

CITY OF LA CYGNE, KANSAS

**Regulatory Basis Financial Statements and
Independent Auditors' Report with
Regulatory-Required Supplemental Information
For the Year Ended December 31, 2019**

**CITY OF LA CYGNE, KANSAS
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**Diehl
Banwart
Bolton**

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Mayor and the City Council
City of La Cygne, Kansas

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of the City of La Cygne, Kansas as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require 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 1 of the financial statement, the financial statement is prepared by the City of La Cygne, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraphs, 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 of La Cygne, Kansas as of December 31, 2019 or changes in financial position or cash flows thereof for the year then ended.

Unqualified 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 for the City of La Cygne, Kansas 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Summary Statement of Receipts, Expenditures, and Unencumbered Cash Balance, Regulatory Basis (basic financial statement) as a whole. The Summary of Expenditures – Actual and Budget, Regulatory Basis; Schedules of Receipts and Expenditures – Actual and Budget, Regulatory Basis; and the Schedule of Expenditure of Federal Awards (Schedules 1 through 3 as listed in the table of contents) is presented for analysis and is not a required part of the basic financial statement, however is required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide, and for purposes of additional analysis. 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.

Prior Year Comparative Numbers

The 2018 actual column presented in the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances and the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (the financial statement and Schedule 2 as listed in the table of contents), are also presented for comparative analysis and was not a required part of the 2018 financial statement upon which we rendered an unqualified opinion dated April 24, 2019. The 2018 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 <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2018 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 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 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 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. In our opinion the 2018 comparative information is fairly stated in all material respects in relation to the 2018 basic financial statement as a whole, on the basis of accounting described in Note 1.


DIEHL, BANWART, BOLTON, CPAs PA

May 6, 2020
Fort Scott, Kansas

CITY OF LA CYGNE, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis
For the Year Ended December 31, 2019

Funds	Beginning		Receipts	Expenditures	Ending		Cash Balance December 31, 2019
	Unencumbered Cash Balance	Unencumbered Cash Balance			Unencumbered Cash Balance	Plus Encumbrances and Accounts Payable	
General Fund	\$ 800,934.58	\$ 789,771.52	\$ 899,095.80	\$ 691,610.30	\$ 10,227.87	\$ 701,838.17	
Special Purpose Funds							
Special Highway	303,048.08	202,894.40	57,653.65	448,288.83	369.07	448,657.90	
Special Park and Pool	26,754.61	79,366.68	66,592.44	39,528.85	415.64	39,944.49	
Special Park and Recreation	35,623.83	3,700.72	2,305.37	37,019.18	-	37,019.18	
Oak Lawn Cemetery	9,500.23	16,809.40	16,342.41	9,967.22	-	9,967.22	
Special Pool Reserve	28,961.18	175.19	-	29,136.37	-	29,136.37	
Equipment Reserve	351,948.45	77,000.00	-	428,948.45	-	428,948.45	
Capital Improvement	333,998.19	147,000.00	3,907.07	477,091.12	-	477,091.12	
Park and Pool Sales Tax	454,888.84	179,990.57	152,519.48	482,359.93	-	482,359.93	
Capital Project Funds							
Sidewalk Capital Project	(2,100.50)	2,100.50	-	-	-	-	
Water Project Phase I	0.08	-	0.08	-	-	-	
Water Project Phase II	(209,350.98)	811,390.89	659,031.93	(56,992.02)	56,992.02	-	
Bond and Interest Fund							
General Bond and Interest	20,514.56	41,972.33	41,890.00	20,596.89	-	20,596.89	
BUSINESS TYPE FUNDS							
Gas Utility	1,219,825.93	754,196.66	353,614.53	1,620,408.06	48,631.24	1,669,039.30	
Water Utility	789,164.86	423,758.59	386,471.30	826,452.15	34,989.92	861,442.07	
Sewer Utility	133,175.26	213,375.52	137,692.77	208,858.01	1,940.56	210,798.57	
Solid Waste Utility	9,399.90	22,832.47	22,957.88	9,274.49	2,006.01	11,280.50	
FIDUCIARY TYPE FUNDS							
Trust Funds							
Pollman Cemetery	56,703.38	664.99	564.99	56,803.38	-	56,803.38	
Energy Assistance	(823.97)	823.97	-	-	6,625.92	6,625.92	
Insurance Proceeds Trust	3,000.00	3,750.00	6,750.00	-	-	-	
Total Reporting Entity	\$ 4,365,166.51	\$ 3,771,574.40	\$ 2,807,389.70	\$ 5,329,351.21	\$ 162,198.25	\$ 5,491,549.46	

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

CITY OF LA CYGNE, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis
For the Year Ended December 31, 2019

Funds	Beginning		Ending	Plus Encumbrances		Cash Balance
	Unencumbered	Receipts		Unencumbered	and Accounts	
	Cash Balance		Cash Balance	Payable	2019	
Total Reporting Entity	\$ 4,365,166.51	\$ 3,771,574.40	\$ 5,329,351.21	\$ 162,198.25		\$ 5,491,549.46
Composition of Cash						
						\$ 4,528,910.19
General Checking and Savings Accounts.....						904,598.54
Certificates of Deposit						125.00
Petty Cash						55,915.73
U.S. Government Treasury Bond.....						2,000.00
U.S. Government Series HH Bonds.....						5,491,549.46
Total Reporting Entity						<u>\$ 5,491,549.46</u>

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

CITY OF LA CYGNE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of La Cygne, Kansas, have been prepared in accordance with the State of Kansas regulatory basis of accounting for Kansas Municipalities, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The Kansas Municipal Audit and Accounting Guide (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas.

Reporting Entity

The City of La Cygne, Kansas is a municipal corporation governed by an elected five member City Council. This financial statement represents the City of La Cygne, Kansas, (the primary government) and its related entity. Related municipal entities may be included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The following is a brief review of potential component units:

The La Cygne Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell or lease real property. The City must approve Bond ordinances. The Housing Authority's financial statements should be included with the City's financial statements. However, the statements are omitted in an apparent departure from generally accepted accounting principles.

There are no other related entities related to the City which should be accounted for in the City's financial statements.

The City has elected to exclude the related entity from the basic financial statement.

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.

The following types of funds comprise the financial activities of the city:

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

Special Purposes Funds - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America

The 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 for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the 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.

As discussed previously, related municipal entities are not included in this financial statement.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The Solid Waste Fund budget was amended this year as shown in Note 11.

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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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, fiduciary funds, reserve accounts established by bond ordinances, and the following special revenue funds:

- Capital Improvement Fund (K.S.A. 12-1,118)
- Equipment Reserve Fund (K.S.A. 12-1,117)
- Special Pool Project Fund (K.S.A. 12-1,118)

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

Deposits and Investments

Cash includes amounts in demand and time deposit checking accounts. The Statutes of the State of Kansas allow Kansas municipalities to invest in savings accounts, certificates of deposit and United States Treasury Obligations. As of and during the year ended December 31, 2019, the City's funds were invested in an interest-bearing money market checking account, certificates of deposit, and U.S. Treasury bills or HH bonds, which are acceptable investments in accordance with Kansas statutes.

Compensated Absences

Full-time employees earn and accumulate vacation leave from 10 to 21 days a year after one to eight years of employment. Vacation is not earned for partial years worked. Vacation leave may accumulate from 18 to 30 days based on the number of years of employment with the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
Compensated Absences (Continued)

Full-time employees earn and accumulate sick leave after six months of employment at the rate of one day per month worked. Sick leave may be accumulated up to 180 days. Accumulated sick leave is lost upon termination of employment with the City.

The City records a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material.

In accordance with the above criteria, the City has not accrued a liability for vacation pay which has been earned but not taken by City employees.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer statewide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State.

Termination and Post Employment Benefits

No termination benefits are provided to City employees when employment with the City ends except for the accrued compensated absences as discussed in Note 1.

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 these financial statements.

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. At December 31, such taxes are a lien on the property.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

This financial statement and the regulatory-required supplementary information is designed to show compliance with the cash basis and budget laws of Kansas. The apparent cash basis violations in the Water Project Funds were not violations due to grant money receivable at year end. The City was in apparent compliance with these laws.

3. DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local bank.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government'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 does not have any "peak periods" designated.

At December 31, 2019 the City's carrying amount of deposits was \$5,433,508.73 and the bank balance was \$5,449,018.04. The bank balance was primarily held by one bank resulting in a concentration of credit risk. Of the bank balance, \$500,000.00 was covered by federal depository insurance, and the remaining \$4,949,018.04 was collateralized with securities totaling \$5,364,073.79 held by the pledging financial institutions' agents in the City's name.

The City's investments consist of U.S. Treasury HH bonds recorded at cost of \$2,000 and a U.S. Treasury Bond with a cost of \$55,915.73, scheduled to mature in 2031. Market value is approximately the same as cost for the investments. The HH bonds are in the City's name and held in the City's safe deposit box at a local bank. The Treasury Bond is held by an agent in the City's safekeeping account.

4. **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 publically 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, 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 and 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 1.0% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.89% for the year ended December 31, 2019. Contributions to the pension plan from the City were \$31,812.05 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 \$434,804. The total net pension liability as of June 30, 2019 was \$8,900,614,092. 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 nonemployer 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 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 publicly available on the website at www.kpers.org or can be obtained as described above.

5. **CUSTOMER DEPOSITS**

Water and Gas customers are required to make cash deposits to the City when starting new water service. The deposits are refunded to the customers when service is terminated. At December 31, the City has \$58,149.37 of customer deposits, of which \$28,844.60 is included with Water Utility Fund cash and \$29,304.77 is included in Gas Utility Fund cash in these financial statements.

6. **MAJOR CUSTOMERS AND SUPPLIERS**

During 2019, the City purchased, from one vendor, gas totaling \$172,731.74 for resale to City customers of the Gas Utility Fund.

7. **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The City manages these risks of loss through various insurance policies.

8. **INTERFUND TRANSFERS**

Operating transfers during the year and the related statutory authority were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Equipment Reserve	12-1, 117	\$ 77,000.00
General	Capital Improvement	12-1, 118	147,000.00
General	Special Highway	12-1, 119	171,629.00

9. **CONTINGENCIES**

Grants are subject to additional audits by regulatory agents, the purpose of which is to ensure compliance with the specific conditions of the grants. Any liability for reimbursement which may arise as a result of the audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material and would not be payable by the City.

The City has signed contracts with two rural water districts (RWD's) to sell water to the districts at wholesale for resale to the patrons of the districts through the year May 2029. Starting in July 2007, the districts started to purchase water from another supplier and no longer buy significant amounts from the City. A mediated agreement was approved which requires the RWD's to make annual payments to assist the City in meeting the debt service requirements of the 2002 Water System Bonds discussed in Note 13. In 2019, these payments totaled \$41,887.50.

10. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

<u>Water Project Phase I</u>	
Project Authorization	
USDA RD Loan	\$ 347,000.00
USDA RD Grant	668,000.00
CDBG Grant	<u>500,000.00</u>
Total Authorization	<u>\$ 1,515,000.00</u>
Project Expenses - Actual	
Capital Outlays	<u>\$ 1,106,649.96</u>
<u>Water Project Phase II</u>	
Project Authorization	
USDA RD Loan	\$ 2,603,000.00
USDA RD Grant	2,461,347.09
Local Funds	<u>60,929.04</u>
Total Authorization	<u>\$ 5,125,276.13</u>
Project Expenses - Actual	
Capital Outlays	<u>\$ 5,125,276.13</u>

Both Water Projects were completed by the end of 2019.

11. BUDGET AMENDMENTS

	<u>2019</u> <u>Original</u>	<u>2019</u> <u>Amended</u>
Solid Waste Utility Fund		
Receipts		
Operating Income	\$ 17,500.00	\$ 25,500.00
Other	<u>9.00</u>	<u>9.00</u>
Total Receipts	17,509.00	25,509.00
Unencumbered Cash, Beginning of year	<u>9,072.00</u>	<u>9,072.00</u>
Total Resources	<u>\$ 26,581.00</u>	<u>\$ 34,581.00</u>
Expenditures		
Collection and Disposal	<u>\$ 17,500.00</u>	<u>\$ 25,500.00</u>

12. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2019 through May 6, 2020, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements.

13. LONG-TERM DEBT OBLIGATIONS

In January 2020 the City issued 2020 Revenue Bonds totaling \$1,200,000 to refund the 2009 Revenue Bonds outstanding. The bonds are dated February 6, 2020 and payable in semi-annual interest and annual principal payments on September 1st through final maturity in 2034. Interest rates range from 2.50% to 3.00%.

Sources and uses of the 2020 Bonds were as follows:

Sources:	
Bond amounts	\$ 1,200,000.00
Bond premium	7,798.60
Cash from the District	<u>111,268.07</u>
	<u>\$ 1,319,066.67</u>
Uses:	
Underwriters discount	\$ 18,000.00
Cost of Insurance	25,400.00
Cost of Insurance	55,000.00
Debt service on 2005 bonds	<u>1,220,666.67</u>
	<u>\$ 1,319,066.67</u>

The cash flows of the new debt compared to the refunded debt results in a savings of \$240,892.51 and results in an “economic gain” of approximately \$184,624.44 which represents the net present value of the old debt service requirements and the new debt service requirements discounted at the effective interest rate of the new debt.

Details about the City’s long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

13. LONG TERM OBLIGATIONS (Continued)

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances		Additions/ New Debt	Reductions/ Principal Paid		Balances		
					Beginning of Year	End of Year		Principal Paid	End of Year			
<u>General Obligation Bonds</u>												
Water System Series 2002	3.85% to 5%	8/30/2002	\$500,000	10/1/2022	\$ 145,000.00	\$ 110,000.00	\$ -	\$ 35,000.00	\$ 110,000.00	\$ 6,887.50		
Gas Refunding 2015	.25% to 2%	2/19/2015	825,000	10/1/2023	465,000.00	375,000.00	-	90,000.00	375,000.00	7,937.50		
Water Series A, 2015	2.75%	8/4/2015	347,000	8/4/2055	331,987.82	326,706.05	-	5,281.77	326,706.05	9,129.67		
Water Series B, 2015	2.75%	8/4/2015	2,603,000	8/4/2055	2,490,387.06	2,450,766.17	-	39,620.89	2,450,766.17	68,485.64		
Total General Obligation Bonds					<u>3,432,374.88</u>	<u>3,262,472.22</u>	-	<u>169,902.66</u>	<u>3,262,472.22</u>	<u>92,440.31</u>		
<u>Revenue Bonds</u>												
Pool Revenue Series 2009	2% to 5%	11/1/2009	1,620,000	11/1/2034	1,255,000.00	1,205,000.00	-	50,000.00	1,205,000.00	60,750.00		
Total Temporary Notes					<u>1,255,000.00</u>	<u>1,205,000.00</u>	-	<u>50,000.00</u>	<u>1,205,000.00</u>	<u>60,750.00</u>		
<u>Loan Agreements</u>												
Kansas Water Pollution Control Revolving Loan												
Wastewater Treatment	3.58%	2/22/2000	463,898	3/1/2021	108,669.88	73,724.07	-	34,945.81	73,724.07	3,580.39		
Total Loan Agreements					<u>108,669.88</u>	<u>73,724.07</u>	-	<u>34,945.81</u>	<u>73,724.07</u>	<u>3,580.39</u>		
<u>Capital Leases</u>												
1998 Pumper Truck	3.23%	7/8/2014	35,104	7/15/2019	7,485.31	-	-	7,485.31	-	178.57		
Total Capital Leases					<u>7,485.31</u>	-	-	<u>7,485.31</u>	-	<u>178.57</u>		
Total Long Term Debt					<u>\$ 4,803,530.07</u>	<u>\$ 4,541,196.29</u>	<u>\$ -</u>	<u>\$ 262,333.78</u>	<u>\$ 4,541,196.29</u>	<u>\$ 156,949.27</u>		

13. LONG TERM OBLIGATIONS (Continued)

PRINCIPAL	2020	2021	2022	2023	2024	2025	2030	2035	2040	2045	2050	2055	Totals
General Obligation Bonds													
Water System Series 2002	\$ 35,000	\$ 35,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
Gas Refunding 2015	90,000	95,000	95,000	95,000	-	-	-	-	-	-	-	-	375,000
Water Series A, 2015	5,427	5,576	5,730	5,887	6,049	32,834	37,604	43,067	49,323	56,489	64,695	14,026	326,706
Water Series B, 2015	40,710	41,830	42,980	44,162	45,377	246,302	282,083	323,063	369,995	423,745	485,304	105,213	2,450,766
Total General Obligation Bond	171,137	177,406	183,710	145,049	51,426	279,136	319,687	366,129	419,318	480,234	549,999	119,239	3,262,472
Revenue Bonds													
Pool Revenue Series 2009	55,000	55,000	60,000	65,000	65,000	375,000	530,000	-	-	-	-	-	1,205,000
Total Revenue Bonds	55,000	55,000	60,000	65,000	65,000	375,000	530,000	-	-	-	-	-	1,205,000
Loan Agreements													
Kansas Water Pollution Control													
Revolving Loan	36,208	37,516	-	-	-	-	-	-	-	-	-	-	73,724
Total Loan Agreements	36,208	37,516	-	-	-	-	-	-	-	-	-	-	73,724
Capital Leases													
1998 Pumper Truck	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PRINCIPAL	\$ 262,346	\$ 269,922	\$ 243,710	\$ 210,049	\$ 116,426	\$ 654,136	\$ 849,687	\$ 366,129	\$ 419,318	\$ 480,234	\$ 549,999	\$ 119,239	\$ 4,541,196
INTEREST													
General Obligation Bonds													
Water System Series 2002	\$ 5,225	\$ 3,563	\$ 1,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,688
Gas Refunding 2015	6,813	5,463	3,800	1,900	-	-	-	-	-	-	-	-	17,975
Water Series A, 2015	8,984	8,835	8,682	8,524	8,362	39,223	34,453	28,990	22,734	15,569	7,362	386	192,106
Water Series B, 2015	67,396	66,277	65,126	63,944	62,730	294,230	258,449	217,470	170,538	116,787	55,228	2,893	1,441,069
Total General Obligation Bond	88,418	84,137	79,508	74,369	71,092	333,454	292,903	246,460	193,272	132,356	62,591	3,279	1,661,837
Revenue Bonds													
Pool Revenue Series 2009	58,750	56,275	53,800	51,100	48,175	190,250	87,500	-	-	-	-	-	545,850
Total Revenue Bonds	58,750	56,275	53,800	51,100	48,175	190,250	87,500	-	-	-	-	-	545,850
Loan Agreements													
Kansas Water Pollution Control													
Revolving Loan	2,318	1,010	-	-	-	-	-	-	-	-	-	-	3,328
Total Loan Agreements	2,318	1,010	-	-	-	-	-	-	-	-	-	-	3,328
Capital Leases													
1998 Pumper Truck	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Leases	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INTEREST	\$ 149,486	\$ 141,422	\$ 133,308	\$ 125,469	\$ 119,267	\$ 523,704	\$ 380,403	\$ 246,460	\$ 193,272	\$ 132,356	\$ 62,591	\$ 3,279	\$ 2,211,015

CITY OF LA CYGNE, KANSAS

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

For the Year Ended December 31, 2019

Schedule 1

CITY OF LA CYGNE, KANSAS

Summary of Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2019

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
				Charged to Current Year Budget	Over (Under)	
GOVERNMENTAL TYPE FUNDS						
General Fund	\$ 1,601,339.00	\$ -	\$ 1,601,339.00	\$ 899,095.80	\$	(702,243.20)
Special Revenue Funds						
Special Highway	141,000.00	-	141,000.00	57,653.65		(83,346.35)
Special Park and Pool	83,751.00	-	83,751.00	66,592.44		(17,158.56)
Special Park and Recreation	30,850.00	-	30,850.00	2,305.37		(28,544.63)
Oak Lawn Cemetery	24,750.00	-	24,750.00	16,342.41		(8,407.59)
Park and Pool Sales Tax	185,750.00	-	185,750.00	152,519.48		(33,230.52)
Debt Service Fund						
General Bond and Interest	41,988.00	-	41,988.00	41,890.00		(98.00)
PROPRIETARY TYPE FUNDS						
Enterprise Funds						
Gas Utility	932,938.00	-	932,938.00	353,614.53		(579,323.47)
Water Utility	726,469.00	-	726,469.00	386,471.30		(339,997.70)
Sewer Utility	207,243.00	-	207,243.00	137,692.77		(69,550.23)
Solid Waste Utility	25,500.00	-	25,500.00	22,957.88		(2,542.12)
FIDUCIARY TYPE FUNDS						
Trust Funds						
Pollman Cemetery	700.00	-	700.00	564.99		(135.01)
	<u>\$ 4,002,278.00</u>					

CITY OF LA CYGNE, 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				
Ad Valorem property tax	\$ 441,367.69	\$ 461,832.42	\$ 476,843.00	\$ (15,010.58)
Delinquent tax	19,049.26	16,554.96	-	16,554.96
Motor vehicle tax	52,465.82	56,170.65	64,227.00	(8,056.35)
Franchise taxes	36,873.62	24,621.65	28,050.00	(3,428.35)
Sales tax	197,146.28	175,864.38	220,673.00	(44,808.62)
Local alcohol tax	2,917.97	2,772.81	4,065.00	(1,292.19)
Intergovernmental				
Compactor appropriation	3,900.00	3,900.00	3,900.00	-
Grants	4,435.00	-	5,100.00	(5,100.00)
Fines, Forfeitures and Penalties	47,180.00	27,878.55	38,036.00	(10,157.45)
Licenses and Permits				
Dog licenses	1,643.50	1,949.50	1,150.00	799.50
Other	3,994.07	3,089.00	2,000.00	1,089.00
Use of Money and Property				
Interest	3,545.51	3,384.34	2,000.00	1,384.34
Other				
Community building	1,595.00	1,480.00	1,250.00	230.00
Swanfest receipts	-	250.00	-	250.00
Miscellaneous	9,332.83	10,023.26	7,500.00	2,523.26
Total Receipts	<u>825,446.55</u>	<u>789,771.52</u>	<u>\$ 854,794.00</u>	<u>\$ (65,022.48)</u>

**CITY OF LA CYGNE, 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	
Expenditures				
General				
Personal services	\$ 39,658.03	\$ 21,338.08	\$ 66,719.00	\$ (45,380.92)
Contractual services	50,398.12	43,427.39	42,660.00	767.39
Commodities	5,849.19	4,636.04	11,478.00	(6,841.96)
Capital Outlay	2,750.00	-	20,000.00	(20,000.00)
General - Swan Fest				
Contractual services	1,756.64	-	-	-
Commodities	687.83	-	-	-
Public Safety - Police				
Personal services	126,034.02	115,620.20	129,500.00	(13,879.80)
Contractual services	35,207.32	29,921.31	46,800.00	(16,878.69)
Commodities	25,948.27	14,080.98	24,100.00	(10,019.02)
Capital Outlay	17,043.31	1,834.00	15,000.00	(13,166.00)
Public Safety - Fire				
Personal services	10,780.00	9,942.00	15,000.00	(5,058.00)
Contractual services	20,977.01	14,921.67	25,500.00	(10,578.33)
Commodities	4,652.65	3,709.77	10,030.00	(6,320.23)
Capital Outlay	-	-	10,065.00	(10,065.00)
Highways and Streets				
Personal services	774.73	86.58	15,000.00	(14,913.42)
Contractual services	12,984.83	11,639.77	30,053.00	(18,413.23)
Commodities	10,043.81	10,714.46	34,162.00	(23,447.54)
Capital Outlay	-	15,964.35	435,671.00	(419,706.65)
Cultural and Recreation - Community Building				
Personal services	133.83	-	250.00	(250.00)
Contractual services	8,907.59	9,927.24	10,020.00	(92.76)
Commodities	807.31	291.54	842.00	(550.46)
Capital Outlay	-	-	9,000.00	(9,000.00)
Public Cemetery				
Personal services	-	-	-	-
Contractual services	15,000.00	15,000.00	20,000.00	(5,000.00)
Commodities	-	-	-	-
Public Health				
Personal services	17,874.64	18,020.73	17,500.00	520.73
Contractual services	-	-	-	-
Commodities	-	90.59	-	90.59

**CITY OF LA CYGNE, 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	
Expenditures (Continued)				
Emergency Preparedness				
Personal services	\$ -	\$ -	\$ 1,000.00	\$ (1,000.00)
Contractual services	-	-	1,000.00	(1,000.00)
Commodities	-	-	2,500.00	(2,500.00)
Employee Benefits				
Health insurance	83,862.57	69,833.01	235,380.00	(165,546.99)
KPERs	38,418.28	35,390.45	42,000.00	(6,609.55)
Social Security	37,670.73	33,369.26	40,000.00	(6,630.74)
Unemployment	423.04	37.26	14,000.00	(13,962.74)
Workers Compensation	15,502.00	16,031.00	25,000.00	(8,969.00)
Other	552.70	(24.76)	750.00	(774.76)
Debt Service on Capital Lease				
Lease payment	7,730.38	7,663.88	7,730.00	(66.12)
Operating Transfers to Other Funds				
Special Highway	181,200.00	171,629.00	171,629.00	-
Equipment Reserve	68,000.00	77,000.00	30,500.00	46,500.00
Capital Improvement	58,000.00	147,000.00	40,500.00	106,500.00
Total Expenditures	<u>899,628.83</u>	<u>899,095.80</u>	<u>1,601,339.00</u>	<u>(702,243.20)</u>
Qualifying Budget Credits				
Reimbursed Expenses	-	-	-	-
Total Expenditures	<u>899,628.83</u>	<u>899,095.80</u>	<u>\$ 1,601,339.00</u>	<u>\$ (702,243.20)</u>
Receipts Over (Under) Expenditures	(74,182.28)	(109,324.28)		
Unencumbered Cash, Beginning	<u>875,116.86</u>	<u>800,934.58</u>		
Unencumbered Cash, Ending	<u>800,934.58</u>	<u>\$ 691,610.30</u>		

CITY OF LA CYGNE, 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 Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Intergovernmental				
State gasoline tax	\$ 30,439.74	\$ 30,743.97	\$ 30,150.00	\$ 593.97
Use of Money and Property				
Interest	209.54	521.43	95.00	426.43
Other				
Miscellaneous	-	-	-	-
Operating Transfers from Other Funds				
General	181,200.00	171,629.00	171,629.00	
Total Receipts	211,849.28	202,894.40	\$ 201,874.00	\$ 1,020.40
Expenditures				
Streets and Highways				
Personal services	20,460.80	34,466.89	\$ 29,000.00	\$ 5,466.89
Contractual services	1,362.65	1,074.31	6,000.00	(4,925.69)
Commodities	5,849.70	4,412.45	6,000.00	(1,587.55)
Capital Outlay	-	17,700.00	100,000.00	(82,300.00)
Total Expenditures	27,673.15	57,653.65	\$ 141,000.00	\$ (83,346.35)
Receipts Over (Under) Expenditures	184,176.13	145,240.75		
Unencumbered Cash, Beginning	118,871.95	303,048.08		
Unencumbered Cash, Ending	\$ 303,048.08	\$ 448,288.83		

CITY OF LA CYGNE, KANSAS
SPECIAL PARK AND POOL 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				
Intergovernmental				
Lincoln Township appropriation	\$ 62,000.00	\$ 58,450.00	\$ 58,450.00	\$ -
Use of Money and Property				
Interest	86.95	99.41	70.00	29.41
Other				
Pool receipts	19,800.32	16,465.55	17,200.00	(734.45)
Camping fees	4,452.00	1,760.00	5,200.00	(3,440.00)
Miscellaneous	2,446.37	2,591.72	-	2,591.72
Total Receipts	<u>88,785.64</u>	<u>79,366.68</u>	<u>\$ 80,920.00</u>	<u>\$ (1,553.32)</u>
Expenditures				
Cultural and Recreation - Park				
Personal services	7,762.92	8,191.55	\$ 9,800.00	\$ (1,608.45)
Contractual services	13,919.35	13,361.90	12,600.00	761.90
Commodities	3,753.25	4,768.18	5,851.00	(1,082.82)
Capital Outlay	15,058.00	914.13	3,000.00	(2,085.87)
Cultural and Recreation - Pool				
Personal services	28,422.34	22,834.91	29,000.00	(6,165.09)
Contractual services	9,668.46	9,518.12	10,500.00	(981.88)
Commodities	10,506.70	7,003.65	10,000.00	(2,996.35)
Capital Outlay	-	-	3,000.00	(3,000.00)
Total Expenditures	<u>89,091.02</u>	<u>66,592.44</u>	<u>\$ 83,751.00</u>	<u>\$ (17,158.56)</u>
Receipts Over (Under) Expenditures	(305.38)	12,774.24		
Unencumbered Cash, Beginning	<u>27,059.99</u>	<u>26,754.61</u>		
Unencumbered Cash, Ending	<u>\$ 26,754.61</u>	<u>\$ 39,528.85</u>		

CITY OF LA CYGNE, KANSAS
SPECIAL PARK 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 Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest	\$ 120.66	\$ 127.93	\$ 120.00	\$ 7.93
Taxes				
Local alcohol tax	2,917.96	2,772.79	4,065.00	(1,292.21)
Intergovernmental				
County park appropriation	400.00	800.00	800.00	-
Total Receipts	<u>3,438.62</u>	<u>3,700.72</u>	<u>\$ 4,985.00</u>	<u>\$ (1,284.28)</u>
Expenditures				
Recreation				
Contractual services	142.42	6.07	\$ 16,000.00	\$ (15,993.93)
Commodities	219.99	2,299.30	14,850.00	(12,550.70)
Total Expenditures	<u>362.41</u>	<u>2,305.37</u>	<u>\$ 30,850.00</u>	<u>\$ (28,544.63)</u>
Receipts Over (Under) Expenditures	3,076.21	1,395.35		
Unencumbered Cash, Beginning	<u>32,547.62</u>	<u>35,623.83</u>		
Unencumbered Cash, Ending	<u>\$ 35,623.83</u>	<u>\$ 37,019.18</u>		

CITY OF LA CYGNE, KANSAS
OAK LAWN CEMETERY 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				
Use of Money and Property				
Interest	\$ 11.86	\$ 23.13	\$ 20.00	\$ 3.13
Lot Sales	-	1,000.00	200.00	800.00
Other				
Reimbursed expenses - General	15,000.00	15,000.00	20,000.00	(5,000.00)
Reimbursed expenses - Pollman	404.91	564.99	700.00	(135.01)
Miscellaneous	667.73	221.28	-	221.28
Total Receipts	<u>16,084.50</u>	<u>16,809.40</u>	<u>\$ 20,920.00</u>	<u>\$ (4,110.60)</u>
Expenditures				
General				
Personal services	10,615.89	11,710.87	\$ 13,000.00	\$ (1,289.13)
Contractual services	2,367.38	2,826.79	3,500.00	(673.21)
Commodities	1,309.18	1,804.75	3,250.00	(1,445.25)
Capital Outlays	-	-	5,000.00	(5,000.00)
Total Expenditures	<u>14,292.45</u>	<u>16,342.41</u>	<u>\$ 24,750.00</u>	<u>\$ (8,407.59)</u>
Receipts Over (Under) Expenditures	1,792.05	466.99		
Unencumbered Cash, Beginning	<u>7,708.18</u>	<u>9,500.23</u>		
Unencumbered Cash, Ending	<u>\$ 9,500.23</u>	<u>\$ 9,967.22</u>		

CITY OF LA CYGNE, KANSAS
SPECIAL POOL RESERVE FUND
 Schedule of Receipts and Expenditures - Actual, 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 Actual
Receipts		
Use of Money and Property		
Interest	\$ 187.71	\$ 175.19
Total Receipts	187.71	175.19
Expenditures		
Cultural and Recreation - Pool		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	187.71	175.19
Unencumbered Cash, Beginning	28,773.47	28,961.18
Unencumbered Cash, Ending	\$ 28,961.18	\$ 29,136.37

CITY OF LA CYGNE, KANSAS
EQUIPMENT RESERVE FUND
 Schedule of Receipts and Expenditures - Actual, Regulatory Basis
 For the Year Ended December 31, 2019
 With Comparative Actual Amounts for the Year Ended December 31, 2018

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Operating Transfers from Other Funds		
General	\$ 68,000.00	\$ 77,000.00
Total Receipts	<u>68,000.00</u>	<u>77,000.00</u>
Expenditures		
Commodities	-	-
Capital Outlays	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	68,000.00	77,000.00
Unencumbered Cash, Beginning	<u>283,948.45</u>	<u>351,948.45</u>
Unencumbered Cash, Ending	<u>\$ 351,948.45</u>	<u>\$ 428,948.45</u>

CITY OF LA CYGNE, KANSAS
CAPITAL IMPROVEMENT FUND
 Schedule of Receipts and Expenditures - Actual, Regulatory Basis
 For the Year Ended December 31, 2019
 With Comparative Actual Amounts for the Year Ended December 31, 2018

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Operating Transfers from Other Funds		
General	<u>\$ 58,000.00</u>	<u>\$ 147,000.00</u>
Total Receipts	<u>58,000.00</u>	<u>147,000.00</u>
Expenditures		
Capital Outlays	<u>-</u>	<u>3,907.07</u>
Total Expenditures	<u>-</u>	<u>3,907.07</u>
Receipts Over (Under) Expenditures	58,000.00	143,092.93
Unencumbered Cash, Beginning	<u>275,998.19</u>	<u>333,998.19</u>
Unencumbered Cash, Ending	<u>\$ 333,998.19</u>	<u>\$ 477,091.12</u>

CITY OF LA CYGNE, KANSAS
PARK AND POOL SALES TAX 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				
Sales Tax	\$ 197,146.21	\$ 175,864.32	\$ 220,673.00	\$ (44,808.68)
Use of Money and Property				
Interest	4,039.91	4,126.25	3,950.00	176.25
Total Receipts	<u>201,186.12</u>	<u>179,990.57</u>	<u>\$ 224,623.00</u>	<u>\$ (44,632.43)</u>
Expenditures				
Capital Outlays - Pool	30,603.78	41,769.48	\$ 75,000.00	\$ (33,230.52)
Debt Service on Bond				
Principal	50,000.00	50,000.00	50,000.00	-
Interest	62,750.00	60,750.00	60,750.00	-
Total Expenditures	<u>143,353.78</u>	<u>152,519.48</u>	<u>\$ 185,750.00</u>	<u>\$ (33,230.52)</u>
Receipts Over (Under) Expenditures	57,832.34	27,471.09		
Unencumbered Cash, Beginning	<u>397,056.50</u>	<u>454,888.84</u>		
Unencumbered Cash, Ending	<u>\$ 454,888.84</u>	<u>\$ 482,359.93</u>		

CITY OF LA CYGNE, KANSAS
PARK PAVILLION AND SIDEWALK CAPITAL PROJECT FUND
 Schedule of Receipts and Expenditures - Actual, 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 Actual
Receipts		
Intergovernmental		
Federal Grants	\$ 76,075.50	\$ 1,924.50
Other		
Reimbursed expenses - Cap Imp Fund	-	176.00
Total Receipts	<u>76,075.50</u>	<u>2,100.50</u>
Expenditures		
Capital Outlays	<u>81,132.00</u>	-
Total Expenditures	<u>81,132.00</u>	-
Receipts Over (Under) Expenditures	(5,056.50)	2,100.50
Unencumbered Cash, Beginning	<u>2,956.00</u>	<u>(2,100.50)</u>
Unencumbered Cash, Ending	<u>\$ (2,100.50)</u>	<u>\$ -</u>

CITY OF LA CYGNE, KANSAS
WATER PROJECT PHASE I FUND
 Schedule of Receipts and Expenditures - Actual, 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 Actual
Receipts		
Intergovernmental		
CDBG Grant	\$ -	\$ -
USDA Grant	-	-
Use of Money and Property		
Proceeds from Bonds	-	-
Total Receipts	-	-
Expenditures		
Capital Outlays	-	0.08
Total Expenditures	-	0.08
Receipts Over (Under) Expenditures	-	(0.08)
Unencumbered Cash, Beginning	0.08	0.08
Unencumbered Cash, Ending	<u>\$ 0.08</u>	<u>\$ -</u>

CITY OF LA CYGNE, KANSAS
WATER PROJECT PHASE II FUND
 Schedule of Receipts and Expenditures - Actual, 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 Actual
Receipts		
Intergovernmental		
USDA Grant	\$ 1,392,828.88	\$ 811,390.89
Use of Money and Property		
Proceeds from Bonds	-	-
Interest	-	-
Other		
Miscellaneous	-	-
Total Receipts	<u>1,392,828.88</u>	<u>811,390.89</u>
Expenditures		
Capital Outlays	<u>336,702.32</u>	<u>659,031.93</u>
Total Expenditures	<u>336,702.32</u>	<u>659,031.93</u>
Receipts Over (Under) Expenditures	1,056,126.56	152,358.96
Unencumbered Cash, Beginning	<u>(1,265,477.54)</u>	<u>(209,350.98)</u>
Unencumbered Cash, Ending	<u>\$ (209,350.98)</u>	<u>\$ (56,992.02)</u>

CITY OF LA CYGNE, KANSAS
GENERAL 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				
Use of Money and Property				
Interest	\$ 63.59	\$ 84.83	\$ 50.00	\$ 34.83
Other				
Debt Service Charges-Rural Water	38,297.50	41,887.50	41,888.00	(0.50)
Total Receipts	<u>38,361.09</u>	<u>41,972.33</u>	<u>\$ 41,938.00</u>	<u>\$ 34.33</u>
Expenditures				
Debt Service				
Principal	30,000.00	35,000.00	\$ 35,000.00	\$ -
Interest	8,297.50	6,887.50	6,888.00	(0.50)
Other	5.00	2.50	100.00	(97.50)
Total Expenditures	<u>38,302.50</u>	<u>41,890.00</u>	<u>\$ 41,988.00</u>	<u>\$ (98.00)</u>
Receipts Over (Under) Expenditures	58.59	82.33		
Unencumbered Cash, Beginning	<u>20,455.97</u>	<u>20,514.56</u>		
Unencumbered Cash, Ending	<u>\$ 20,514.56</u>	<u>\$ 20,596.89</u>		

CITY OF LA CYGNE, KANSAS
GAS UTILITY 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				
Operating Income				
Gas sales	\$ 739,531.82	\$ 680,710.89	\$ 600,000.00	\$ 80,710.89
Penalties	14,797.20	29,450.52	9,000.00	20,450.52
Miscellaneous	2,785.11	2,004.88	7,000.00	(4,995.12)
Use of Money and Property				
Interest	3,544.43	4,148.29	2,500.00	1,648.29
Other				
Customer deposits	6,950.00	8,500.00	7,500.00	1,000.00
Sales tax	10,344.59	29,382.08	11,500.00	17,882.08
Total Receipts	<u>777,953.15</u>	<u>754,196.66</u>	<u>\$ 637,500.00</u>	<u>\$ 116,696.66</u>
Expenditures				
Acquisition and Distribution				
Personal services	55,433.54	50,241.32	\$ 60,000.00	\$ (9,758.68)
Contractual services	51,634.75	34,953.25	50,000.00	(15,046.75)
Commodities	331,751.66	134,639.98	450,000.00	(315,360.02)
Nonoperating Expenses				
Sales tax	11,708.93	26,537.75	17,500.00	9,037.75
Customer deposits	8,090.19	8,888.49	7,500.00	1,388.49
Capital Outlays	-	416.24	250,000.00	(249,583.76)
Debt Service on Bonds				
Principal	90,000.00	90,000.00	90,000.00	-
Interest	8,837.50	7,937.50	7,938.00	(0.50)
Other	-	-	-	-
Debt Service on Capital Leases	-	-	-	-
Total Expenditures	<u>557,456.57</u>	<u>353,614.53</u>	<u>932,938.00</u>	<u>(579,323.47)</u>
Qualifying Budget Credits				
Bonds issued to refinance old bonds	-	-	-	-
Total Expenditures	<u>557,456.57</u>	<u>353,614.53</u>	<u>\$ 932,938.00</u>	<u>\$ (579,323.47)</u>
Receipts Over (Under) Expenditures	220,496.58	400,582.13		
Unencumbered Cash, Beginning	<u>999,329.35</u>	<u>1,219,825.93</u>		
Unencumbered Cash, Ending	<u>\$ 1,219,825.93</u>	<u>\$ 1,620,408.06</u>		

CITY OF LA CYGNE, KANSAS
WATER UTILITY 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				
Operating Income				
Water sales	\$ 422,030.48	\$ 388,544.30	\$ 402,000.00	\$ (13,455.70)
Penalties	8,299.90	7,740.72	7,250.00	490.72
Miscellaneous	6,463.94	7,456.06	5,000.00	2,456.06
Use of Money and Property				
Interest	2,754.70	2,888.93	2,500.00	388.93
Other				
Customer deposits	9,875.00	11,125.57	10,000.00	1,125.57
Sales and protection taxes	4,526.17	6,003.01	4,200.00	1,803.01
Total Receipts	453,950.19	423,758.59	\$ 430,950.00	\$ (7,191.41)
Expenditures				
Water Production				
Personal services	68,486.93	58,887.67	\$ 70,000.00	\$ (11,112.33)
Contractual services	56,480.64	63,864.80	80,350.00	(16,485.20)
Commodities	52,763.35	39,387.59	72,900.00	(33,512.41)
Water Distribution				
Personal services	63,316.01	42,864.65	55,000.00	(12,135.35)
Contractual services	27,648.92	28,338.59	35,700.00	(7,361.41)
Commodities	9,636.98	6,570.04	26,500.00	(19,929.96)
Nonoperating Expenses				
Deposit	10,433.72	12,662.54	6,000.00	6,662.54
Sales and protection taxes	5,331.91	6,577.15	6,900.00	(322.85)
Debt Service				
Principal	43,700.88	44,902.66	45,503.00	(600.34)
Interest	78,817.09	77,615.31	77,616.00	(0.69)
Capital Outlays				
Water Production	-	4,592.19	150,000.00	(145,407.81)
Water Distribution	-	208.11	100,000.00	(99,791.89)
Debt Service on Capital Leases				
Lease payment	-	-	-	-
Total Expenditures	416,616.43	386,471.30	\$ 726,469.00	\$ (339,997.70)
Receipts Over (Under) Expenditures	37,333.76	37,287.29		
Unencumbered Cash, Beginning	751,831.10	789,164.86		
Unencumbered Cash, Ending	<u>\$ 789,164.86</u>	<u>\$ 826,452.15</u>		

CITY OF LA CYGNE, KANSAS
SEWER UTILITY 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				
Operating Income				
Sewer charges	\$ 118,205.03	\$ 115,647.15	\$ 115,500.00	\$ 147.15
Penalties	2,943.12	2,981.69	2,750.00	231.69
Linn County	58,807.00	63,723.00	60,000.00	3,723.00
Miscellaneous	636.47	709.07	2,500.00	(1,790.93)
Use of Money and Property				
Interest	330.13	314.61	175.00	139.61
Other				
USDA Grant	-	30,000.00	-	30,000.00
Total Receipts	<u>180,921.75</u>	<u>213,375.52</u>	<u>\$ 180,925.00</u>	<u>\$ 32,450.52</u>
Expenditures				
Collection and Disposal				
Personal services	22,162.81	27,009.57	\$ 25,600.00	\$ 1,409.57
Contractual services	24,032.30	20,797.23	25,950.00	(5,152.77)
Commodities	11,253.03	9,887.85	17,000.00	(7,112.15)
Capital Outlays	70,923.92	41,471.92	100,000.00	(58,528.08)
Debt Service on Capital Leases				
Lease payment	-	-	-	-
Debt Service on Revolving Loan				
Principal	33,727.55	34,945.81	34,946.00	(0.19)
Interest	4,798.65	3,580.39	3,330.00	250.39
Other	-	-	417.00	(417.00)
Total Expenditures	<u>166,898.26</u>	<u>137,692.77</u>	<u>\$ 207,243.00</u>	<u>\$ (69,550.23)</u>
Receipts Over (Under) Expenditures	14,023.49	75,682.75		
Unencumbered Cash, Beginning	<u>119,151.77</u>	<u>133,175.26</u>		
Unencumbered Cash, Ending	<u>\$ 133,175.26</u>	<u>\$ 208,858.01</u>		

CITY OF LA CYGNE, KANSAS
SOLID WASTE UTILITY 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				
Operating Income				
Customer service	\$ 17,518.39	\$ 22,533.16	\$ 25,500.00	\$ (2,966.84)
Use of Money and Property				
Interest	14.38	17.85	9.00	8.85
Other				
Miscellaneous	110.14	281.46	-	281.46
Total Receipts	<u>17,642.91</u>	<u>22,832.47</u>	<u>\$ 25,509.00</u>	<u>\$ (2,676.53)</u>
Expenditures				
Collection and Disposal				
Contractual services	15,978.45	22,957.88	\$ 25,500.00	\$ (2,542.12)
Total Expenditures	<u>15,978.45</u>	<u>22,957.88</u>	<u>\$ 25,500.00</u>	<u>\$ (2,542.12)</u>
Receipts Over (Under) Expenditures	1,664.46	(125.41)		
Unencumbered Cash, Beginning	<u>7,735.44</u>	<u>9,399.90</u>		
Unencumbered Cash, Ending	<u>\$ 9,399.90</u>	<u>\$ 9,274.49</u>		

CITY OF LA CYGNE, KANSAS
POLLMAN CEMETERY 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				
Use of Money and Property				
Lot sales	\$ 900.00	\$ 100.00	\$ 2,000.00	\$ (1,900.00)
Interest	407.81	564.99	700.00	(135.01)
Total Receipts	<u>1,307.81</u>	<u>664.99</u>	<u>\$ 2,700.00</u>	<u>\$ (2,035.01)</u>
Expenditures				
Cemeteries				
Contractual services	404.91	564.99	\$ 700.00	\$ (135.01)
Total Expenditures	<u>404.91</u>	<u>564.99</u>	<u>\$ 700.00</u>	<u>\$ (135.01)</u>
Receipts Over (Under) Expenditures	902.90	100.00		
Unencumbered Cash, Beginning	<u>55,800.48</u>	<u>56,703.38</u>		
Unencumbered Cash, Ending	<u>\$ 56,703.38</u>	<u>\$ 56,803.38</u>		

CITY OF LA CYGNE, KANSAS
ENERGY ASSISTANCE FUND
 Schedule of Receipts and Expenditures - Actual, 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 Actual
Receipts		
Other		
Miscellaneous	\$ -	\$ 823.97
Total Receipts	-	823.97
Expenditures		
Health and Welfare		
Contractual services	823.97	-
Total Expenditures	823.97	-
Receipts Over (Under) Expenditures	(823.97)	823.97
Unencumbered Cash, Beginning	-	(823.97)
Unencumbered Cash, Ending	\$ (823.97)	\$ -

CITY OF LA CYGNE, KANSAS
INSURANCE PROCEEDS TRUST FUND
 Schedule of Receipts and Expenditures - Actual, 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 Actual
Receipts		
Other		
Miscellaneous	\$ 3,000.00	\$ 3,750.00
Total Receipts	3,000.00	3,750.00
Expenditures		
Health and Welfare		
Contractual services	-	6,750.00
Total Expenditures	-	6,750.00
Receipts Over (Under) Expenditures	3,000.00	(3,000.00)
Unencumbered Cash, Beginning	-	3,000.00
Unencumbered Cash, Ending	\$ 3,000.00	\$ -

CITY OF LACYGNE, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of the Interior</u>			
Passed through the State of Kansas Department of Wildlife, Parks & Tourism			
Grant # 20-00766 (2)		\$ 1,924.50	\$ -
Outdoor Recreation Acquisition, Development and Planning Program	15.916	1,924.50	-
<u>United States Department of Agriculture-Rural Development</u>			
Direct Programs			
Water and Waste Disposal Systems for Rural Communities Grant (3)			
Sewer Plant		30,000.00	30,000.00
Water Plant Phase II		811,390.89	704,824.86
Total	10.760	841,390.89	734,824.86
TOTALS		\$ 843,315.39	\$ 734,824.86

Notes to the Schedule of Expenditures of Federal Awards (SEFA):

- (1) Receipts consist of money actually received during the year ended December 31, 2019.
- (2) This grant was actually paid in the prior year. The balance of the grant was received in 2019.
- (3) SEFA Expenditures are recorded on the modified accrual basis of accounting, which records expenses when the goods or services are paid, plus accounts payable. Expenditures for these programs differ from the City's regulatory basis financial statements inasmuch as the City records expenditures when an encumbrance or contract is signed in accordance with the regulatory basis of accounting, whereas expenditures on the financial reports are recorded when the goods or services are received. Expenses according to the financial statement (regulatory basis) reconcile to the expenses above as follows:

Water Grant Phase II Expenses per financial statement (Regulatory Basis of Accounting)	659,031.93
Plus prior year encumbrances which were recorded as expenses in the prior year	141,701.95
Less prior year encumbrances which were payable in the prior year	(38,917.00)
Less current year encumbrances which will be paid with local funds and not federal funds	(56,992.02)
Total Expenses per SEFA (Modified accrual basis)	<u>\$ 704,824.86</u>
- (4) Indirect costs were charged to the federal programs in accordance with the agreements with the grantors.
- (5) There were no subrecipients of Federal awards.