion	<u>(120,127)</u>	<u>(43,773)</u>	<u>-</u>	<u>(43,773)</u>
Total water sales and sewer service charges	<u>\$ 3,472,538</u>	<u>\$ 4,024,959</u>	<u>\$ 4,843,327</u>	<u>\$ (818,368)</u>
<u>Other</u>				
Interest earnings	\$ -	\$ -	\$ -	\$ -
Miscellaneous	26,530	44,281	5,433	38,848
Accrued interest on bond sales	1,303	-	-	-
Sale of bonds	5,035,000	466,129	-	466,129
Premium on sale of bonds	<u>209,115</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other	<u>\$ 5,271,948</u>	<u>\$ 510,410</u>	<u>\$ 5,433</u>	<u>\$ 504,977</u>
Total Water & Sewage Utility receipts	<u>\$ 8,744,486</u>	<u>\$ 4,535,369</u>	<u>\$ 4,848,760</u>	<u>\$ (313,391)</u>
<u>Expenditures</u>				
<u>Water Production</u>				
Personal services	\$ 244,844	\$ 214,650	\$ 241,464	\$ 26,814
Commodities	240,646	194,755	219,877	25,122
Contractual services	30,816	64,828	67,206	2,378
Capital outlay	<u>4,203</u>	<u>25,975</u>	<u>31,700</u>	<u>5,725</u>
Total water production	<u>\$ 520,509</u>	<u>\$ 500,208</u>	<u>\$ 560,247</u>	<u>\$ 60,039</u>
<u>Water Distribution</u>				
Personal services	\$ 308,878	\$ 285,032	\$ 316,935	\$ 31,903
Commodities	105,008	99,004	98,861	(143)
Contractual services	11,239	18,381	22,960	4,579
Capital outlay	<u>706</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total water distribution	<u>\$ 425,831</u>	<u>\$ 402,417</u>	<u>\$ 438,756</u>	<u>\$ 36,339</u>

***City of Wellington, Kansas***  
**Business Fund**  
**Water and Sewage Utility**  
**Detailed Schedule of Receipts and Expenditures**  
Regulatory Basis  
*Years Ended December 31, 2016 and 2015*

	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Sewage Treatment</u>				
Personal services	\$ 299,162	\$ 273,839	\$ 303,136	\$ 29,297
Commodities	102,039	95,963	105,300	9,337
Contractual services	97,360	86,543	77,085	(9,458)
Capital outlay	-	11,000	11,000	-
Total sewage treatment	<u>\$ 498,561</u>	<u>\$ 467,345</u>	<u>\$ 496,521</u>	<u>\$ 29,176</u>
<u>Debt Retirement</u>				
Principal retired and refunded	\$ 5,970,340	\$ 335,340	\$ 335,340	\$ -
Principal paid on WWTP revolving loan	582,079	598,728	598,728	-
Interest	638,881	546,899	546,900	1
Debt issuance costs	121,167	123,906	-	(123,906)
Total debt retirement	<u>\$ 7,312,467</u>	<u>\$ 1,604,873</u>	<u>\$ 1,480,968</u>	<u>\$ (123,905)</u>
<u>Non-Departmental</u>				
Commodities	\$ 1,667	\$ 1,460	\$ 2,904	\$ 1,444
Contractual services	29,247	26,087	24,641	(1,446)
Administrative reimbursements to general fund	204,892	199,204	199,204	-
Administrative reimbursements to special liability fund	32,038	42,038	42,038	-
Capital outlay	-	-	-	-
Total non-departmental	<u>\$ 267,844</u>	<u>\$ 268,789</u>	<u>\$ 268,787</u>	<u>\$ (2)</u>
<u>Operating Transfers</u>				
Operating transfer to General Fund	\$ 364,065	\$ 478,418	\$ 478,418	\$ -
Operating transfer to Utility Capital Improvement	631,983	859,614	859,614	-
Other transfers	-	-	7,000	7,000
Total transfers	<u>\$ 996,048</u>	<u>\$ 1,338,032</u>	<u>\$ 1,345,032</u>	<u>\$ 7,000</u>
Total Water & Sewage Utility expenditures	<u>\$10,021,260</u>	<u>\$ 4,581,664</u>	<u>\$ 4,590,311</u>	<u>\$ 8,647</u>

**City of Wellington, Kansas**  
**Business Fund**  
**Electric Utility**  
**Detailed Schedule of Receipts and Expenditures**  
Regulatory Basis  
Years Ended December 31, 2016 and 2015

	2015 Actual	2016		Variance- Favorable (Unfavorable)
		Actual	Budget	
<b>Receipts</b>				
<b>Electricity Sales and Fees</b>				
Residential service	\$ 2,229,679	\$ 2,831,597	\$ 2,768,444	\$ 63,153
Commercial and industrial service	2,733,308	2,868,855	2,649,185	219,670
Interdepartmental	90,667	106,782	98,779	8,003
Wholesale revenue	262,221	186,149	200,000	(13,851)
Power cost adjustments	7,534,552	8,000,216	9,201,218	(1,201,002)
Electric penalties	70,701	70,670	70,000	670
Other fees	29,270	30,253	36,000	(5,747)
Cash basis conversion	(314,895)	(660,203)	-	(660,203)
Total sales and fees	<u>\$ 12,635,503</u>	<u>\$ 13,434,319</u>	<u>\$ 15,023,626</u>	<u>\$ (1,589,307)</u>
<b>Other</b>				
Interest earnings	\$ 161,540	\$ 130,240	\$ 116,800	\$ 13,440
Miscellaneous	53,059	88,563	10,867	77,696
Reimbursement from other funds	90,129	728,136	54,937	673,199
Operating transfer from EW&S Cap Improvement	-	-	-	-
Total other	<u>\$ 304,728</u>	<u>\$ 946,939</u>	<u>\$ 182,604</u>	<u>\$ 764,335</u>
Total Electric Utility receipts	<u>\$ 12,940,231</u>	<u>\$ 14,381,258</u>	<u>\$ 15,206,230</u>	<u>\$ (824,972)</u>
<b>Expenditures</b>				
<b>Electric Production</b>				
Personal services	\$ 690,645	\$ 641,267	\$ 647,503	\$ 6,236
Commodities	85,237	51,662	115,000	63,338
Contractual services	7,667,330	8,317,614	9,137,538	819,924
Capital outlay	10,000	8,783	9,500	717
Total electric production	<u>\$ 8,453,212</u>	<u>\$ 9,019,326</u>	<u>\$ 9,909,541</u>	<u>\$ 890,215</u>
<b>Electric Distribution</b>				
Personal services	\$ 807,057	\$ 811,099	\$ 903,044	\$ 91,945
Commodities	303,206	402,933	422,000	19,067
Contractual services	167,860	171,318	185,350	14,032
Capital outlay	13,591	1,527	-	(1,527)
Total electric distribution	<u>\$ 1,291,714</u>	<u>\$ 1,386,877</u>	<u>\$ 1,510,394</u>	<u>\$ 123,517</u>

***City of Wellington, Kansas***  
**Business Fund**  
**Electric Utility**  
**Detailed Schedule of Receipts and Expenditures**  
Regulatory Basis  
*Years Ended December 31, 2016 and 2015*

	2015 <u>Actual</u>	2016		Variance- Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Debt Retirement</u>				
Principal retired	\$ 114,660	\$ 114,660	\$ 114,660	\$ -
Interest	24,292	21,999	21,999	-
Total other expenditures	<u>\$ 138,952</u>	<u>\$ 136,659</u>	<u>\$ 136,659</u>	<u>\$ -</u>
<u>Non-Departmental</u>				
Commodities	\$ 2,325	\$ (8,567)	\$ 10,221	\$ 18,788
Other contractual	46,499	44,992	36,744	(8,248)
Administrative reimbursements to:				
General fund	873,485	849,239	849,239	-
Special liability fund	145,630	155,630	155,630	-
Total non-departmental	<u>\$ 1,067,939</u>	<u>\$ 1,041,294</u>	<u>\$ 1,051,834</u>	<u>\$ 10,540</u>
<u>Contingency</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ 900,000</u>
<u>Operating Transfers</u>				
Operating transfer to General Fund	\$ 1,976,836	\$ 1,324,660	\$ 1,441,560	\$ 116,900
Operating transfer to Utility Capital Improvement	235,000	390,000	390,000	-
Total transfers	<u>\$ 2,211,836</u>	<u>\$ 1,714,660</u>	<u>\$ 1,831,560</u>	<u>\$ 116,900</u>
Total Electric Utility expenditures	<u>\$ 13,163,653</u>	<u>\$ 13,298,816</u>	<u>\$ 15,339,988</u>	<u>\$ 2,041,172</u>
Receipts Over(Under) Expenditures	(1,500,196)	1,036,147		
Unencumbered cash, beginning	7,407,055	5,906,990		
Prior year cancelled encumbrances	131	27,072		
Unencumbered cash, ending	<u>\$ 5,906,990</u>	<u>\$ 6,970,209</u>		



**City of Wellington, Kansas****Business Fund****Electric, Waterworks and Sewage Multi-Year Capital Improvement**

## Schedule of Receipts &amp; Expenditures

## Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015	2016
	<u>Actual</u>	<u>Actual</u>
<u>Receipts</u>		
Interest earnings	\$ 8,900	\$ 10,937
Other:		
Reimbursement from Electric, Water & Sewage Construction Fund	-	182,206
Operating transfers:		
Transfer from Water and Sewer	631,983	859,614
Transfer from Electric	<u>235,000</u>	<u>390,000</u>
Total receipts	<u>875,883</u>	<u>1,442,757</u>
<u>Expenditures</u>		
Water and Sewer:		
Water plant & wells equipment & maintenance	251,511	148,075
Wastewater treatment equipment & sewer lines	257,612	185,399
Wastewater lease payments	68,114	68,114
Water line maintenance & construction	35,079	49,383
Other equipment	3,467	846
Vehicles	-	-
Professional & consulting services	25,159	-
Electric:		
Vehicles	-	16,558
Steam plan equipment	28,888	-
Sub-station	-	14,717
Other equipment	3,467	24,140
Electric line construction & breakers	51,729	116,031
Operating transfers:		
Electric, Water & Sewer Utility	-	-
Capital Improvement	<u>-</u>	<u>-</u>
Total expenditures	<u>725,026</u>	<u>623,263</u>
Receipts Over (Under) Expenditures	150,857	819,494
Unencumbered Cash, Beginning	1,007,663	1,260,849
Prior Year Cancelled Encumbrances	<u>102,329</u>	<u>111,649</u>
Unencumbered Cash, Ending	<u>\$1,260,849</u>	<u>\$2,191,992</u>

***City of Wellington, Kansas***  
**Business Fund**  
**Electric, Waterworks and Sewage Construction Fund**  
Schedule of Receipts & Expenditures  
Regulatory Basis  
*For the Year Ended December 31, 2016*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	<u>2015</u>	<u>2016</u>
	<u>Actual</u>	<u>Actual</u>
<u>Receipts</u>		
Interest earnings	\$ -	\$ 11,836
Proceeds from bonds	-	4,288,871
	<u>-</u>	<u>4,300,707</u>
 <u>Expenditures</u>		
Capital outlay:		
Professional & consulting, electric substation & switching station	-	169,971
Electric substation and switching station	-	2,084,752
Other:		
Reimbursement to Electric, Water & Sewer Utility System Operating fund	-	654,575
Reimbursement to Electric, Water & Sewer Multi-Year Capital Improvement	-	182,206
	<u>-</u>	<u>3,091,504</u>
Receipts Over (Under) Expenditures	-	1,209,203
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,209,203</u>

**City of Wellington, Kansas****Business Fund****Sanitation Utility**

## Schedule of Receipts &amp; Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016		Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Receipts</u>				
Refuse collection fees and penalties	\$1,310,658	\$1,339,858	\$ 1,319,947	\$ 19,911
Interest	665	953	670	283
Reimbursed expense and miscellaneous	10,749	46,897	20,600	26,297
Total receipts	<u>\$1,322,072</u>	<u>\$1,387,708</u>	<u>\$ 1,341,217</u>	<u>\$ 46,491</u>
<u>Expenditures</u>				
Collections:				
Personal services	\$ 361,307	\$ 371,075	\$ 379,743	\$ 8,668
Contractual services	172,954	167,440	180,500	13,060
Commodities	49,105	67,331	59,100	(8,231)
Capital Outlay	-	-	-	-
Reimbursement to other funds	80,299	84,002	84,002	-
Transfer Station:				
Personal services	112,528	117,092	122,509	5,417
Contractual services	430,381	370,911	413,785	42,874
Commodities	30,281	19,905	20,950	1,045
Capital Outlay	-	-	-	-
Operating Transfers:				
General fund	111,139	124,940	124,940	-
Equipment reserve fund	25,000	25,000	25,000	-
Contingency	-	-	50,092	50,092
Total expenditures	<u>\$1,372,994</u>	<u>\$1,347,696</u>	<u>\$ 1,460,621</u>	<u>\$ 112,925</u>
Receipts Over (Under) Expenditures	\$ (50,922)	\$ 40,012		
Unencumbered Cash, Beginning	144,451	93,529		
Prior Year Cancelled Encumbrances	-	-		
Unencumbered Cash, Ending	<u>\$ 93,529</u>	<u>\$ 133,541</u>		

**City of Wellington, Kansas****Business Fund****Sanitation Equipment Reserve**

## Schedule of Receipts &amp; Expenditures

## Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
<u>Receipts</u>		
Interest	\$ 1,367	\$ 1,047
Other:		
Operating transfer from sanitation fund	<u>25,000</u>	<u>25,000</u>
Total receipts	<u>26,367</u>	<u>26,047</u>
<u>Expenditures</u>		
Capital outlay	<u>167,846</u>	<u>99,401</u>
Total expenditures	<u>167,846</u>	<u>99,401</u>
Receipts Over (Under) Expenditures	(141,479)	(73,354)
Unencumbered Cash, Beginning	330,058	188,579
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 188,579</u>	<u>\$ 115,225</u>

**City of Wellington, Kansas****Business Fund****Municipal Golf Course**

## Schedule of Receipts &amp; Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016		Favorable <u>(Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Licenses and permits				
Golf licenses	\$ 81,025	\$ 72,830	\$ 90,000	\$ (17,170)
Golf green fees	95,638	84,388	115,000	(30,612)
Golf cart licenses and fees	23,511	23,090	25,000	(1,910)
Golf cart storage and rental	56,223	53,216	73,400	(20,184)
Other:				
Interest	20	(7)	27	(34)
Miscellaneous	2,610	16,414	-	16,414
Subsidy from general fund	96,740	90,324	57,500	32,824
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total receipts	\$ 355,767	\$ 340,255	\$ 360,927	\$ (20,672)
<b>Expenditures</b>				
Personal services	\$ 223,718	\$ 210,685	\$ 211,965	\$ 1,280
Contractual service	40,478	45,870	56,200	10,330
Commodities	65,542	75,000	84,000	9,000
Capital outlay	20,204	2,875	-	(2,875)
Reimbursement to special liability	5,825	5,825	5,825	-
Contingency	-	-	9,681	9,681
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	\$ 355,767	\$ 340,255	\$ 367,671	\$ 27,416
Receipts Over (Under) Expenditures	\$ -	\$ -		
Unencumbered Cash, Beginning	-	-		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**City of Wellington, Kansas****Business Fund****Municipal Airport**

## Schedule of Receipts &amp; Expenditures - Actual

## Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 Actual	2016		Favorable (Unfavorable)
		Actual	Budget	
<u>Receipts</u>				
Airport charges:				
Farm income	-	10,262	-	10,262
Fuel income	150,114	159,505	220,000	(60,495)
Hangar rent	35,185	32,213	34,800	(2,587)
Land Leases	27,780	27,252	30,000	(2,748)
Airport other income	5,810	6,338	6,338	-
Other:				
Interest	245	127	270	(143)
Miscellaneous	100	-	-	-
General Governmental Services	-	-	270,000	(270,000)
Subsidy from general fund	25,000	25,000	25,000	-
Total receipts	<u>\$ 244,234</u>	<u>\$ 260,697</u>	<u>\$ 586,408</u>	<u>\$(325,711)</u>
<u>Expenditures</u>				
Fuel purchased for resale	\$ 125,208	\$ 133,851	\$ 180,000	\$ 46,149
Personal services	65,186	62,774	63,954	1,180
Contractual service	26,912	22,539	22,123	(416)
Commodities	3,674	8,181	7,125	(1,056)
Capital outlay	-	-	270,000	270,000
Contingency	-	-	463	463
Reimbursement to special liability fund	1,774	1,774	1,774	-
Reimbursement to bond & interest fund	50,785	49,245	49,245	-
Total expenditures	<u>\$ 273,539</u>	<u>\$ 278,364</u>	<u>\$ 594,684</u>	<u>\$ 316,320</u>
Adjustment for qualifying budget credit	-	-	-	-
Total	<u>\$ 273,539</u>	<u>\$ 278,364</u>	<u>\$ 594,684</u>	<u>\$ 316,320</u>
Receipts Over (Under) Expenditures	\$ (29,305)	\$ (17,667)		
Unencumbered Cash, Beginning	41,176	11,871		
Prior Year Cancelled Encumbrances	-	14,698		
Unencumbered Cash, Ending	<u>\$ 11,871</u>	<u>\$ 8,902</u>		

***City of Wellington, Kansas***  
**Business Fund**  
**Employee Benefit Contribution**  
Schedule of Receipts & Expenditures - Actual and Budget  
Regulatory Basis  
*For the Year Ended December 31, 2016*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016		Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<u>Receipts</u>				
Employer contributions - current employees	\$ 986,342	\$ 972,451	\$ 955,000	\$ 17,451
Employer contributions - retirees	104,492	52,611	58,200	(5,589)
Employee contributions	173,595	218,181	148,680	69,501
COBRA and component unit contributions	33,161	72,766	19,320	53,446
Reimbursements & refunds	198	76	-	76
Interest	4,901	3,125	4,500	(1,375)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total receipts	<u>\$1,302,689</u>	<u>\$1,319,210</u>	<u>\$1,185,700</u>	<u>\$ 133,510</u>
<u>Expenditures</u>				
Health insurance claims paid	\$ 800,620	\$1,138,312	\$ 725,000	\$ (413,312)
Reinsurance policy premiums	347,950	354,747	440,000	85,253
Transitional reinsurance	14,461	9,306	-	(9,306)
Supplemental coverage policy premiums	119,460	126,930	121,000	(5,930)
Administration fees	38,975	53,033	78,900	25,867
Other	21,550	22,353	34,000	11,647
Contingency	-	-	289,812	289,812
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$1,343,016</u>	<u>\$1,704,681</u>	<u>\$1,688,712</u>	<u>\$ (15,969)</u>
Receipts Over (Under) Expenditures	\$ (40,327)	\$ (385,471)		
Unencumbered Cash, Beginning	716,211	675,884		
Prior Year Cancelled Encumbrances	<u>          </u>	<u>          </u>		
Unencumbered Cash, Ending	<u>\$ 675,884</u>	<u>\$ 290,413</u>		

**City of Wellington, Kansas**  
**Trust Funds**

Schedule of Receipts & Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2016

	Public Library Trust	Annie Hamilton Trust	Mildred Share McLean Trust	Mausoleum Maintenance	Regional Park Trust	Memorial Auditorium Trust	Municipal Auditorium Renovation	Recreation Trust	Municipal Golf Course Trust	Ambulance Service Trust	Municipal Airport Trust	Nichols Family Trust	Drug Tax Distb. Trust	Cemetery Beautification Trust	Cara Saunders Memorial Trust	Drug Awareness Trust	Housing Authority Reserve	Law Enforcement Trust	Employee Community Service	
<b>Receipts</b>																				
Intergovernmental:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property:																				
Interest	1,731	10	53	85	326	19	221	160	247	6	9	4	47	62	3	29	-	129	-	
Farm rent	-	-	-	-	2,048	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	2,840	5,956	(362)	-	30,733	775	-	100	1,026	810	-	12,684	-	16,034	1,918	
Reimbursement from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total receipts</b>	<b>\$ 1,731</b>	<b>\$ 10</b>	<b>\$ 53</b>	<b>\$ 85</b>	<b>\$ 5,214</b>	<b>\$ 5,975</b>	<b>\$ (141)</b>	<b>\$ 160</b>	<b>\$ 30,980</b>	<b>\$ 781</b>	<b>\$ 9</b>	<b>\$ 104</b>	<b>\$ 1,365</b>	<b>\$ 872</b>	<b>\$ 3</b>	<b>\$ 12,713</b>	<b>\$ -</b>	<b>\$ 16,163</b>	<b>\$ 1,918</b>	
<b>Expenditures</b>																				
General government	\$ -	\$ -	\$ 4,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	-	-	-	345	-	-	-	13,739	-	10,754	-	
Recreation and culture	14,515	-	-	-	901	-	-	774	7,977	-	-	-	-	-	-	-	-	-	711	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total expenditures</b>	<b>\$ 14,515</b>	<b>\$ -</b>	<b>\$ 4,300</b>	<b>\$ -</b>	<b>\$ 901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 774</b>	<b>\$ 7,977</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 345</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,739</b>	<b>\$ -</b>	<b>\$ 10,754</b>	<b>\$ 711</b>	
<b>Receipts Over (Under)</b>																				
Expenditures	\$ (12,784)	\$ 10	\$ (4,247)	\$ 85	\$ 4,313	\$ 5,975	\$ (141)	\$ (614)	\$ 23,003	\$ 781	\$ 9	\$ (241)	\$ 1,365	\$ 872	\$ 3	\$ (1,026)	\$ -	\$ 5,409	\$ 1,207	
Unencumbered Cash, Beginning	287,336	1,621	9,268	13,942	53,292	2,836	37,124	27,070	39,606	621	1,444	661	6,973	9,962	493	6,316	121,075	18,751	242	
Prior Year Cancelled Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Unencumbered Cash, Ending</b>	<b>\$ 274,552</b>	<b>\$ 1,631</b>	<b>\$ 5,021</b>	<b>\$ 14,027</b>	<b>\$ 57,605</b>	<b>\$ 8,811</b>	<b>\$ 36,983</b>	<b>\$ 26,456</b>	<b>\$ 62,609</b>	<b>\$ 1,402</b>	<b>\$ 1,453</b>	<b>\$ 420</b>	<b>\$ 8,338</b>	<b>\$ 10,834</b>	<b>\$ 496</b>	<b>\$ 5,290</b>	<b>\$ 121,075</b>	<b>\$ 24,160</b>	<b>\$ 1,449</b>	



**City of Wellington, Kansas**  
**Trust Funds**  
Schedule of Receipts & Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2015

	Public Library Trust	Annie Hamilton Trust	Mildred Share McLean Trust	Mausoleum Maintenance	Regional Park Trust	Memorial Auditorium Trust	Municipal Auditorium Renovation Trust	Recreation Trust	Municipal Golf Course Trust	Ambulance Service Trust	Municipal Airport Trust	Nichols Family Trust	Drug Tax Distb. Trust	Cemetery Beautification Trust	Cara Saunders Memorial Trust	Drug Awareness Trust	Housing Authority Reserve	Law Enforcement Trust	Employee Community Service	
<b>Receipts</b>																				
Intergovernmental:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,752	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property:																				
Interest	1,323	7	38	57	186	-	106	111	98	3	6	2	28	39	2	37	-	54	-	
Farm rent	-	-	-	-	4,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	7,300	909	-	-	36,493	-	-	420	135	670	-	8,728	-	17,368	-	
Reimbursement from other funds	-	-	-	-	-	-	11,745	-	-	-	-	-	-	-	-	-	-	-	-	
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total receipts</b>	<u>\$ 1,323</u>	<u>\$ 7</u>	<u>\$ 38</u>	<u>\$ 57</u>	<u>\$ 12,361</u>	<u>\$ 909</u>	<u>\$ 11,851</u>	<u>\$ 111</u>	<u>\$ 36,591</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ 3,174</u>	<u>\$ 174</u>	<u>\$ 709</u>	<u>\$ 2</u>	<u>\$ 8,765</u>	<u>\$ -</u>	<u>\$ 17,422</u>	<u>\$ -</u>	
<b>Expenditures</b>																				
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	2,753	-	-	-	8,497	-	10,002	-	
Recreation and culture	57,054	-	-	-	2,167	-	-	-	23,249	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>\$ 57,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,497</u>	<u>\$ -</u>	<u>\$ 10,002</u>	<u>\$ -</u>	
<b>Receipts Over (Under)</b>																				
Expenditures	\$ (55,731)	\$ 7	\$ 38	\$ 57	\$ 10,194	\$ 909	\$ 11,851	\$ 111	\$ 13,342	\$ 3	\$ 6	\$ 421	\$ 174	\$ 709	\$ 2	\$ 268	\$ -	\$ 7,420	\$ -	
Unencumbered Cash, Beginning	343,067	1,614	9,230	13,885	43,098	1,927	25,273	26,959	26,264	618	1,438	240	6,799	9,253	491	6,048	121,075	11,331	242	
Prior Year Cancelled Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Unencumbered Cash, Ending</b>	<u>\$ 287,336</u>	<u>\$ 1,621</u>	<u>\$ 9,268</u>	<u>\$ 13,942</u>	<u>\$ 53,292</u>	<u>\$ 2,836</u>	<u>\$ 37,124</u>	<u>\$ 27,070</u>	<u>\$ 39,606</u>	<u>\$ 621</u>	<u>\$ 1,444</u>	<u>\$ 661</u>	<u>\$ 6,973</u>	<u>\$ 9,962</u>	<u>\$ 493</u>	<u>\$ 6,316</u>	<u>\$ 121,075</u>	<u>\$ 18,751</u>	<u>\$ 242</u>	

***City of Wellington, Kansas***  
**Agency Funds**  
**Summary of Regulatory Basis Receipts and Disbursements**  
*For the Year Ended December 31, 2016*

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Claims Fund	\$ 4,181	\$ 605,782	\$ 608,765	\$ 1,198

**City of Wellington, Kansas**

**Related Municipal Entity**

**Wellington Public Library**

Schedule of Receipts & Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015	2016
	<u>Actual</u>	<u>Actual</u>
<u>Receipts</u>		
State Aid	2,906	4,533
Appropriation from City of Wellington	\$ 225,284	\$ 225,284
Grants from SCKLS	13,050	14,956
Donations	3,942	183,597
Interest income	138	414
Royalty income	5,523	3,104
Other Income	4,741	2,177
	<u>          </u>	<u>          </u>
Total receipts	\$ 255,584	\$ 434,065
<u>Expenditures</u>		
Salaries and benefits	\$ 151,868	\$ 167,908
Accounting	1,275	1,246
Ad valorem tax on oil interest	1,252	351
Books, periodicals & audio-visual materials	20,074	25,376
Equipment rental	924	893
Equipment repairs & maintenance	3,133	-
Equipment & furniture purchased	1,593	10,536
Repairs and Maintenance	2,710	10,445
Dues, licenses and fees	2,961	3,165
Insurance	506	845
Library and office supplies	5,308	7,799
Miscellaneous & special projects	474	1,033
Postage	1,768	1,561
Promotional & public relations	591	20
Summer Reading & other programs	5,033	9,112
Travel and workshops	969	1,953
Telephone	2,577	1,907
Utilities	14,401	11,916
	<u>          </u>	<u>          </u>
Total expenditures	\$ 217,417	\$ 256,066
Receipts Over (Under) Expenditures	\$ 38,167	\$ 177,999
Unencumbered Cash, Beginning	46,036	84,203
Prior Year Cancelled Encumbrances	<u>          -</u>	<u>          -</u>
Unencumbered Cash, Ending	<u>\$ 84,203</u>	<u>\$ 262,202</u>

***City of Wellington, Kansas***  
**Related Municipal Entity**  
**Public Building Commission - SRMC Bond and Interest**  
Schedule of Receipts & Expenditures  
Regulatory Basis  
*For the Year Ended December 31, 2016*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
<u>Receipts</u>		
Use of money:		
Facility lease from Sumner Regional Medical Center	\$ -	\$ -
Facility lease from general fund	<u>99,098</u>	<u>97,540</u>
Total receipts	<u>\$ 99,098</u>	<u>\$ 97,540</u>
<u>Expenditures</u>		
Debt service:		
Principal	\$ 70,000	\$ 70,000
Interest	29,098	27,540
Other:		
Reimbursement to general fund	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 99,098</u>	<u>\$ 97,540</u>
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

***City of Wellington, Kansas***  
**Related Municipal Entity**  
**Public Building Commission - WRC Bond & Interest**  
 Schedule of Receipts & Expenditures  
 Regulatory Basis  
*For the Year Ended December 31, 2016*  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
<u>Receipts</u>		
Use of money:		
Facility lease from General Fund	\$ -	\$ 55,988
Facility lease payment from Wellington Recreation Commission	<u>67,237</u>	<u>15,987</u>
Total receipts	<u>\$ 67,237</u>	<u>\$ 71,975</u>
<u>Expenditures</u>		
Debt service:		
Principal payments	\$ 35,000	\$ 40,000
Interest payments	<u>32,237</u>	<u>31,975</u>
Total expenditures	<u>\$ 67,237</u>	<u>\$ 71,975</u>
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

***City of Wellington, Kansas***  
**Related Municipal Entity**  
**Public Building Commission - WRC Construction**  
 Schedule of Receipts & Expenditures  
 Regulatory Basis

*For the Year Ended December 31, 2016*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
<u>Receipts</u>		
Use of money:		
Interest	\$ 564	\$ -
Sale of bonds	-	-
Other:		
Wellington Recreation Commission	<u>516,426</u>	<u>-</u>
Total receipts	<u>\$ 516,990</u>	<u>\$ -</u>
<u>Expenditures</u>		
Building construction:		
Architectural services	\$ 7,678	\$ -
Capital outlay	685,418	-
Debt service:		
Cost of issuance, net of discount	-	-
Other:	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 693,096</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ (176,106)	\$ -
Unencumbered Cash, Beginning	176,106	-
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>