

CITY OF STERLING, KANSAS

FINANCIAL STATEMENT

**FOR THE YEAR ENDED
DECEMBER 31, 2018**

**CITY OF STERLING, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2018**

CITY COMMISSION

Jonathan Zimmerman

Steve Rivas

Bob Booth
Mayor

Paul Bingle

Todd Rowland

CITY OFFICERS

Gayla Horsch
Treasurer

Derrick Ploutz
Police Chief

Taggart Wall
Manager

Sandra Fankhauser
Clerk

Scott Bush
Attorney

Phil Durr
Municipal Judge

CITY OF STERLING, KANSAS

For the Year Ended December 31, 2018

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CITY OF STERLING, KANSAS

For the Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Sterling, Kansas 67579

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sterling, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2018 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; 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 Sterling, 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. *sjhl.com*

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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 of Sterling, Kansas as of December 31, 2018, 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 of Sterling, Kansas as of December 31, 2018, 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 2018 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 schedule of regulatory basis 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 2018 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 2018 basic financial statement. The 2018 information has been 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 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Sterling, Kansas as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated April 13, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 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 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC
McPherson, Kansas
April 17, 2019

CITY OF STERLING, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2018

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	\$ 395,991	\$ 942,014	\$ 908,219	\$ 429,785	\$ -	\$ 429,785
SPECIAL PURPOSE FUNDS:						
Library Fund	-	53,329	51,675	1,653	-	1,653
Cemetery Fund	-	53,555	51,895	1,660	-	1,660
Special Highway Fund	628,409	566,619	450,692	744,336	-	744,336
Special Parks & Recreation Fund	2,641	562	-	3,203	-	3,203
Ambulance and Fire Equipment Fund	139,705	21,433	-	161,138	-	161,138
Sterling Community Cemetery Fund	258,819	78,218	89,595	247,443	-	247,443
Total Special Purpose Funds	1,029,574	773,716	643,857	1,159,433	-	1,159,433
CAPITAL PROJECTS FUND:						
Storm Sewer Project Fund	5,698	-	-	5,698	-	5,698
BUSINESS FUNDS:						
Water Utility Fund	63,977	315,944	347,189	32,732	-	32,732
Electric Utility Fund	1,198,246	2,552,842	2,512,108	1,238,980	56,182	1,295,162
Electric Equipment Reserve Fund	148,460	-	-	148,460	-	148,460
Sewer Utility Fund	286,664	535,433	542,250	279,846	-	279,846
Medical Services Fund	32,849	31,896	20,240	44,505	-	44,505
Total Business Funds	1,730,196	3,436,115	3,421,788	1,744,523	56,182	1,800,705
Total Reporting Entity (Excluding Agency Funds)	\$ 3,161,459	\$ 5,151,845	\$ 4,973,864	\$ 3,339,439	\$ 56,182	\$ 3,395,621
COMPOSITION OF CASH:						
Checking Accounts					\$	99,617
Savings Accounts						2,375,405
Certificates of Deposit						700,000
Sterling Community Cemetery						247,720
Cash on Hand						500
Total Cash						3,423,242
Less Agency Funds per Schedule 3						(27,621)
Total Reporting Entity (Excluding Agency Funds)						\$ 3,395,621

CITY OF STERLING, KANSAS
NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of Sterling is a municipal financial reporting entity governed by an elected Commission. The financial statement presents all funds that are administered and controlled by the Commission.

Related Municipal Entity. The City of Sterling has the following related municipal entity:

Cemetery. Financial information for the Cemetery may be obtained from the City of Sterling at 114 North Broadway, Sterling, Kansas 67579. The Cemetery is presented as a special purpose fund.

(b) Regulatory Basis Fund Types

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

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

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

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

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Accounting (Cont.)

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.

(d) 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. There were no budget amendments for the year 2018.

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, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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.

(e) Reimbursements

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statute violations were noted during 2018.

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 City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

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. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$3,422,742 and the bank balance was \$3,461,001. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$747,720 (for City and Cemetery) was covered by federal depository insurance and the remaining \$2,713,281 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Electric Utility	General	K.S.A. 12-825d	\$ 115,000
Water Utility	General	K.S.A. 12-825d	15,800
Sewer Utility	General	K.S.A. 12-825d	18,275
CDBG Escrow	General	Close fund	2,576
Municipal Court	General	Close fund	1,929
Court Alcohol & Drug	General	Close fund	224
D.A.R.E.	General	Close fund	527
Electric Utility	Sewer Utility	K.S.A. 12-825d	166,000
Total			<u>\$ 320,331</u>

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds: Series 2012B Refunding	1.65%	11-20-12	220,000	08-01-23	130,000	-	20,000	110,000	2,038
Total General Obligation Bonds					130,000	-	20,000	110,000	2,038
Other: Kansas Water Pollution Control Revolving Loan	2.79%	08-20-08	1,220,348	09-01-29	798,335	-	56,864	741,471	21,880
Capital Leases: Medical Center Roof/H&A	3.98%	06-30-08	199,290	08-30-18	11,469	-	11,469	-	139
Catalytic Converters	2.47%	10-07-13	530,000	10-07-23	333,690	-	52,215	281,475	6,625
Total Capital Leases					345,159	-	63,684	281,475	6,764
Total Contractual Indebtedness					\$ 1,273,494	\$ -	\$ 140,548	\$ 1,132,946	\$ 30,682

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

	Year							Total
	2019	2020	2021	2022	2023	2024 to 2028	2029	
PRINCIPAL:								
General Obligation Bonds: Series 2012B Refunding	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 10,000	\$ -	\$ -	\$ 110,000
Other: Kansas Water Pollution Control Revolving Loan	58,462	60,104	61,793	63,528	65,313	355,145	77,126	741,471
Capital Leases: Catalytic Converters	53,531	54,864	56,263	57,681	59,136	-	-	281,475
TOTAL PRINCIPAL	136,993	139,968	143,056	146,209	134,449	355,145	77,126	1,132,946
INTEREST:								
General Obligation Bonds: Series 2012B Refunding	1,733	1,320	908	495	124	-	-	4,580
Other: Kansas Water Pollution Control Revolving Loan	20,282	18,640	16,951	15,215	13,430	38,574	1,618	124,710
Capital Leases: Catalytic Converters	6,715	5,382	3,983	2,566	1,111	-	-	19,757
TOTAL INTEREST	28,730	25,342	21,842	18,276	14,665	38,574	1,618	149,047
TOTAL PRINCIPAL AND INTEREST	\$ 165,723	\$ 165,310	\$ 164,898	\$ 164,485	\$ 149,114	\$ 393,719	\$ 78,744	\$ 1,281,993

6. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org 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% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$93,869 for the year ended December 31, 2018.

Net Pension Liability. At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$870,115. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial 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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

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

(b) Death and Disability Other Post Employment Benefits

K.S.A. 74-4927, disabled members in 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, 2018.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(c) Defined Contribution Pension Plan

The City participates in a defined contribution plan administered by the International City Manager's Association Retirement Corporation (ICMA Retirement). Employees become eligible for participation in the plan upon hire. The City contributes 1% of the participants' base wage and the participants may contribute any amount they determine up to IRS limits. For the year ended December 31, 2018, actual contributions by the City and plan participants were \$14,374 and \$9,677 respectively. ICMA Retirement includes 18 participants. Participants vest at service inception and are entitled to 100 percent of vested contributions. The plan is a money purchase plan qualified under Section 457 of the Internal Revenue Code.

(d) Other Employee Benefits

Vacation – Vacation time shall be earned on the basis of complete calendar months of service. Accrual of vacation shall start from the original date of employment and may be used within the first year. Vacation may not be used for any periods spent on unauthorized leave. Employees should make every effort to take their vacation in the calendar year in which it was earned. The City Manager at his discretion may allow vacation leave to be carried over from one calendar year to the next.

Each regular full-time employee will earn vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>	<u>Maximum Accumulation</u>
Start through 9 years	80 hours	None
10 years and beyond	120 hours	None

Regular part-time employees earn vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>	<u>Maximum Accumulation</u>
Start through 9 years	40 hours	None
10 years and beyond	80 hours	None

Upon separation of employment, employees shall be compensated for all earned but unused vacation leave at their final rate of pay, provided the employee has been employed with the City for at least twelve consecutive months.

Sick leave – All regular full time employees shall accrue sick leave at a rate of eight hours for each complete calendar month they are on paid status. Regular part-time employees shall accrue sick leave at a rate of four hours for each complete calendar month they are on paid status.

Accumulation of sick leave – Employees may accrue sick leave up to a maximum of seventy-five working days. Upon separation of employment, employees shall be compensated for one fourth (1/4) of accrued and unused sick leave at their final rate of pay, provided the employee has been employed with the City of Sterling for at least twelve consecutive months.

Compensation – Compensation time for authorized overtime work shall be at a rate of one and one-half times the employee's rate of pay. Employees shall be entitled to receive overtime compensation for all hours worked in excess of forty hours per week. Vacation, sick leave, personal days and holidays are generally counted as hours worked when computing overtime. However, no person employed in an administrative, executive or professional position, shall be eligible for overtime compensation.

8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2017 to 2018 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. RELATED PARTIES

A Commission member is an officer of one of the financial institutions where the City has funds deposited. At December 31, 2018, funds deposited at this institution totaled \$847,502.

A City officer is also serving on the Board of the bank of one of the financial institutions where the City has funds deposited. At December 31, 2018, funds deposited at this institution totaled \$847,502.

10. SUBSEQUENT EVENTS

The City approved on March 5, 2018, a CDBG grant agreement with Kansas Department of Commerce for street improvements for E. Jackson and S. 4th Streets. The State portion is \$471,700 and the City portion is \$350,000. This project is expected to be completed in 2019.

On February 18, 2019, the City approved General Obligation Temporary Notes, Series 2019 in the amount of approximately \$933,000. The City also approved on February 18, 2019, General Obligation Bonds of \$1,015,000. The General Obligation Bonds will be used to pay-off the Temporary Notes. The Temporary Notes and General Obligation Bonds will be used to pay for sewer improvement of land for \$166,888; street improvement of \$656,502; and the power plant roof for \$90,000.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF STERLING, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

CITY OF STERLING, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2018

	<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 FUND:					
General Fund	\$ 1,292,049	\$ -	\$ 1,292,049	\$ 908,219	\$ (383,830)
SPECIAL PURPOSE FUNDS:					
Library Fund	57,869	-	57,869	51,675	(6,194)
Cemetery Fund	57,721	-	57,721	51,895	(5,826)
Special Highway Fund	977,165	-	977,165	450,692	(526,473)
Special Parks and Recreation Fund	2,170	-	2,170	-	(2,170)
Ambulance and Fire Equipment Fund	169,564	-	169,564	-	(169,564)
BUSINESS FUNDS:					
Water Utility Fund	401,690	-	401,690	347,189	(54,501)
Electric Utility Fund	3,810,347	-	3,810,347	2,512,108	(1,298,239)
Sewer Utility Fund	647,329	-	647,329	542,250	(105,079)
Medical Services Fund	65,116	-	65,116	20,240	(44,876)

CITY OF STERLING, KANSAS

GENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018			Variance - Over (Under)
	2017 Actual	Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 210,334	\$ 194,435	\$ 233,418	\$ (38,983)
Delinquent tax	9,142	9,042	10,000	(958)
Motor vehicle tax	39,062	41,846	43,617	(1,771)
Recreational vehicle tax	813	787	804	(17)
16/20M vehicle tax	197	205	302	(97)
Commercial vehicle tax	6,943	6,501	6,000	501
Special assessments	1,433	1,435	-	1,435
In lieu of tax	1,626	-	1,500	(1,500)
Local alcoholic liquor tax	291	562	300	262
Local sales tax	184,133	188,234	180,000	8,234
Total Taxes	453,974	443,047	475,941	(32,894)
Licenses and Permits -				
Licenses and permits	6,140	5,008	3,620	1,388
Utility franchise fees	64,756	65,928	70,500	(4,572)
Dog tags, impounds, adoption fees	960	922	800	122
Total Licenses and Permits	71,856	71,858	74,920	(3,062)
Charges for Services -				
Burn site	17,679	18,359	17,696	663
Camping	19,842	24,895	8,000	16,895
Impoundment	261	739	400	339
Refuse collection	99,275	102,137	98,665	3,472
Swimming and concessions	12,123	11,811	12,000	(189)
Total Charges for Services	149,180	157,941	136,761	21,180
Fines, Forfeitures and Penalties -				
Police Fines	15,106	15,193	18,000	(2,807)
Use of Money and Property -				
Interest received	3,757	8,430	1,567	6,863
Other -				
Miscellaneous	44,624	59,213	20,000	39,213
Police contract	18,000	32,000	24,000	8,000
Memorials	438	-	-	-
Total Other	63,062	91,213	44,000	47,213
Transfers In -				
Transfer from Agency Funds	-	5,257	-	5,257
Transfer from Electric Utility Fund	115,000	115,000	115,000	-
Transfer from Sewer Utility Fund	18,275	18,275	18,275	-
Transfer from Water Utility Fund	14,500	15,800	15,800	-
Total Transfers In	147,775	154,332	149,075	5,257
Total Receipts	904,710	942,014	\$ 900,264	\$ 41,750

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018			Variance - Over (Under)
	2017 Actual	Actual	Budget	
Expenditures				
Administrative -				
Personal services	\$ 88,775	\$ 93,044	\$ 90,613	\$ 2,431
Contractual services	153,502	180,054	154,620	25,434
Commodities	2,228	2,995	4,000	(1,005)
Capital outlay	34,547	32,123	67,982	(35,859)
Total Administrative	279,052	308,216	317,215	(8,999)
Police -				
Personal services	385,693	377,496	347,975	29,521
Contractual services	66,488	64,769	60,530	4,239
Commodities	16,689	17,145	21,230	(4,085)
Capital outlay	37,140	14,669	19,000	(4,331)
Total Police	506,010	474,079	448,735	25,344
Park -				
Contractual services	929	1,023	2,915	(1,892)
Commodities	21,577	19,855	15,050	4,805
Capital outlay	5,792	26,250	15,600	10,650
Total Park	28,298	47,128	33,565	13,563
Fire -				
Personal services	5,738	6,104	8,100	(1,996)
Contractual services	12,663	10,750	10,900	(150)
Commodities	150	411	425	(14)
Capital outlay	377	2,883	5,000	(2,117)
Total Fire	18,928	20,148	24,425	(4,277)
Swimming Pool -				
Personal services	34,945	34,652	36,850	(2,198)
Contractual services	3,875	4,106	2,950	1,156
Commodities	16,513	17,709	19,200	(1,491)
Capital outlay	2,246	-	3,000	(3,000)
Total Swimming Pool	57,579	56,467	62,000	(5,533)
Health & Sanitation -				
Personal services	964	-	-	-
Contractual services	4,500	1,955	6,000	(4,045)
Commodities	2,085	226	2,500	(2,274)
Total Health & Sanitation	7,549	2,181	8,500	(6,319)
Other -				
Neighborhood revitalization rebate	-	-	18,509	(18,509)
2 mill for future facilities needs	-	-	19,100	(19,100)
Cash basis carryover	-	-	360,000	(360,000)
Total Expenditures	897,416	908,219	\$ 1,292,049	\$ (383,830)
Receipts Over (Under) Expenditures	7,294	33,794		
Unencumbered Cash, Beginning	388,697	395,991		
Unencumbered Cash, Ending	\$ 395,991	\$ 429,785		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		<u>Variance -</u>
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 42,237	\$ 41,843	\$ 48,149	\$ (6,306)
Delinquent tax	1,708	1,762	-	1,762
Motor vehicle tax	7,302	8,245	8,594	(349)
Recreational vehicle tax	169	155	158	(3)
16/20M vehicle tax	47	44	60	(16)
Commercial vehicle tax	1,439	1,279	1,806	(527)
Total Receipts	<u>52,902</u>	<u>53,329</u>	<u>\$ 58,767</u>	<u>\$ (5,439)</u>
Expenditures				
Appropriation to Library Board	52,902	51,675	\$ 54,100	\$ (2,425)
Neighborhood revitalization rebate	-	-	3,769	(3,769)
Total Expenditures	<u>52,902</u>	<u>51,675</u>	<u>\$ 57,869</u>	<u>\$ (6,194)</u>
Receipts Over (Under) Expenditures	-	1,653		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,653</u>		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDCEMETERY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 41,441	\$ 42,118	\$ 48,412	\$ (6,294)
Delinquent tax	1,707	1,762	-	1,762
Motor vehicle tax	8,097	8,244	8,594	(350)
Recreational vehicle tax	169	107	158	(51)
16/20M vehicle tax	47	43	60	(17)
Commercial vehicle tax	1,440	1,281	1,400	(119)
Total Receipts	52,901	53,555	\$ 58,624	\$ (5,069)
Expenditures				
Appropriation to Sterling Community Cemetery	52,901	51,895	\$ 53,900	\$ (2,005)
Neighborhood revitalization rebate	-	-	3,821	(3,821)
Total Expenditures	52,901	51,895	\$ 57,721	\$ (5,826)
Receipts Over (Under) Expenditures	-	1,660		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 1,660		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDSPECIAL HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 137,250	\$ 150,859	\$ 173,588	\$ (22,729)
Delinquent tax	4,334	5,318	4,000	1,318
Motor vehicle tax	25,579	27,306	28,461	(1,155)
Recreational vehicle tax	434	513	524	(11)
16/20M vehicle tax	186	133	198	(65)
Commercial vehicle tax	4,645	4,242	5,000	(758)
Local sales tax	268,770	310,586	235,000	75,586
State of Kansas gas tax	60,741	61,123	59,600	1,523
State connecting links	4,353	6,539	8,700	(2,161)
Miscellaneous	7,654	-	6,600	(6,600)
Total Receipts	513,946	566,619	\$ 521,671	\$ 44,948
Expenditures				
Personal services	96,073	99,146	\$ 123,659	\$ (24,513)
Contractual services	9,104	181,175	480,200	(299,025)
Commodities	108,383	74,141	55,250	18,891
Capital outlay	49,243	96,230	5,000	91,230
Neighborhood revitalization rebate	-	-	13,056	(13,056)
Cash basis carryover	-	-	300,000	(300,000)
Total Expenditures	262,803	450,692	\$ 977,165	\$ (526,473)
Receipts Over (Under) Expenditures	251,143	115,927		
Unencumbered Cash, Beginning	377,266	628,409		
Unencumbered Cash, Ending	\$ 628,409	\$ 744,336		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDSPECIAL PARKS AND RECREATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u>		<u>Variance -</u> <u>Over</u> <u>(Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Local alcoholic liquor tax	\$ 291	\$ 562	\$ -	\$ 562
Expenditures				
Capital outlay	<u>4,320</u>	<u>-</u>	<u>\$ 2,170</u>	<u>\$ (2,170)</u>
Receipts Over (Under) Expenditures	(4,029)	562		
Unencumbered Cash, Beginning	<u>6,670</u>	<u>2,641</u>		
Unencumbered Cash, Ending	<u>\$ 2,641</u>	<u>\$ 3,203</u>		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDAMBULANCE AND FIRE EQUIPMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Ad valorem property tax	\$ 17,357	\$ 16,835	\$ 19,372	\$ (2,537)
Delinquent tax	686	709	-	709
Motor vehicle tax	2,458	3,298	3,437	(139)
Recreational vehicle tax	67	62	63	(1)
16/20M vehicle tax	19	17	24	(7)
Commercial vehicle tax	578	512	749	(237)
Total Receipts	<u>21,165</u>	<u>21,433</u>	<u>\$ 23,645</u>	<u>\$ (2,212)</u>
Expenditures				
Capital outlay	-	-	\$ 167,914	\$ (167,914)
Lease payment	4,032	-	-	-
Neighborhood revitalization rebate	-	-	1,650	(1,650)
Total Expenditures	<u>4,032</u>	<u>-</u>	<u>\$ 169,564</u>	<u>\$ (169,564)</u>
Receipts Over (Under) Expenditures	17,133	21,433		
Unencumbered Cash, Beginning	<u>122,572</u>	<u>139,705</u>		
Unencumbered Cash, Ending	<u>\$ 139,705</u>	<u>\$ 161,138</u>		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDSTERLING COMMUNITY CEMETERY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018		
	General Fund Actual	Stevenson Fund Actual	Perpetual Care Actual
Receipts			
Taxes	\$ 51,892	\$ -	\$ -
Interest income	2,031	-	-
Charges for service	10,445	-	-
Reimbursed expenses	-	-	-
Sale of lots	2,397	-	7,443
Township distribution	4,000	-	-
Total Receipts	70,765	-	7,443
Expenditures			
Personal services	72,451	-	-
Contractual services	4,835	-	-
Commodities	1,012	-	-
Capital outlay	11,297	-	-
Total Expenditures	89,595	-	-
Receipts Over (Under) Expenditures	(18,830)	-	7,443
Unencumbered Cash, Beginning	76,668	59,700	117,440
Unencumbered Cash, Ending	\$ 57,838	\$ 59,700	\$ 124,883

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDSTERLING COMMUNITY CEMETERY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018				
	<u>Mausoleum Trust Funds</u>			<u>Total Cemetery Actual</u>	<u>2017 Actual</u>
	<u>Mincer Actual</u>	<u>Manz Actual</u>	<u>Mead Actual</u>		
Receipts					
Taxes	\$ -	\$ -	\$ -	\$ 51,892	\$ 54,654
Interest income	3	4	1	2,039	1,930
Charges for service	-	-	-	10,448	11,285
Reimbursed expenses	-	-	-	-	530
Sale of lots	-	-	-	9,840	9,973
Township distribution	-	-	-	4,000	4,000
Total Receipts	<u>3</u>	<u>4</u>	<u>1</u>	<u>78,218</u>	<u>82,372</u>
Expenditures					
Personal services	-	-	-	72,451	69,238
Contractual services	-	-	-	4,835	3,949
Commodities	-	-	-	1,012	1,552
Capital outlay	-	-	-	11,297	9,978
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,595</u>	<u>84,717</u>
Receipts Over (Under) Expenditures	3	4	1	(11,377)	(2,345)
Unencumbered Cash, Beginning	<u>2,475</u>	<u>1,717</u>	<u>819</u>	<u>258,819</u>	<u>261,164</u>
Unencumbered Cash, Ending	<u>\$ 2,478</u>	<u>\$ 1,721</u>	<u>\$ 820</u>	<u>\$ 247,443</u>	<u>\$ 258,819</u>

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUNDSTORM SEWER PROJECT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts		
Grant	\$ 3,000	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	3,000	-
Unencumbered Cash, Beginning	<u>2,698</u>	<u>5,698</u>
Unencumbered Cash, Ending	<u>\$ 5,698</u>	<u>\$ 5,698</u>

CITY OF STERLING, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2018			Variance - Over (Under)
	2017	Actual	Budget	
Receipts				
Sale to customers	\$ 280,749	\$ 280,146	\$ 345,000	\$ (64,854)
Connection fees	2,815	3,130	2,800	330
Hookups	240	374	500	(126)
Miscellaneous	2,588	15,058	2,000	13,058
Tower rent	4,013	17,236	14,000	3,236
Total Receipts	290,405	315,944	\$ 364,300	\$ (48,356)
Expenditures				
Production -				
Contractual services	1,082	4,833	\$ 3,800	\$ 1,033
Commodities	6,532	7,040	8,200	(1,160)
Total Production	7,614	11,873	12,000	(127)
Distribution -				
Personal services	94,528	99,096	92,624	6,472
Contractual services	7,272	11,823	6,950	4,873
Commodities	23,865	44,670	41,680	2,990
Total Distribution	125,665	155,589	141,254	14,335
General and Administrative -				
Personal services	79,712	83,480	82,415	1,065
Contractual services	18,623	31,385	16,800	14,585
Commodities	2,234	2,795	2,500	295
Capital outlay	5,142	22,350	55,000	(32,650)
Revolving loan principal	20,000	20,000	20,000	-
Revolving loan interest	2,268	2,038	2,038	-
Miscellaneous	1,758	1,879	2,000	(121)
Transfer to General Fund	14,500	15,800	15,800	-
Cash basis carryover	-	-	51,883	(51,883)
Total General and Administrative	144,237	179,727	248,436	(68,709)
Total Expenditures	277,516	347,189	\$ 401,690	\$ (54,501)
Receipts Over (Under) Expenditures	12,889	(31,245)		
Unencumbered Cash, Beginning	51,088	63,977		
Unencumbered Cash, Ending	\$ 63,977	\$ 32,732		

CITY OF STERLING, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Sales to customers	\$ 2,277,041	\$ 2,382,244	\$ 2,420,500	\$ (38,256)
Connection fees	3,195	2,840	2,600	240
Installation charges	625	375	-	375
Capacity purchase reserve	156,600	117,450	156,600	(39,150)
Miscellaneous	14,420	49,933	10,000	39,933
Total Receipts	2,451,881	2,552,842	\$ 2,589,700	\$ (36,858)
Expenditures				
Production -				
Personal services	180,346	184,964	\$ 176,468	\$ 8,496
Contractual services	1,084,584	1,242,953	1,297,000	(54,047)
Commodities	41,233	68,291	83,850	(15,559)
Capital outlay	7,179	41,810	20,000	21,810
Total Production	1,313,342	1,538,018	1,577,318	(39,300)
Distribution -				
Personal services	254,188	246,898	293,996	(47,098)
Contractual services	39,530	50,663	43,700	6,963
Commodities	95,109	84,553	173,000	(88,447)
Total Distribution	388,827	382,114	510,696	(128,582)
General and Administrative -				
Personal services	82,156	82,820	82,562	258
Contractual services	115,262	157,682	124,500	33,182
Commodities	6,729	7,764	6,900	864
Capital outlay	12,528	3,200	250,000	(246,800)
Catalytic converters lease payment	61,752	58,840	60,246	(1,406)
Miscellaneous	950	670	-	670
Transfer to Electric Utility Bond and Interest 2012 Fund	50,575	-	-	-
Transfer to Sewer Utility Fund	-	166,000	-	166,000
Transfer to General Fund	115,000	115,000	115,000	-
Cash basis carryover	-	-	1,083,125	(1,083,125)
Total General and Administrative	444,952	591,976	1,722,333	(1,130,357)
Total Expenditures	2,147,121	2,512,108	\$ 3,810,347	\$ (1,298,239)
Receipts Over (Under) Expenditures	304,760	40,734		
Unencumbered Cash, Beginning	893,486	1,198,246		
Unencumbered Cash, Ending	\$ 1,198,246	\$ 1,238,980		

CITY OF STERLING, KANSAS

BUSINESS FUNDELECTRIC UTILITY BOND AND INTEREST 2012 FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts		
Transfer from Electric Utility Fund	\$ 50,575	\$ -
Expenditures		
Principal	50,000	-
Interest	575	-
Total Expenditures	<u>50,575</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF STERLING, KANSAS

BUSINESS FUNDELECTRIC EQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts	\$ -	\$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>148,460</u>	<u>148,460</u>
Unencumbered Cash, Ending	<u>\$ 148,460</u>	<u>\$ 148,460</u>

CITY OF STERLING, KANSAS

BUSINESS FUNDSEWER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		<u>Variance -</u>
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Sale to customers	\$ 360,319	\$ 369,369	\$ 370,000	\$ (631)
Transfer from Electric Utility Fund	-	166,000	-	166,000
Miscellaneous	54	64	500	(436)
Total Receipts	360,373	535,433	\$ 370,500	\$ 164,933
Expenditures				
Collection -				
Contractual services	15,946	11,372	\$ 18,000	\$ (6,628)
Commodities	3,007	3,382	3,750	(368)
Total Collection	18,953	14,754	21,750	(6,996)
Treatment -				
Personal services	94,511	94,852	94,512	340
Contractual services	6,028	8,714	18,600	(9,886)
Commodities	3,035	4,572	3,300	1,272
Total Treatment	103,574	108,138	116,412	(8,274)
General and Administration -				
Personal services	79,482	83,477	82,551	926
Contractual services	29,480	32,654	10,920	21,734
Commodities	1,587	2,297	1,500	797
Capital outlay	11,253	204,909	59,000	145,909
Revolving loan payment	78,744	77,746	78,744	(998)
Transfer to General Fund	18,275	18,275	18,275	-
Cash basis carryover	-	-	258,177	(258,177)
Total General and Administrative	218,821	419,358	509,167	(89,809)
Total Expenditures	341,348	542,250	\$ 647,329	\$ (105,079)
Receipts Over (Under) Expenditures	19,025	(6,817)		
Unencumbered Cash, Beginning	267,639	286,664		
Unencumbered Cash, Ending	\$ 286,664	\$ 279,846		

CITY OF STERLING, KANSAS

BUSINESS FUNDMEDICAL SERVICES FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Rent	\$ 31,296	\$ 31,896	\$ 31,696	\$ 200
Expenditures				
Contractual services	4,204	8,632	\$ 53,020	\$ (44,388)
Lease purchase payment	20,159	11,608	12,096	(488)
Total Expenditures	24,363	20,240	\$ 65,116	\$ (44,876)
Receipts Over (Under) Expenditures	6,933	11,656		
Unencumbered Cash, Beginning	25,916	32,849		
Unencumbered Cash, Ending	\$ 32,849	\$ 44,505		

CITY OF STERLING, KANSAS

AGENCY FUNDSSCHEDULE OF RECEIPTS AND DISBURSEMENTSRegulatory Basis

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
State cost analysis	\$ 3,714	\$ -	\$ -	\$ 3,714
Water utility deposits	5,783	2,155	2,837	5,101
Electric utility deposits	21,922	11,800	15,213	18,509
CDBG escrow	2,573	3	2,576	-
Municipal court	1,929	-	1,929	-
Court alcohol & drug	224	-	224	-
D.A.R.E.	527	-	527	-
Police forfeiture	297	-	-	297
Total	<u>\$ 36,969</u>	<u>\$ 13,958</u>	<u>\$ 23,306</u>	<u>\$ 27,621</u>