

**CITY OF VALLEY CENTER, KANSAS**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2019**

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CITY OF VALLEY CENTER, KANSAS

FINANCIAL STATEMENTS  
Year Ended December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Valley Center, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the municipal financial reporting entity of the City of Valley Center, Kansas (the City), as of and for the year ended December 31, 2019 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditors' 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 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 auditors' 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 1 of the financial statement, the financial statement is prepared by the City 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 conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

*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, and the summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 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 the 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 and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

*Other Matter*

The 2018 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) for the year ended December 31, 2018, is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The City’s basic financial statement for the year ended December 31, 2018 (not presented herein), was audited by other auditors whose report dated July 16, 2019, expressed an unmodified opinion on the basic financial statement. The 2018 basic financial statement and the other auditor’s report are available in electronic form from the website of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated July 16, 2019, stated that the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2018, was subjected to auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

June 1, 2020

CITY OF VALLEY CENTER, KANSAS  
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Fund:							
General	\$ 840,562	\$ -	\$ 3,100,836	\$ 3,080,617	\$ 860,781	\$ 55,635	\$ 916,416
Special Purpose Funds:							
Library	1,002	-	258,421	259,423	-	6,286	6,286
Employee Benefits	312,532	-	587,039	722,111	177,460	588	178,048
Emergency Equipment	112,705	-	59,697	66,965	105,437	-	105,437
Special Highway	405,215	-	933,104	917,201	421,118	131,732	552,850
Equipment Reserve	368,309	-	31,677	41,248	358,738	3,000	361,738
Alcohol and Drug Safety Action Program	1,049	-	-	-	1,049	-	1,049
Active Aging	[26]	-	26	-	-	-	-
Special Alcohol & Drug	36,783	-	4,788	266	41,305	-	41,305
Special Parks and Recreation	15,610	-	4,842	-	20,452	-	20,452
Drug Tax	5,347	-	-	-	5,347	-	5,347
Building Equipment Reserve	119,805	-	-	-	119,805	-	119,805
Park Beautification	2,202	-	-	-	2,202	-	2,202
D.A.R.E.	1,554	-	89	296	1,347	-	1,347
Law Enforcement	2,500	-	-	-	2,500	-	2,500
Land Bank Reserve	5,942	-	40,000	10,371	35,571	-	35,571
Bond and Interest Fund:							
Bond and Interest	340,900	-	2,694,721	1,888,040	1,147,581	-	1,147,581
Capital Projects Funds:							
Capital Projects	1,166,337	-	7,550,446	2,320,486	6,396,297	44,708	6,441,005
Business Funds:							
Water	3,202,855	-	2,118,365	1,990,001	3,331,219	35,975	3,367,194
Sewer	1,146,951	-	1,340,858	1,146,193	1,341,616	5,079	1,346,695
Stormwater	225,781	-	312,340	324,312	213,809	119	213,928
Solid Waste	<u>158,383</u>	<u>-</u>	<u>474,088</u>	<u>473,833</u>	<u>158,638</u>	<u>-</u>	<u>158,638</u>
Total Primary Government	8,472,298	-	19,511,337	13,241,363	14,742,272	283,122	15,025,394
Related Municipal Entities:							
Valley Center Public Library	<u>30,045</u>	<u>-</u>	<u>295,758</u>	<u>288,025</u>	<u>37,778</u>	<u>3,559</u>	<u>41,337</u>
Total Reporting Entity	<u>\$ 8,502,343</u>	<u>\$ -</u>	<u>\$ 19,807,095</u>	<u>\$ 13,529,388</u>	<u>\$ 14,780,050</u>	<u>\$ 286,681</u>	<u>\$ 15,066,731</u>

Composition of Cash:

Intrust Bank	
Operating	\$ 7,542,473
Money Market	6,675,223
Halstead Bank	
Checking	702,252
Emprise Bank	
Certificate of Deposit	105,446
Chisolm Trail State Bank	
Library Checking	14,017
Library Money Market	27,220
Library Petty Cash	100
Total Reporting Entity	<u>\$ 15,066,731</u>

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Valley Center (the City) is a municipal corporation governed by a mayor and eight-member council. This financial statement presents the City (the primary government) and the Valley Center Public Library (related municipal entity) for which the City is considered to be financially accountable. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Library Board – The City of Valley Center 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.

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 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.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2019:

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.

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 Projects 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).

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

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. The budget was not amended during the year ended December 31, 2019.

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

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

A legal operating budget is not required for capital project funds and certain special purpose funds including: Equipment Reserve, Alcohol and Drug Safety Action Program, Active Aging, Drug Tax, Building Equipment Reserve, Park Beautification, D.A.R.E., Law Enforcement, and Land Bank Reserve funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 2 - Deposits and Investments

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

*Investments.* 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. As of December 31, 2019, the City held no such investments.

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

*Custodial credit risk – deposits.* 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 no designated "peak periods". All deposits were legally secured at December 31, 2019.

At December 31, 2019, the City's and Library's carrying amounts of deposits were \$15,025,394 and \$41,337, respectively, and the bank balances were \$15,024,533 and \$36,965, respectively. The City's bank balances were held by three banks and the Library's bank balances was held by one bank, resulting in a concentration of credit risk. Of the City's bank balance, \$605,446 was covered by federal depository insurance and the remaining balance of \$14,419,087 was collateralized with securities held by the pledging financial institutions' agents in the City's name. Of the Library's bank balance, \$41,337 was covered by federal depository insurance.

*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 3 – Defined Benefit Pension

*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.

*Funding Policy.* 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, 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.

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2019

NOTE 3 – Defined Benefit Pension (Continued)

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 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$220,469 for the year ended December 31, 2019.

*Net Pension Liability.* At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,821,726. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of 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 KPERS website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

NOTE 4 - Long-Term Debt

Following is a summary of changes in long-term debt for the year ended December 31, 2019:

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2019</u>	Interest <u>Paid</u>
<b>Paid by Taxes:</b>					
General Obligation Bonds	\$ 16,935,000	\$ 3,980,000	\$ 1,360,000	\$ 19,555,000	\$ 486,122
Temporary Notes	1,495,000	3,400,000	-	4,895,000	40,417
	<u>\$ 18,430,000</u>	<u>\$ 7,380,000</u>	<u>\$ 1,360,000</u>	<u>\$ 24,450,000</u>	<u>\$ 526,539</u>
<b>Paid by Utility Revenues:</b>					
KDHE Revolving Loan	\$ 1,835,109	-	\$ 163,606	\$ 1,671,503	\$ 45,041
<b>Total</b>	<u>\$ 20,265,109</u>	<u>\$ 7,380,000</u>	<u>\$ 1,523,606</u>	<u>\$ 26,121,503</u>	<u>\$ 571,580</u>

CITY OF VALLEY CENTER, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

*General Obligation Bonds.* Following is a detailed listing of the City's outstanding general obligation debt:

<u>Description</u>	<u>Interest Rates</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Paid by taxes					
G.O. Bonds issued:					
Series 2010-1	2.25% - 3.875%	6/15/2010	12/1/2025	\$ 2,005,000	\$ 225,000
Series 2012-1	2.00% - 3.00%	4/11/2012	12/1/2027	4,665,000	1,950,000
Series 2012-2	2.00% - 3.375%	4/11/2012	12/1/2032	2,065,000	1,260,000
Series 2013	2.00% - 4.00%	2/12/2013	12/1/2033	6,635,000	4,000,000
Series 2016-1	2.00% - 3.00%	6/1/2016	12/1/2036	4,490,000	4,035,000
Series 2017-1	2.00% - 3.35%	11/1/2017	12/1/2032	3,030,000	2,635,000
Series 2018-1	2.65% - 3.65%	8/23/2018	12/1/2038	1,470,000	1,470,000
Series 2019-1	3.00% - 4.00%	5/23/2019	12/1/2039	<u>3,980,000</u>	<u>3,980,000</u>
				<u>\$ 28,340,000</u>	<u>\$ 19,555,000</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 1,260,000	\$ 640,478	\$ 1,900,478
2021	1,375,000	481,485	1,856,485
2022	1,420,000	448,516	1,868,516
2023	1,385,000	413,800	1,798,800
2024	1,435,000	378,578	1,813,578
2025-2029	5,845,000	1,384,305	7,229,305
2030-2034	4,590,000	833,093	5,423,093
2035-2039	<u>2,245,000</u>	<u>259,715</u>	<u>2,504,715</u>
	<u>\$ 19,555,000</u>	<u>\$ 4,839,970</u>	<u>\$ 24,394,970</u>

On May 23, 2019, the City issued General Obligation Bonds, Series 2019-1 in the amount of \$3,980,000. The bonds carry an interest rate of 3.00% to 3.55% with a maturity date of December 1, 2039. The proceeds of the bonds will be used to permanently finance wastewater improvements with the City.

CITY OF VALLEY CENTER, KANSAS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

*KDHE Loans Payable.* The City is currently indebted to the KDHE revolving loans program for the following loan outstanding as of December 31, 2019:

Fund	Description	Outstanding Balance
Wastewater Fund	KDHE Project No. C20 1740 01 WWTP	<u>\$ 1,671,503</u>

Annual debt service requirements to maturity for the KDHE loans payable are as follows:

Year Ending December 31,	KDHE Loan
2020	\$ 204,573
2021	204,995
2022	205,427
2023	205,871
2024	206,326
2024-2028	<u>830,082</u>
Total Principal and Interest	1,857,274
Total Interest	<u>185,771</u>
Total Principal	<u>\$ 1,671,503</u>

*Temporary Notes.* On August 23, 2018, the City issued \$1,495,000 in General Obligation Temporary Notes, Series 2018-1. The temporary notes carry an interest rate of 2.125% and fully mature on December 1, 2021. The proceeds of the notes will be used to pay for the construction of certain street improvements within the City.

On May 23, 2019, the City issued General Obligation Temporary Notes, Series 2019-1 in the amount of \$3,400,000. The notes carry an interest rate of 3.25% with a maturity date of December 1, 2020. The proceeds of the notes will be used to pay for the construction of certain water improvements within the City.

Annual payments to maturity for the temporary notes are as follows:

Year Ending December 31,	Principal	Interest	Totals
2020	\$ 3,400,000	\$ 135,280	\$ 3,535,280
2021	<u>1,495,000</u>	<u>31,769</u>	<u>1,526,769</u>
Total	<u>\$ 4,895,000</u>	<u>\$ 167,049</u>	<u>\$ 5,062,049</u>

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

*Special Assessments.* As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the Bond and Interest Fund. The special assessments receivable are not recorded as regulatory receipts when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults which have historically been immaterial.

*Subsequent Events.* On February 26, 2020, the City issued General Obligation Bonds, Series 2020-1 in the amount of \$4,510,000. The bonds carry an interest rate of 2.00% to 4.00% with a maturity date of December 1, 2039. The proceeds of the bonds will be used to permanently finance certain capital improvements within the City.

On January 7, 2020, the City signed a \$250,000 capital lease agreement to purchase a street sweeper. Terms of the lease call for five years of annual principal and interest payments at a rate of 3.125%.

NOTE 5 – Compensated Absences

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

<u>Work Years</u>	<u>Days</u>	
	<u>Earned</u>	<u>Available To Use</u>
Initial employment through first anniversary	10	0
2nd through 5th anniversary	10	10
6th through 8th anniversary	12	12
9th through 14th anniversary	14	14
15th through 20th anniversary	18	18
21st anniversary and thereafter	20	20

As of December 31, 2019, the liability for earned vacation pay was \$87,942.

NOTE 6 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial Statement of the City as of December 31, 2019.

NOTE 7 - 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; natural disasters and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2019

NOTE 8 - Interfund Transfers

A reconciliation of transfers by fund type for 2019 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Special Highway	Equipment Reserve	\$ 4,000	K.S.A. 12-1,117
Water	Equipment Reserve	4,000	K.S.A. 12-1,117
Solid Waste	Equipment Reserve	15,000	K.S.A. 12-1,117
Water	Bond & Interest	274,500	K.S.A. 12-825d
Stormwater	Bond & Interest	225,000	K.S.A. 12-825d
Water	General	49,500	K.S.A. 12-825d
Sewer	General	80,000	K.S.A. 12-825d
Stormwater	General	15,000	K.S.A. 12-825d
Solid Waste	General	25,000	K.S.A. 12-825d
		<u>\$ 692,000</u>	

NOTE 9 – 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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. There is no cost to the City under this program.

*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, 2019.

NOTE 10 – Employee Health Care

The City has established a program to pay medical claims of covered employees through a stop-loss, self-funded healthcare insurance plan. Health insurance claims are paid monthly to the insurance provider up to a maximum accumulated attachment point. The attachment point is based on the number of employees enrolled and the type of plan each employee is enrolled in each month. The attachment point resets each January 1<sup>st</sup>. As of December 31, 2019, all claims have been paid and the annual attachment point limit for the year has been met. Therefore, no liability exists as of December 31, 2019.

CITY OF VALLEY CENTER, KANSAS  
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019

<u>Funds</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 Over [Under]</u>
General Funds:					
General	\$ 3,128,640	\$ -	\$ 3,128,640	\$ 3,080,617	\$ 48,023
Special Purpose Funds:					
Library	270,000	-	270,000	259,423	10,577
Employee Benefits	833,290	-	833,290	722,111	111,179
Emergency Equipment	102,945	-	102,945	66,965	35,980
Special Highway	1,015,383	-	1,015,383	917,201	98,182
Special Alcohol & Drug	5,000	-	5,000	266	4,734
Special Parks and Recreation	4,000	-	4,000	-	4,000
Bond and Interest Funds:					
Bond and Interest	2,055,025	-	2,055,025	1,888,040	166,985
Business Funds:					
Water	1,724,280	384,301	2,108,581	1,990,001	118,580
Sewer	1,154,212	80,627	1,234,839	1,146,193	88,646
Stormwater	338,275	-	338,275	324,312	13,963
Solid Waste	506,000	-	506,000	473,833	32,167

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes	\$ 2,394,552	\$ 1,896,327	\$ 1,355,225	\$ 541,102
Intergovernmental	619,477	643,505	579,000	64,505
Licenses and permits	98,436	134,772	621,850	[487,078]
Fines and fees	138,412	147,368	142,100	5,268
Use of money and property	11,816	18,288	1,000	17,288
Charges for services	2,000	3,000	16,100	[13,100]
Reimbursement	105,187	122,113	-	122,113
Miscellaneous	9,243	135,463	270,155	[134,692]
Total Receipts	<u>3,379,123</u>	<u>3,100,836</u>	<u>\$ 2,985,430</u>	<u>\$ 115,406</u>
Expenditures				
General Government				
Administration	678,406	670,706	\$ 614,510	\$ [56,196]
Public Works				
Community development	202,507	230,754	234,990	4,236
Environmental services	20,042	-	-	-
Public Safety				
Police department	1,028,490	1,149,024	1,135,500	[13,524]
Fire department	318,650	338,744	337,838	[906]
Legal and municipal court	143,538	161,994	145,252	[16,742]
Culture and Recreation				
Parks	515,649	529,395	580,550	51,155
Transfers out	664,800	-	80,000	80,000
Total Expenditures	<u>3,572,082</u>	<u>3,080,617</u>	<u>\$ 3,128,640</u>	<u>\$ 48,023</u>
Receipts Over [Under] Expenditures	[192,959]	20,219		
Unencumbered Cash, Beginning	<u>1,033,521</u>	<u>840,562</u>		
Unencumbered Cash, Ending	<u>\$ 840,562</u>	<u>\$ 860,781</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
LIBRARY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	<u>\$ 242,352</u>	<u>\$ 258,421</u>	<u>\$ 261,393</u>	<u>\$ [2,972]</u>
Total Receipts	<u>242,352</u>	<u>258,421</u>	<u>\$ 261,393</u>	<u>\$ [2,972]</u>
Expenditures				
Culture and recreation appropriation	<u>242,621</u>	<u>259,423</u>	<u>\$ 270,000</u>	<u>\$ 10,577</u>
Total Expenditures	<u>242,621</u>	<u>259,423</u>	<u>\$ 270,000</u>	<u>\$ 10,577</u>
Receipts Over [Under] Expenditures	[269]	[1,002]		
Unencumbered Cash, Beginning	<u>1,271</u>	<u>1,002</u>		
Unencumbered Cash, Ending	<u>\$ 1,002</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
 EMPLOYEE BENEFITS FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 531,246	\$ 567,308	\$ 577,069	\$ [9,761]
Reimbursement	10,223	3,353	-	3,353
Use of money and property	-	16,378	-	16,378
Total Receipts	<u>541,469</u>	<u>587,039</u>	<u>\$ 577,069</u>	<u>\$ 9,970</u>
Expenditures				
Personal services	557,867	577,379	\$ 821,290	\$ 243,911
Insurance claims	<u>141,976</u>	<u>144,732</u>	<u>12,000</u>	<u>[132,732]</u>
Total Expenditures	<u>699,843</u>	<u>722,111</u>	<u>\$ 833,290</u>	<u>\$ 111,179</u>
Receipts Over [Under] Expenditures	[158,374]	[135,072]		
Unencumbered Cash, Beginning	<u>470,906</u>	<u>312,532</u>		
Unencumbered Cash, Ending	<u>\$ 312,532</u>	<u>\$ 177,460</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
 EMERGENCY EQUIPMENT FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 54,925	\$ 59,332	\$ 61,097	\$ [1,765]
Reimbursements	<u>21,529</u>	<u>365</u>	<u>-</u>	<u>365</u>
Total Receipts	<u>76,454</u>	<u>59,697</u>	<u>\$ 61,097</u>	<u>\$ [1,400]</u>
Expenditures				
Capital outlay	<u>110,486</u>	<u>66,965</u>	<u>\$ 102,945</u>	<u>\$ 35,980</u>
Total Expenditures	<u>110,486</u>	<u>66,965</u>	<u>\$ 102,945</u>	<u>\$ 35,980</u>
Receipts Over [Under] Expenditures	[34,032]	[7,268]		
Unencumbered Cash, Beginning	<u>146,737</u>	<u>112,705</u>		
Unencumbered Cash, Ending	<u>\$ 112,705</u>	<u>\$ 105,437</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
SPECIAL HIGHWAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 88,979	\$ 89,474	\$ 87,610	\$ 1,864
Intergovernmental	812,999	838,850	774,080	64,770
Transfer in	80,000	-	40,000	[40,000]
Licenses and permits	925	775	-	775
Use of money and property	-	3,355	-	3,355
Miscellaneous	<u>2,524</u>	<u>650</u>	<u>10,000</u>	<u>[9,350]</u>
Total Receipts	<u>985,427</u>	<u>933,104</u>	<u>\$ 911,690</u>	<u>\$ 21,414</u>
Expenditures				
Personal services	297,305	273,380	\$ 333,783	\$ 60,403
Contractual services	60,523	53,988	62,800	8,812
Commodities	81,575	50,877	78,800	27,923
Capital outlay	539,003	534,956	531,000	[3,956]
Miscellaneous	-	-	5,000	5,000
Transfers out	-	<u>4,000</u>	<u>4,000</u>	-
Total Expenditures	<u>978,406</u>	<u>917,201</u>	<u>\$ 1,015,383</u>	<u>\$ 98,182</u>
Receipts Over [Under] Expenditures	7,021	15,903		
Unencumbered Cash, Beginning	<u>398,194</u>	<u>405,215</u>		
Unencumbered Cash, Ending	<u>\$ 405,215</u>	<u>\$ 421,118</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
EQUIPMENT RESERVE FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ 84,800	\$ 23,000
Reimbursements	29,954	8,677
Miscellaneous	<u>65,380</u>	<u>-</u>
Total Receipts	<u>180,134</u>	<u>31,677</u>
Expenditures		
Capital outlay	<u>49,434</u>	<u>41,248</u>
Total Expenditures	<u>49,434</u>	<u>41,248</u>
Receipts Over [Under] Expenditures	130,700	[9,571]
Unencumbered Cash, Beginning	<u>237,609</u>	<u>368,309</u>
Unencumbered Cash, Ending	<u>\$ 368,309</u>	<u>\$ 358,738</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 ALCOHOL AND DRUG SAFETY ACTION PROGRAM FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Fines and fees	\$ -	\$ -
 Total Receipts	 -	 -
Expenditures		
Capital outlay	416	-
 Total Expenditures	 416	 -
 Receipts Over [Under] Expenditures	 [416]	 -
 Unencumbered Cash, Beginning	 1,465	 1,049
 Unencumbered Cash, Ending	 <u>1,049</u>	 <u>1,049</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
ACTIVE AGING FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Intergovernmental	\$ _____ -	\$ _____ 26
Total Receipts	_____ -	_____ 26
Expenditures		
Personal services	_____ -	_____ -
Total Expenditures	_____ -	_____ -
Receipts Over [Under] Expenditures	-	26
Unencumbered Cash, Beginning	_____ [26]	_____ [26]
Unencumbered Cash, Ending	<u>\$ _____ [26]</u>	<u>\$ _____ -</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 SPECIAL ALCOHOL & DRUG FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 5,670	\$ 4,788	\$ 4,000	\$ 788
Total Receipts	<u>5,670</u>	<u>4,788</u>	<u>\$ 4,000</u>	<u>\$ 788</u>
Expenditures				
Contractual services	<u>234</u>	<u>266</u>	\$ 5,000	\$ 4,734
Total Expenditures	<u>234</u>	<u>266</u>	<u>\$ 5,000</u>	<u>\$ 4,734</u>
Receipts Over [Under] Expenditures	5,436	4,522		
Unencumbered Cash, Beginning	<u>31,347</u>	<u>36,783</u>		
Unencumbered Cash, Ending	<u>\$ 36,783</u>	<u>\$ 41,305</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
SPECIAL PARKS AND RECREATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 5,670	\$ 4,842	\$ 4,000	\$ 842
Total Receipts	<u>5,670</u>	<u>4,842</u>	<u>\$ 4,000</u>	<u>\$ 842</u>
Expenditures				
Contractual services	-	-	\$ 4,000	\$ 4,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 4,000</u>	<u>\$ 4,000</u>
Receipts Over [Under] Expenditures	5,670	4,842		
Unencumbered Cash, Beginning	<u>9,940</u>	<u>15,610</u>		
Unencumbered Cash, Ending	<u>\$ 15,610</u>	<u>\$ 20,452</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
 DRUG TAX FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Reimbursements	\$ -	\$ -
 Total Receipts	 -	 -
Expenditures		
Capital outlay	-	-
 Total Expenditures	 -	 -
 Receipts Over [Under] Expenditures	 -	 -
 Unencumbered Cash, Beginning	 <u>5,347</u>	 <u>5,347</u>
 Unencumbered Cash, Ending	 <u>\$ 5,347</u>	 <u>\$ 5,347</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 BUILDING EQUIPMENT RESERVE FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ _____ -	\$ _____ -
Total Receipts	_____ -	_____ -
Expenditures		
Capital outlay	_____ -	_____ -
Total Expenditures	_____ -	_____ -
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	_____ 119,805	_____ 119,805
Unencumbered Cash, Ending	<u>\$ 119,805</u>	<u>\$ 119,805</u>

\* - This is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 PARK BEAUTIFICATION FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ -	\$ -
 Total Receipts	 -	 -
 Expenditures		
Capital outlay	-	-
 Total Expenditures	 -	 -
 Receipts Over [Under] Expenditures	 -	 -
 Unencumbered Cash, Beginning	 <u>2,202</u>	 <u>2,202</u>
 Unencumbered Cash, Ending	 <u>\$ 2,202</u>	 <u>\$ 2,202</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
D.A.R.E. FUND\*  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ 1,489	\$ 89
Total Receipts	<u>1,489</u>	<u>89</u>
Expenditures		
Miscellaneous commodities	<u>89</u>	<u>296</u>
Total Expenditures	<u>89</u>	<u>296</u>
Receipts Over [Under] Expenditures	1,400	[207]
Unencumbered Cash, Beginning	<u>154</u>	<u>1,554</u>
Unencumbered Cash, Ending	<u>\$ 1,554</u>	<u>\$ 1,347</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 LAW ENFORCEMENT FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ -	\$ -
	<u>          -</u>	<u>          -</u>
Total Receipts	-	-
Expenditures		
Capital outlay	-	-
	<u>          -</u>	<u>          -</u>
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>          2,500</u>	<u>          2,500</u>
Unencumbered Cash, Ending	<u>\$          2,500</u>	<u>\$          2,500</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 LAND BANK RESERVE FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 14,000	\$ 40,000
Total Receipts	<u>14,000</u>	<u>40,000</u>
Expenditures		
Contractual	<u>23,458</u>	<u>10,371</u>
Total Expenditures	<u>23,458</u>	<u>10,371</u>
Receipts Over [Under] Expenditures	[9,458]	29,629
Unencumbered Cash, Beginning	<u>15,400</u>	<u>5,942</u>
Unencumbered Cash, Ending	<u>\$ 5,942</u>	<u>\$ 35,571</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
 BOND AND INTEREST FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes	\$ 300,480	\$ 858,884	\$ 951,390	\$ [92,506]
Special assessment	574,226	1,263,473	475,000	788,473
Use of money and property	-	3,353	-	3,353
Bond proceeds	1,470,000	69,511	-	69,511
Bond premium	16,446	-	-	-
Transfer in	699,500	499,500	704,500	[205,000]
Total Receipts	<u>3,060,652</u>	<u>2,694,721</u>	<u>\$ 2,130,890</u>	<u>\$ 563,831</u>
Expenditures				
Principal	2,710,000	1,360,000	\$ 1,523,607	\$ 163,607
Interest	483,666	526,539	531,418	4,879
Miscellaneous	359	1,501	-	[1,501]
Total Expenditures	<u>3,194,025</u>	<u>1,888,040</u>	<u>\$ 2,055,025</u>	<u>\$ 166,985</u>
Receipts Over [Under] Expenditures	[133,373]	806,681		
Unencumbered Cash, Beginning	<u>474,273</u>	<u>340,900</u>		
Unencumbered Cash, Ending	<u>\$ 340,900</u>	<u>\$ 1,147,581</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
 CAPITAL PROJECTS FUND\*  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Bond proceeds	\$ 1,501,055	\$ 4,212,919
Temp note proceeds	-	3,337,527
Reimbursements	1,220,278	-
Interest income	5,815	-
Transfers in	<u>798,854</u>	<u>-</u>
Total Receipts	<u>3,526,002</u>	<u>7,550,446</u>
Expenditures		
Contractual services	1,167,324	2,170,815
Capital outlay	1,690,804	-
Transfer out	300,000	-
Principal	1,105,000	149,671
Cost of issuance	<u>106,516</u>	<u>-</u>
Total Expenditures	<u>4,369,644</u>	<u>2,320,486</u>
Receipts Over [Under] Expenditures	[843,642]	5,229,960
Unencumbered Cash, Beginning	<u>2,009,979</u>	<u>1,166,337</u>
Unencumbered Cash, Ending	<u>\$ 1,166,337</u>	<u>\$ 6,396,297</u>

\* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS  
WATER FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges to customers	\$ 2,047,287	\$ 2,114,403	\$ 1,826,500	\$ 287,903
Use of money and property	178	3,353	-	3,353
Transfer in	300,000	-	-	-
Miscellaneous	<u>1,202</u>	<u>609</u>	<u>2,100</u>	<u>[1,491]</u>
Total Receipts	<u>2,348,667</u>	<u>2,118,365</u>	<u>\$ 1,828,600</u>	<u>\$ 289,765</u>
Expenditures				
Personnel services	344,068	324,347	\$ 364,180	\$ 39,833
Contractual	828,745	1,218,170	697,600	[520,570]
Commodities	33,195	28,127	45,500	17,373
Capital outlay	87,130	140,857	118,500	[22,357]
Transfer out	362,124	278,500	498,500	220,000
Adjustment for qualifying budget credit: Reserve funds not subject to budget	<u>-</u>	<u>-</u>	<u>384,301</u>	<u>384,301</u>
Total Expenditures	<u>1,655,262</u>	<u>1,990,001</u>	<u>\$ 2,108,581</u>	<u>\$ 118,580</u>
Receipts Over [Under] Expenditures	693,405	128,364		
Unencumbered Cash, Beginning	<u>2,509,450</u>	<u>3,202,855</u>		
Unencumbered Cash, Ending	<u>\$ 3,202,855</u>	<u>\$ 3,331,219</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
SEWER FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges to customers	\$ 1,227,638	\$ 1,262,104	\$ 1,167,125	\$ 94,979
Use of money and property	-	3,353	-	3,353
Miscellaneous	4,531	401	6,000	[5,599]
Transfer in	-	75,000	-	75,000
Total Receipts	<u>1,232,169</u>	<u>1,340,858</u>	<u>\$ 1,173,125</u>	<u>\$ 167,733</u>
Expenditures				
Personnel services	272,494	242,281	\$ 297,062	\$ 54,781
Contractual	322,145	416,485	404,650	[11,835]
Commodities	24,193	19,310	30,000	10,690
Capital outlay	148,532	184,505	117,500	[67,005]
Debt service	203,760	204,161	-	[204,161]
Miscellaneous	4,761	4,451	25,000	20,549
Transfer out	205,000	75,000	280,000	205,000
Adjustment for qualifying budget credit: Reserve funds not subject to budget	-	-	80,627	80,627
Total Expenditures	<u>1,180,885</u>	<u>1,146,193</u>	<u>\$ 1,234,839</u>	<u>\$ 88,646</u>
Receipts Over [Under] Expenditures	51,284	194,665		
Unencumbered Cash, Beginning	<u>1,095,667</u>	<u>1,146,951</u>		
Unencumbered Cash, Ending	<u>\$ 1,146,951</u>	<u>\$ 1,341,616</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
 STORMWATER FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 303,266	\$ 312,340	\$ 300,000	\$ 12,340
Reimbursements	<u>824</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>304,090</u>	<u>312,340</u>	<u>\$ 300,000</u>	<u>\$ 12,340</u>
Expenditures				
Contractual	13,396	26,563	\$ 22,400	\$ [4,163]
Commodities	3,333	2,818	5,875	3,057
Capital outlay	-	69,931	85,000	15,069
Transfer out	<u>431,230</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
Total Expenditures	<u>447,959</u>	<u>324,312</u>	<u>\$ 338,275</u>	<u>\$ 13,963</u>
Receipts Over [Under] Expenditures	[143,869]	[11,972]		
Unencumbered Cash, Beginning	<u>369,650</u>	<u>225,781</u>		
Unencumbered Cash, Ending	<u>\$ 225,781</u>	<u>\$ 213,809</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS  
SOLID WASTE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 458,110	\$ 474,088	\$ 455,000	\$ 19,088
Miscellaneous	-	-	1,500	[1,500]
Total Receipts	<u>458,110</u>	<u>474,088</u>	<u>\$ 456,500</u>	<u>\$ 17,588</u>
Expenditures				
Contractual	430,925	458,833	\$ 465,000	\$ 6,167
Capital outlay	-	-	26,000	26,000
Transfer out	-	15,000	15,000	-
Total Expenditures	<u>430,925</u>	<u>473,833</u>	<u>\$ 506,000</u>	<u>\$ 32,167</u>
Receipts Over [Under] Expenditures	27,185	255		
Unencumbered Cash, Beginning	<u>131,198</u>	<u>158,383</u>		
Unencumbered Cash, Ending	<u>\$ 158,383</u>	<u>\$ 158,638</u>		

See independent auditor's report on the financial statements.

Schedule 3

CITY OF VALLEY CENTER, KANSAS  
 VALLEY CENTER PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY  
 GENERAL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
 REGULATORY BASIS  
 For the Year Ended December 31, 2019

Receipts	
State of Kansas	\$ 2,079
NEKL Association	23,480
City appropriation	258,421
Interest	16
Donations and sales	1,596
Grants	7,104
Miscellaneous	<u>3,062</u>
 Total Receipts	 <u>295,758</u>
Expenditures	
Salary and payroll taxes	174,529
Books, periodicals and film	26,979
Supplies	25,442
Utilities	15,227
Contractual	27,531
Maintenance	12,188
Miscellaneous	<u>6,129</u>
 Total Expenditures	 <u>288,025</u>
 Receipts Over [Under] Expenditures	 7,733
 Unencumbered Cash, Beginning	 <u>30,045</u>
 Unencumbered Cash, Ending	 <u>\$ 37,778</u>

See independent auditor's report on the financial statements.