

CITY OF WASHINGTON, KANSAS

FINANCIAL STATEMENT
WITH
ADDITIONAL INFORMATION
DECEMBER 31, 2020
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CITY OF WASHINGTON, KANSAS

**FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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DECEMBER 31, 2020
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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
Washington, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Washington, Kansas, as of and for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; 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 audit opinion.

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

As described in Note 2 of the financial statement, the financial statement is prepared by City of Washington, 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 2 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 conformity with accounting principles generally accepted in the United States of America, the financial position of City of Washington, Kansas as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of City of Washington, Kansas as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Other Matters

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Washington, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated June , 2020, which

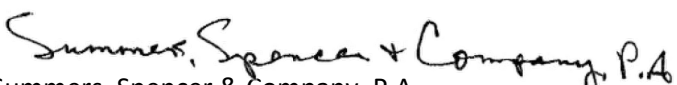
contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://www.admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2020 (schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March , 2021, on our consideration of City of Washington, Kansas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Washington, Kansas's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Washington, Kansas's internal control over financial reporting and compliance.


Summers, Spencer & Company, P.A.
Salina, Kansas
March 23, 2021

CITY OF WASHINGTON, KANSAS

Statement 1

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund:						
General	\$ 813,528	\$ 917,807	\$ 1,028,185	\$ 703,150	\$ -	\$ 703,150
Special Purpose Funds:						
Employee Benefits	169,078	71,152	89,004	151,226	-	151,226
Library	99,546	157,229	159,374	97,401	-	97,401
Special Highway	161,475	30,243	22,765	168,953	-	168,953
Special Highway Improvement	86,117	1,695	-	87,812	-	87,812
Special Law and Fire	107,932	2,720	-	110,652	-	110,652
Special Park and Recreation	82,032	9,176	-	91,208	-	91,208
Special Alcohol	3,080	61	80	3,061	-	3,061
Municipal Equipment Reserve	401,898	81,585	49,417	434,066	-	434,066
Municipal Improvement	294,537	212,214	-	506,751	-	506,751
Ambulance Reserve	109,315	41,919	57,959	93,275	-	93,275
Capital Project Fund:						
Capital Projects	5,892,356	382,585	4,913,318	1,361,623	409,162	1,770,785
Business Funds:						
Water Utility	828,098	338,803	119,951	1,046,950	-	1,046,950
Electric Utility	1,391,278	1,544,555	1,401,262	1,534,571	-	1,534,571
Sewer and Waste Utility	371,295	171,734	237,284	305,745	-	305,745
Ambulance Utility	85,741	105,374	120,602	70,513	-	70,513
	<u>10,897,306</u>	<u>4,068,852</u>	<u>8,199,201</u>	<u>6,766,957</u>	<u>409,162</u>	<u>7,176,119</u>
Related Municipal Entity:						
Washington Public Library	<u>53,338</u>	<u>19,697</u>	<u>68,844</u>	<u>4,191</u>	<u>-</u>	<u>4,191</u>
Total Financial Reporting Entity (Excluding Agency Funds)	<u>\$ 10,950,644</u>	<u>\$ 4,088,549</u>	<u>\$ 8,268,045</u>	<u>\$ 6,771,148</u>	<u>\$ 409,162</u>	<u>\$ 7,180,310</u>
Composition of Cash:						
						\$ 5,631,783
						1,678,558
						<u>4,191</u>
						7,314,532
						<u>(134,222)</u>
						<u>\$ 7,180,310</u>

The notes to the financial statement are an integral part of this statement

CITY OF WASHINGTON, KANSAS

Notes to the Financial Statement For the Year Ended December 31, 2020

Note 1 – Reporting Entity

The City of Washington, Kansas (the City) is a municipal corporation governed by a citizen-elected mayor and five elected council members. The financial statement presents the City of Washington, Kansas and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the city and/or its constituents.

Washington Public Library: The Library Board operates the City's public library. The Library Board operates as a separate governing body, but the City levies the taxes for the 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.

This financial statement does not include the related municipal entity shown below.

Washington Housing Authority: The Washington Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The audit of their financial statement is available at the Washington Housing Authority's office, 350 Washington Street, Washington, Kansas 66968.

Note 2 – Summary of Significant Accounting Policies

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

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

Fund Descriptions. The following types of funds comprise the financial activities of the City for the year ended December 31, 2020:

General Fund - The chief operating fund. 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.

CITY OF WASHINGTON, KANSAS

**Notes to the Financial Statement
For the Year Ended December 31, 2020**

Capital Project Fund – Used to account for the debt proceeds and other financial resources to be used for 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 fund, etc.).

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

Note 3 – Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but a 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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds and the following special purpose funds:

Municipal Equipment Reserve Fund
Municipal Improvement Fund

Ambulance Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled

CITY OF WASHINGTON, KANSAS

**Notes to the Financial Statement
For the Year Ended December 31, 2020**

by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 4 – Deposits and Investments

As of December 31, 2020, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		Rating U.S.
		Less than 1	1-2	
Federated Government Obligations Fund #395	\$ 1,678,558	\$ 1,678,558	\$ -	AAAm

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

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

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2020, is as following:

Investments	Percentage of Investments
Federated Government Obligations Fund #395	100%

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 has not designated a "peak period." All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits, including related municipal entities, was \$5,635,974 and the bank balance was \$5,819,347. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$504,463 was covered by federal depository insurance and the remaining \$5,314,884 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

CITY OF WASHINGTON, KANSAS

**Notes to the Financial Statement
For the Year Ended December 31, 2020**

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.

Note 5 – Capital Projects

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

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
Water improvement project	\$ 8,283,000	\$ 5,083,694

Note 6 – Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Special Law & Fire Fund	K.S.A. 12-101a	\$ 2,000
General Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1, 117	15,000
General Fund	Capital Project Fund	K.S.A. 12-1, 118	5,000
Water Utility Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1, 117	5,800
Water Utility Fund	Capital Project Fund	K.S.A. 12-1, 118	5,000
Electric Utility Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1, 117	39,100
Electric Utility Fund	Capital Project Fund	K.S.A. 12-1, 118	5,000
Sewer and Waste Utility Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1, 117	10,000
Sewer and Waste Utility Fund	Capital Project Fund	K.S.A. 12-1, 118	5,000
Ambulance Utility Fund	Ambulance Reserve Fund	K.S.A. 12-1, 117	10,000

Note 7 – 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 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. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009,

CITY OF WASHINGTON, KANSAS

Notes to the Financial Statement For the Year Ended December 31, 2020

and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$38,102 for the year ended December 31, 2020.

Net Pension Liability

At December 31, 2020, the City of Washington's proportionate share of the collective net pension liability reported by KPERS was \$384,351. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City of Washington's proportion of the net pension liability was based on the ratio of the City of Washington's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 8 – Other Long-Term Obligations from Operations

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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

CITY OF WASHINGTON, KANSAS

**Notes to the Financial Statement
For the Year Ended December 31, 2020**

Compensated Absences. The City provides compensation for absences. The policy permits employees classified as full-time, one who works 40 hours per week, to accrue vacation time at the following rates:

<u>Years of Service</u>	<u>Accrued Vacation Leave Per Pay Period</u>
Start of employment	1.54 hours
After 2 year anniversary	3.07 hours
After 10 year anniversary	4.62 hours

The City also allows full time employees to earn sick leave at the rate of 3.69 hours per pay period, regardless of their years of service. No employee may accumulate more than 160 hours of vacation leave and 480 hours of sick leave. Upon termination, an employee shall be paid 50% of the accumulated vacation leave at the employee's current wages and shall not receive any payment for unused sick leave.

Note 9 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance to protect themselves from these risks.

Note 10 – Uncertainties

As a result of significant disruption in the U.S. economy due to the ongoing Coronavirus "COVID-19" pandemic in 2020, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

Note 11 – Subsequent Events

The City's management has evaluated events and transactions occurring after December 31, 2020 through March 23, 2021. The aforementioned date represents the date the financial statement was available to be issued.

CITY OF WASHINGTON, KANSAS

**Notes to the Financial Statement
For the Year Ended December 31, 2020**

Note 11 – Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Balance End of Year	Interest Paid
Capital Leases Payable									
Voltage Converter	4.25-5.75%	4/5/2010	\$ 740,000	4/5/20	\$ 8,009	\$ -	\$ 8,009	\$ -	\$ 46
General Obligation Temporary Note									
Water Improvement Project	2.00%	6/27/2019	<u>6,150,000</u>	12/1/22	<u>6,150,000</u>	<u>-</u>	<u>-</u>	<u>6,150,000</u>	<u>123,000</u>
Total Contractual Indebtedness			<u>\$ 6,890,000</u>		<u>\$ 6,158,009</u>	<u>\$ -</u>	<u>\$ 8,009</u>	<u>\$ 6,150,000</u>	<u>\$ 123,046</u>

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

	Year		Total
	2021	2022	
Principal:			
General Obligation Temporary Note			
Water Improvement Project	\$ -	\$ 6,150,000	\$ 6,150,000
Interest:			
General Obligation Temporary Note			
Water Improvement Project	<u>123,000</u>	<u>123,000</u>	<u>246,000</u>
Total Principal and Interest	<u>\$ 123,000</u>	<u>\$ 6,273,000</u>	<u>\$ 6,396,000</u>

The City intends to pay the principal portion of the General Obligation Temporary Note in 2022 with proceeds from a loan with the United States Department of Agriculture in the amount of \$6,150,000. The loan is scheduled for repayment over a period of 40 years with an estimated interest rate of 3.125% and annual payments of \$271,567.

CITY OF WASHINGTON, KANSAS

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
December 31, 2020**

CITY OF WASHINGTON, KANSAS

Schedule 1

Summary of Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2020

Funds	Certified Budget	Adjustment For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
General Funds:					
General	\$ 1,292,125	\$ -	\$ 1,292,125	\$ 1,028,185	\$ (263,940)
Special Purpose Funds:					
Employee Benefits	233,035	-	233,035	89,004	(144,031)
Library	161,155	-	161,155	159,374	(1,781)
Special Highway	175,201	-	175,201	22,765	(152,436)
Special Highway Improvement	84,020	-	84,020	-	(84,020)
Special Law and Fire	106,729	-	106,729	-	(106,729)
Special Park and Recreation	90,151	-	90,151	-	(90,151)
Special Alcohol	3,143	-	3,143	80	(3,063)
Business Funds:					
Water Utility	1,256,559	-	1,256,559	119,951	(1,136,608)
Electric Utility	3,104,492	-	3,104,492	1,401,262	(1,703,230)
Sewer and Waste Utility	605,289	-	605,289	237,284	(368,005)
Ambulance Utility	201,684	-	201,684	120,602	(81,082)

CITY OF WASHINGTON, KANSAS

Schedule 2

General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 178,943	\$ 183,593	\$ 185,360	\$ (1,767)
Delinquent	1,970	1,463	3,300	(1,837)
Motor Vehicle	30,282	32,387	31,170	1,217
Recreational Vehicle	445	486	405	81
16/20M Truck Tags	374	444	380	64
Commercial Vehicle Tax	-	-	558	(558)
Watercraft Tax	202	223	211	12
Special Assessments	-	-	500	(500)
Local Alcoholic Liquor	5,101	3,327	5,379	(2,052)
Intangibles	5,892	6,325	4,836	1,489
Sales and Compensating Use Tax	78,434	96,648	80,000	16,648
Franchise	34,791	29,446	49,000	(19,554)
Licenses and Permits	1,315	2,945	2,300	645
Fines, Forfeitures and Penalties	90	180	300	(120)
Cemetery, Pool and Park Fees	21,482	17,043	22,000	(4,957)
Street	3,844	483,487	5,200	478,287
Police	6,606	7,075	5,200	1,875
Interest	5,944	6,340	4,200	2,140
Farm and Community Building Rent	2,464	1,964	3,900	(1,936)
Payments in Lieu of Taxes	7,154	7,512	8,300	(788)
Friendly Corner	4,200	4,200	4,300	(100)
Other	29,738	32,719	-	32,719
Total Cash Receipts	419,271	917,807	\$ 416,799	\$ 501,008

CITY OF WASHINGTON, KANSAS

Schedule 2

General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Administration				
Personal Services	\$ 67,214	\$ 70,090	\$ 71,400	\$ (1,310)
Contractual Services	44,497	23,270	28,550	(5,280)
Commodities	7,023	5,781	8,600	(2,819)
Fire	7,074	8,304	11,600	(3,296)
Police	9,679	10,680	15,300	(4,620)
Cemetery, Pool and Park	83,092	36,778	64,200	(27,422)
Street	314,249	831,470	491,450	340,020
Golf Course Appropriation	5,000	5,000	5,000	-
Housing Cleanup	11,205	6,396	12,700	(6,304)
Friendly Corners	7,627	7,364	11,720	(4,356)
Dog Park	6,349	1,002	-	1,002
Economic Development	4,232	50	-	50
Operating Transfers	27,000	22,000	22,000	-
Cash Forward	-	-	549,605	(549,605)
Total Expenditures	<u>594,241</u>	<u>1,028,185</u>	<u>\$ 1,292,125</u>	<u>\$ (263,940)</u>
Receipts Over (Under) Expenditures	(174,970)	(110,378)		
Unencumbered Cash, Beginning	<u>988,498</u>	<u>813,528</u>		
Unencumbered Cash, Ending	<u>\$ 813,528</u>	<u>\$ 703,150</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Employee Benefits Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 52,464	\$ 56,421	\$ 56,965	\$ (544)
Delinquent	597	442	1,550	(1,108)
Motor Vehicle	9,423	9,620	9,139	481
Recreational Vehicle	138	144	119	25
16/20M Truck Tags	117	138	112	26
Commercial Vehicle Tax	-	-	164	(164)
Watercraft Tax	63	65	62	3
Housing Authority - In Lieu	2,098	2,309	3,400	(1,091)
Miscellaneous	481	307	-	307
Interest	916	1,706	775	931
Total Cash Receipts	<u>66,297</u>	<u>71,152</u>	<u>\$ 72,286</u>	<u>\$ (1,134)</u>
Expenditures				
Social Security	11,160	10,749	\$ 13,200	\$ (2,451)
KPERS Retirement	11,660	12,470	12,800	(330)
Unemployment	119	115	200	(85)
Workmen's Comp	6,377	9,790	10,000	(210)
Fringe Benefits	2,383	2,512	4,000	(1,488)
Other Benefits	38,366	53,368	73,500	(20,132)
Cash Forward	-	-	119,335	(119,335)
Total Expenditures	<u>70,065</u>	<u>89,004</u>	<u>\$ 233,035</u>	<u>\$ (144,031)</u>
Receipts Over (Under) Expenditures	(3,768)	(17,852)		
Unencumbered Cash, Beginning	<u>172,846</u>	<u>169,078</u>		
Unencumbered Cash, Ending	<u>\$ 169,078</u>	<u>\$ 151,226</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Library Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 46,637	\$ 50,036	\$ 50,521	\$ (485)
Delinquent	531	393	1,200	(807)
Motor Vehicle	8,402	8,560	8,123	437
Recreational Vehicle	123	128	106	22
16/20M Truck Tags	104	123	99	24
Commercial Vehicle Tax	-	-	146	(146)
Watercraft Tax	56	58	55	3
Library Payment - In Lieu	1,865	2,047	2,050	(3)
Other	30	95,456	-	95,456
Interest	421	428	60	368
Total Cash Receipts	<u>58,169</u>	<u>157,229</u>	<u>\$ 62,360</u>	<u>\$ 94,869</u>
Expenditures				
Personal Services	36,630	34,417	\$ 42,000	\$ (7,583)
Contractual Services	9,150	8,876	36,625	(27,749)
Commodities	226	86	250	(164)
Capital Outlay	-	105,995	72,280	33,715
Appropriation	20,000	10,000	10,000	-
Total Expenditures	<u>66,006</u>	<u>159,374</u>	<u>\$ 161,155</u>	<u>\$ (1,781)</u>
Receipts Over (Under) Expenditures	(7,837)	(2,145)		
Unencumbered Cash, Beginning	<u>107,383</u>	<u>99,546</u>		
Unencumbered Cash, Ending	<u>\$ 99,546</u>	<u>\$ 97,401</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Special Highway Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
State of Kansas	\$ 29,235	\$ 27,604	\$ 29,260	\$ (1,656)
Other	6,093	-	-	-
Interest	1,318	2,639	1,250	1,389
Total Cash Receipts	<u>36,646</u>	<u>30,243</u>	<u>\$ 30,510</u>	<u>\$ (267)</u>
Expenditures				
Commodities	43,050	22,765	\$ 31,856	\$ (9,091)
Contractual	738	-	1,000	(1,000)
Cash Forward	-	-	142,345	(142,345)
Total Expenditures	<u>43,788</u>	<u>22,765</u>	<u>\$ 175,201</u>	<u>\$ (152,436)</u>
Receipts Over (Under) Expenditures	(7,142)	7,478		
Unencumbered Cash, Beginning	<u>168,617</u>	<u>161,475</u>		
Unencumbered Cash, Ending	<u>\$ 161,475</u>	<u>\$ 168,953</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Special Highway Improvement Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Interest	\$ 965	\$ 1,695	\$ 600	\$ 1,095
Expenditures				
Contractual	-	-	\$ 2,400	\$ (2,400)
Cash Forward	-	-	81,620	(81,620)
Total Expenditures	-	-	\$ 84,020	\$ (84,020)
Receipts Over (Under) Expenditures	965	1,695		
Unencumbered Cash, Beginning	85,152	86,117		
Unencumbered Cash, Ending	\$ 86,117	\$ 87,812		

CITY OF WASHINGTON, KANSAS

Schedule 2

Special Law and Fire Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Interest	\$ 548	\$ 720	\$ 175	\$ 545
Operating Transfers	5,000	2,000	2,000	-
Total Cash Receipts	<u>5,548</u>	<u>2,720</u>	<u>\$ 2,175</u>	<u>\$ 545</u>
Expenditures				
Contractual	-	-	\$ 3,100	\$ (3,100)
Cash Forward	-	-	103,629	(103,629)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 106,729</u>	<u>\$ (106,729)</u>
Receipts Over (Under) Expenditures	5,548	2,720		
Unencumbered Cash, Beginning	<u>102,384</u>	<u>107,932</u>		
Unencumbered Cash, Ending	<u>\$ 107,932</u>	<u>\$ 110,652</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Special Park and Recreation Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Local Alcoholic Liquor	\$ 5,101	\$ 3,327	\$ 5,379	\$ (2,052)
Fees	5,296	5,384	5,700	(316)
Interest	358	465	200	265
Other	-	-	700	(700)
Total Cash Receipts	<u>10,755</u>	<u>9,176</u>	<u>\$ 11,979</u>	<u>\$ (2,803)</u>
Expenditures				
Commodities	60	-	\$ 15,500	\$ (15,500)
Cash Forward	-	-	<u>74,651</u>	<u>(74,651)</u>
Total Expenditures	<u>60</u>	<u>-</u>	<u>\$ 90,151</u>	<u>\$ (90,151)</u>
Receipts Over (Under) Expenditures	10,695	9,176		
Unencumbered Cash, Beginning	<u>71,337</u>	<u>82,032</u>		
Unencumbered Cash, Ending	<u>\$ 82,032</u>	<u>\$ 91,208</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Fees	\$ -	\$ -	\$ 50	\$ (50)
Interest	37	61	-	61
Total Cash Receipts	<u>37</u>	<u>61</u>	<u>\$ 50</u>	<u>\$ 11</u>
Expenditures				
Programs	100	80	\$ 100	\$ (20)
Cash Forward	-	-	3,043	(3,043)
Total Expenditures	<u>100</u>	<u>80</u>	<u>\$ 3,143</u>	<u>\$ (3,063)</u>
Receipts Over (Under) Expenditures	(63)	(19)		
Unencumbered Cash, Beginning	<u>3,143</u>	<u>3,080</u>		
Unencumbered Cash, Ending	<u>\$ 3,080</u>	<u>\$ 3,061</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Municipal Equipment Reserve Fund
 Schedule of Receipts and Expenditures (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 3,225	\$ 2,871
Other	28,575	8,814
Operating Transfers	<u>61,900</u>	<u>69,900</u>
Total Cash Receipts	<u>93,700</u>	<u>81,585</u>
Expenditures		
Contractual Services	186,100	33,915
Capital Outlay	<u>59,430</u>	<u>15,502</u>
Total Expenditures	<u>245,530</u>	<u>49,417</u>
Receipts Over (Under) Expenditures	(151,830)	32,168
Unencumbered Cash, Beginning	<u>553,728</u>	<u>401,898</u>
Unencumbered Cash, Ending	<u>\$ 401,898</u>	<u>\$ 434,066</u>

CITY OF WASHINGTON, KANSAS

Schedule 2

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Sales Tax	\$ 197,364	\$ 211,148
Interest	<u>866</u>	<u>1,066</u>
Total Cash Receipts	<u>198,230</u>	<u>212,214</u>
Expenditures		
Debt Service	<u>795,442</u>	<u>-</u>
Receipts Over (Under) Expenditures	(597,212)	212,214
Unencumbered Cash, Beginning	<u>891,749</u>	<u>294,537</u>
Unencumbered Cash, Ending	<u>\$ 294,537</u>	<u>\$ 506,751</u>

CITY OF WASHINGTON, KANSAS

Schedule 2

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfers	\$ 5,000	\$ 10,000
Interest	683	700
County Payments	<u>60,000</u>	<u>31,219</u>
Total Cash Receipts	<u>65,683</u>	<u>41,919</u>
Expenditures		
Capital Outlay	<u>-</u>	<u>57,959</u>
Receipts Over (Under) Expenditures	65,683	(16,040)
Unencumbered Cash, Beginning	<u>43,632</u>	<u>109,315</u>
Unencumbered Cash, Ending	<u>\$ 109,315</u>	<u>\$ 93,275</u>

CITY OF WASHINGTON, KANSAS

Schedule 2

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Interest	\$ 49,314	\$ 15,685
CDBG Grant	5,000	346,900
Donations	4,000	-
Other	13,229	-
Transfers	15,000	20,000
Temporary note premiums	30,197	-
Temporary note proceeds	<u>6,150,000</u>	<u>-</u>
Total Cash Receipts	<u>6,266,740</u>	<u>382,585</u>
 Expenditures		
Cost of issuance	83,025	-
Temporary note interest	52,617	123,000
Contractual	<u>293,376</u>	<u>4,790,318</u>
	<u>429,018</u>	<u>4,913,318</u>
 Receipts Over (Under) Expenditures	 5,837,722	 (4,530,733)
 Unencumbered Cash, Beginning	 <u>54,634</u>	 <u>5,892,356</u>
 Unencumbered Cash, Ending	 <u>\$ 5,892,356</u>	 <u>\$ 1,361,623</u>

CITY OF WASHINGTON, KANSAS

Schedule 2

Water Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 268,508	\$ 334,173	\$ 295,000	\$ 39,173
Interest	3,626	3,570	2,100	1,470
Sale of Property, Refunds and Other	30,515	1,060	1,050	10
Total Cash Receipts	<u>302,649</u>	<u>338,803</u>	<u>\$ 298,150</u>	<u>\$ 40,653</u>
Expenditures				
Personal Services	41,900	45,725	56,000	\$ (10,275)
Contractual Services	74,853	50,906	267,500	(216,594)
Commodities	6,067	12,520	106,700	(94,180)
Capital Outlay	201,340	-	15,000	(15,000)
Operating Transfers	10,800	10,800	10,800	-
Cash Forward	-	-	800,559	(800,559)
Total Expenditures	<u>334,960</u>	<u>119,951</u>	<u>\$ 1,256,559</u>	<u>\$ (1,136,608)</u>
Receipts Over (Under) Expenditures	(32,311)	218,852		
Unencumbered Cash, Beginning	<u>860,409</u>	<u>828,098</u>		
Unencumbered Cash, Ending	<u>\$ 828,098</u>	<u>\$ 1,046,950</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Electric Utility Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 1,466,261	\$ 1,358,632	\$ 1,940,000	\$ (581,368)
Fines, Forfeitures and Penalties	8,809	8,224	14,500	(6,276)
Interest	9,640	15,216	7,200	8,016
Sale of Property and Other	156,619	162,483	1,050	161,433
Total Cash Receipts	<u>1,641,329</u>	<u>1,544,555</u>	<u>\$ 1,962,750</u>	<u>\$ (418,195)</u>
Expenditures				
Personal Services	293,368	303,924	\$ 412,500	\$ (108,576)
Contractual Services	908,497	922,714	1,454,075	(531,361)
Commodities	77,012	36,851	106,500	(69,649)
Capital Outlay	138,598	14,424	115,000	(100,576)
Lease Principal	89,608	8,009	7,960	49
Lease Interest	3,284	46	40	6
Miscellaneous	116	71,194	-	71,194
Operating Transfers	44,100	44,100	44,100	-
Cash Forward	-	-	964,317	(964,317)
Total Expenditures	<u>1,554,583</u>	<u>1,401,262</u>	<u>\$ 3,104,492</u>	<u>\$ (1,703,230)</u>
Receipts Over (Under) Expenditures	86,746	143,293		
Unencumbered Cash, Beginning	<u>1,304,532</u>	<u>1,391,278</u>		
Unencumbered Cash, Ending	<u>\$ 1,391,278</u>	<u>\$ 1,534,571</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Sewer and Waste Utility Fund
 Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
User Fees	\$ 170,922	\$ 167,908	\$ 192,000	\$ (24,092)
Interest	2,906	2,896	1,700	1,196
Other	949	930	2,100	(1,170)
Total Cash Receipts	<u>174,777</u>	<u>171,734</u>	<u>\$ 195,800</u>	<u>\$ (24,066)</u>
Expenditures				
Personal Services	45,449	48,988	\$ 69,000	\$ (20,012)
Contractual Services	162,596	166,526	204,670	(38,144)
Commodities	6,726	6,770	12,350	(5,580)
Capital Outlay	-	-	36,000	(36,000)
Operating Transfers	-	15,000	15,000	-
Cash Forward	-	-	268,269	(268,269)
Total Expenditures	<u>214,771</u>	<u>237,284</u>	<u>\$ 605,289</u>	<u>\$ (368,005)</u>
Receipts Over (Under) Expenditures	(39,994)	(65,550)		
Unencumbered Cash, Beginning	<u>411,289</u>	<u>371,295</u>		
Unencumbered Cash, Ending	<u>\$ 371,295</u>	<u>\$ 305,745</u>		

CITY OF WASHINGTON, KANSAS

Schedule 2

Ambulance Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 45,886	\$ 60,276	\$ 62,000	\$ (1,724)
County Payments	60,489	43,115	57,000	(13,885)
Interest	250	232	600	(368)
State Payments	-	1,751	3,100	(1,349)
Total Cash Receipts	<u>106,625</u>	<u>105,374</u>	<u>\$ 122,700</u>	<u>\$ (17,326)</u>
Expenditures				
Personal Services	73,480	90,019	86,600	\$ 3,419
Contractual Services	10,917	14,038	15,330	(1,292)
Commodities	4,751	6,545	6,700	(155)
Capital Outlay	-	-	2,100	(2,100)
Operating Transfers	5,000	10,000	5,000	5,000
Cash Forward	-	-	85,954	(85,954)
Total Expenditures	<u>94,148</u>	<u>120,602</u>	<u>\$ 201,684</u>	<u>\$ (81,082)</u>
Receipts Over (Under) Expenditures	12,477	(15,228)		
Unencumbered Cash, Beginning	<u>73,264</u>	<u>85,741</u>		
Unencumbered Cash, Ending	<u>\$ 85,741</u>	<u>\$ 70,513</u>		

CITY OF WASHINGTON, KANSAS

Schedule 3

Agency Funds
Summary of Receipts and Disbursements (Regulatory Basis)
For the Year Ended December 31, 2020

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Unencumbered Cash Balance
Electric Meter Deposit	\$ 61,540	\$ 5,381	\$ 1,754	\$ 65,167
Water Meter Deposit	9,405	2,275	834	10,846
Cemetery Perpetual Care	57,445	225	-	57,670
Unreimbursed Medical	520	1,709	1,690	539
Total Agency Funds	<u>\$ 128,910</u>	<u>\$ 9,590</u>	<u>\$ 4,278</u>	<u>\$ 134,222</u>

CITY OF WASHINGTON, KANSAS
Related Municipal Entity
Washington Public Library

Schedule 4

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Appropriation - Library Fund	\$ 20,000	\$ 10,000
State of Kansas	1,495	1,794
Fines, Memorials and Other	2,445	2,497
Building Repair Campaign	858	5,053
Interest	799	353
Total Cash Receipts	<u>25,597</u>	<u>19,697</u>
 Expenditures		
Contractual Services	5,780	59,991
Commodities	3,845	2,944
Capital Outlay	<u>10,762</u>	<u>5,909</u>
Total Expenditures	<u>20,387</u>	<u>68,844</u>
 Receipts Over (Under) Expenditures	 5,210	 (49,147)
 Unencumbered Cash, Beginning	 <u>48,128</u>	 <u>53,338</u>
 Unencumbered Cash, Ending	 <u><u>\$ 53,338</u></u>	 <u><u>\$ 4,191</u></u>

CITY OF WASHINGTON, KANSAS

SINGLE AUDIT SECTION

December 31, 2020

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

To the Mayor and City Council
Washington, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of City of Washington, Kansas, as of and for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the City of Washington, Kansas's basic financial statement, and have issued our report thereon dated March 23, 2021.

Internal Control over Financial Reporting

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

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

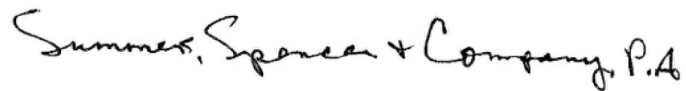
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Summers, Spencer & Company, P.A." in a cursive script.

Summers, Spencer & Company, P.A.
Salina, Kansas

March 23, 2021

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

To the Mayor and City Council
Washington, Kansas

Report on Compliance for Each Major Federal Program

We have audited City of Washington, Kansas's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Washington, Kansas's major federal programs for the year ended December 31, 2020. City of Washington, Kansas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Washington, Kansas's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Washington, Kansas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Washington, Kansas's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Washington, Kansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

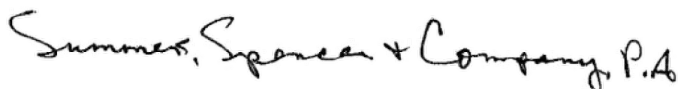
Report on Internal Control over Compliance

Management of City of Washington, Kansas is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered City of Washington, Kansas's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Washington, Kansas's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Summers, Spencer & Company, P.A.
Salina, Kansas

March 23, 2021

CITY OF WASHINGTON, KANSAS
Schedule of Findings and Questioned Costs

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of City of Washington, Kansas was prepared in accordance with the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. No material weaknesses or significant deficiencies were identified in the design or operation of internal control over financial reporting.
3. No instances of noncompliance material to the financial statement of City of Washington, Kansas, which would require to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses or significant deficiencies were identified during the audit of the major federal award program.
5. The auditor's report on compliance for each major federal award program for the City of Washington, Kansas expresses an unmodified opinion on all major programs.
6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with the 2 CFR 200.516 (a).
7. The following program was tested as a major program during the period under audit:

10.770 Water and Waste Disposal Loans and Grants (Section 306C)
8. The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.
9. City of Washington, Kansas was determined to not be a low-risk auditee.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CITY OF WASHINGTON, KANSAS
Summary Schedule of Prior Year Audit Findings

PRIOR YEAR AUDIT FINDINGS

None

OTHER INFORMATION

CITY OF WASHINGTON, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures</i>
<i>CDBG - Entitlement Grants-Cluster</i>				
Department of Housing and Urban Development				
Community Development Block Grants/Special Purpose Grants/Insular Areas				
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225	021	Kansas Department of Commerce, Grant No. 19-PF-	<u>\$ 380,900</u>
Total Community Development Block Grants/Special Purpose Grants/Insular Areas				<u>380,900</u>
<i>Total Department of Housing and Urban Development</i>				<u>380,900</u>
<i>Total CDBG - Entitlement Grants-Cluster</i>				<u>380,900</u>
<i>Community Facilities Loans and Grants Cluster-Cluster</i>				
United States Department of Agriculture				
Community Facilities Loans and Grants				
Community Facilities Loans and Grants	10.766			<u>41,400</u>
Total Community Facilities Loans and Grants				<u>41,400</u>
<i>Total United States Department of Agriculture</i>				<u>41,400</u>
<i>Total Community Facilities Loans and Grants Cluster-Cluster</i>				<u>41,400</u>

CITY OF WASHINGTON, KANSAS
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures</i>
<i>Other Programs</i>				
Department of the Treasury				
Coronavirus Relief Fund				
Coronavirus Relief Fund	21.019	Washington County Kansas		\$ 45,040
Total Coronavirus Relief Fund				<u>45,040</u>
<i>Total Department of the Treasury</i>				45,040
United States Department of Agriculture				
Water and Waste Disposal Loans and Grants (Section 306C)				
Water and Waste Disposal Loans and Grants (Section 306C)	10.770		Distribution System-- Agency Grant	1,320,000
Water and Waste Disposal Loans and Grants (Section 306C)	10.770		Distribution System-- Agency Loan	<u>3,105,505</u>
Total Water and Waste Disposal Loans and Grants (Section 306C)				4,425,505
Emergency Watershed Protection Program				
Emergency Watershed Protection Program	10.923			<u>154,118</u>
Total Emergency Watershed Protection Program				<u>154,118</u>
<i>Total United States Department of Agriculture</i>				<u>4,579,623</u>
<i>Total Other Programs</i>				<u>4,624,663</u>
<i>Total Expenditures of Federal Awards</i>				<u>\$ 5,046,963</u>

No awards were passed through to subrecipients.

CITY OF WASHINGTON, KANSAS

Notes to Schedule of Expenditures of Federal Awards

Note 1 – Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Washington, Kansas (the City) and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirement to Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the City.

Note 2 – Summary of significant accounting policies

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

Note 3 – Indirect Costs

City of Washington, Kansas did not elect to use the 10% de minimis cost rate.