

CITY OF STERLING, KANSAS

FINANCIAL STATEMENT

**FOR THE YEAR ENDED
DECEMBER 31, 2019**

**CITY OF STERLING, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2019**

CITY COMMISSION

Jonathan Zimmerman

Todd Rowland
Mayor

Paul Bingle

Steve Rivas

Bob Booth

CITY OFFICERS

Gayla Horsch
Treasurer

Craig Crossette
Manager

Scott Bush
Attorney

Derrick Ploutz
Police Chief

Sandra Fankhauser
Clerk

Phil Durr
Municipal Judge

CITY OF STERLING, KANSAS
For the Year Ended December 31, 2019

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For the Year Ended December 31, 2019

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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, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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.

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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, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Sterling, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2019 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 2019 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 2019 basic financial statement. The 2019 information has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2019 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, 2018 (not presented herein), and have issued our report thereon dated April 17, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 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/oar/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2019 (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 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 basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC
McPherson, Kansas
July 16, 2020

CITY OF STERLING, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2019

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	\$ 429,785	\$ 1,008,985	\$ 996,526	\$ 442,244	\$ -	\$ 442,244
SPECIAL PURPOSE FUNDS:						
Library Fund	1,653	51,467	53,120	-	-	-
Cemetery Fund	1,660	51,496	53,156	-	-	-
Special Highway Fund	744,336	1,579,412	1,517,248	806,499	-	806,499
Special Parks & Recreation Fund	3,203	1,015	-	4,218	-	4,218
Ambulance and Fire Equipment Fund	161,138	20,600	-	181,738	-	181,738
Sterling Community Cemetery Fund	247,443	96,480	108,748	235,174	-	235,174
Total Special Purpose Funds	1,159,433	1,800,469	1,732,273	1,227,629	-	1,227,629
CAPITAL PROJECTS FUND:						
Storm Sewer Project Fund	5,698	-	-	5,698	-	5,698
BUSINESS FUNDS:						
Water Utility Fund	32,732	372,551	346,263	59,020	-	59,020
Electric Utility Fund	1,238,980	2,880,174	2,568,247	1,550,906	50,603	1,601,509
Electric Equipment Reserve Fund	148,460	-	-	148,460	-	148,460
Sewer Utility Fund	279,846	546,818	602,236	224,428	-	224,428
Medical Services Fund	44,505	31,596	3,684	72,417	-	72,417
Total Business Funds	1,744,523	3,831,139	3,520,430	2,055,232	50,603	2,105,835
Total Reporting Entity (Excluding Agency Funds)	\$ 3,339,439	\$ 6,640,593	\$ 6,249,229	\$ 3,730,803	\$ 50,603	\$ 3,781,406
COMPOSITION OF CASH:						
Checking Accounts						\$ 185,890
Savings Accounts						2,681,008
Certificates of Deposit						700,000
Sterling Community Cemetery						242,029
Cash on Hand						500
Total Cash						3,809,427
Less Agency Funds per Schedule 3						(28,021)
Total Reporting Entity (Excluding Agency Funds)						\$ 3,781,406

CITY OF STERLING, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2019

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 2019.

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

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

A legal operating budget is not required for Capital Project Funds, 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 2019.

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, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$3,808,927 and the bank balance was \$3,844,620. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$742,029 (for City and Cemetery) was covered by federal depository insurance and the remaining \$3,102,591 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	\$ 120,000
Water Utility	General	K.S.A. 12-825d	15,800
Sewer Utility	General	K.S.A. 12-825d	18,275
Sewer Utility	Electric Utility	K.S.A. 12-825d	166,000
Total			<u>\$ 320,075</u>

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2019, 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	\$ 110,000	\$ -	\$ 25,000	\$ 85,000	\$ 1,730
Other: GO Temporary Notes, Series 2019	1.85%	04-01-19	933,000	09-01-20	-	933,000	-	933,000	-
Kansas Water Pollution Control Revolving Loan	2.79%	08-20-08	1,220,348	09-01-29	741,471	-	58,462	683,009	20,282
					741,471	933,000	58,462	1,616,009	20,282
Capital Lease: Catalytic Convertors	2.47%	10-07-13	530,000	10-07-23	281,475	-	53,531	227,944	6,715
Total Contractual Indebtedness					\$ 1,132,946	\$ 933,000	\$ 136,993	\$ 1,928,953	\$ 28,727

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

	Year						
	2020	2021	2022	2023	2024	2025 to 2028	Total
PRINCIPAL:							
General Obligation Bonds: Series 2012B Refunding	\$ 25,000	\$ 25,000	\$ 25,000	\$ 10,000	\$ -	\$ -	\$ 85,000
Other: GO Temporary Notes, Series 2019	933,000	-	-	-	-	-	933,000
Kansas Water Pollution Control Revolving Loan	60,104	61,793	63,528	65,313	67,148	365,123	683,009
Capital Leases: Catalytic Convertors	54,864	56,263	57,681	59,136	-	-	227,944
TOTAL PRINCIPAL	1,072,968	143,056	146,209	134,449	67,148	365,123	1,928,953
INTEREST:							
General Obligation Bonds: Series 2012B Refunding	1,320	908	495	124	-	-	2,847
Other: GO Temporary Notes, Series 2019	24,452	-	-	-	-	-	24,452
Kansas Water Pollution Control Revolving Loan	18,640	16,951	15,215	13,430	11,595	7,769	83,600
Capital Leases: Catalytic Convertors	5,382	3,983	2,566	1,111	-	-	13,042
TOTAL INTEREST	49,794	21,842	18,276	14,665	11,595	7,769	123,941
TOTAL PRINCIPAL AND INTEREST	\$ 1,122,762	\$ 164,898	\$ 164,485	\$ 149,114	\$ 78,743	\$ 372,892	\$ 2,052,894

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 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$95,861 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 \$872,128. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup 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, 2019.

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, 2019, actual contributions by the City and plan participants were \$13,405 and \$10,156 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 2018 to 2019 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. CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
Street Improvement Project	\$ 710,748	\$ 710,676
Jackson & 4th Street Improvement Project	821,000	599,249
	<u>\$ 1,531,748</u>	<u>\$ 1,309,925</u>

10. RELATED PARTIES

A Commission member is an officer of one of the financial institutions where the City has funds deposited. At December 31, 2019, funds deposited at this institution totaled \$1,321,505.

11. SUBSEQUENT EVENTS

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.

In recent months, the coronavirus (COVID-19) outbreak in the United States has resulted in reduced customer traffic and the temporary closure of operating hours for our offices. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City as of the date of this report, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

On February 3, 2020, the City approved a Resolution authorizing the sale and delivery of the City's General Obligation Bonds, Series 2020 in the amount of approximately \$1,015,000. The General Obligation Bonds, Series 2020 will be used to pay-off the Temporary Notes, Series 2019. 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.

CITY OF STERLING, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF STERLING, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****(Budgeted Funds Only)****For the Year Ended December 31, 2019**

	<u>Certified Budget</u>	<u>Adjustment for 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	\$ 1,324,707	\$ -	\$ 1,324,707	\$ 996,526	\$ (328,181)
SPECIAL PURPOSE FUNDS:					
Library Fund	59,375	-	59,375	53,120	(6,255)
Cemetery Fund	61,403	-	61,403	53,156	(8,247)
Special Highway Fund	1,254,579	367,498	1,622,077	1,517,248	(104,829)
Special Parks and Recreation Fund	180	-	180	-	(180)
Ambulance and Fire Equipment Fund	190,836	-	190,836	-	(190,836)
BUSINESS FUNDS:					
Water Utility Fund	442,737	-	442,737	346,263	(96,474)
Electric Utility Fund	3,931,634	-	3,931,634	2,568,247	(1,363,387)
Sewer Utility Fund	587,547	171,000	758,547	602,236	(156,311)
Medical Services Fund	65,116	-	65,116	3,684	(61,432)

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance -
	Actual	Actual	Budget	Over
				(Under)
Receipts				
Taxes -				
Ad valorem property tax	\$ 194,435	\$ 195,459	\$ 236,354	\$ (40,895)
Delinquent tax	9,042	3,083	10,000	(6,917)
Motor vehicle tax	41,846	29,294	36,565	(7,271)
Recreational vehicle tax	787	641	771	(130)
16/20M vehicle tax	205	172	248	(76)
Commercial vehicle tax	6,501	6,802	6,000	802
Special assessments	1,435	-	-	-
In lieu of tax	-	-	1,500	(1,500)
Local alcoholic liquor tax	562	1,015	300	715
Local sales tax	188,234	221,787	185,000	36,787
Total Taxes	443,047	458,253	476,738	(18,485)
Licenses and Permits -				
Licenses and permits	5,008	7,500	3,620	3,880
Utility franchise fees	65,928	65,448	67,800	(2,352)
Dog tags, impounds, adoption fees	922	722	800	(78)
Total Licenses and Permits	71,858	73,670	72,220	1,450
Charges for Services -				
Burn site	18,359	50,183	17,696	32,487
Camping	24,895	22,229	12,000	10,229
Impoundment	739	234	400	(166)
Refuse collection	102,137	94,047	101,261	(7,214)
Swimming and concessions	11,811	6,580	29,631	(23,051)
Total Charges for Services	157,941	173,273	160,988	12,285
Fines, Forfeitures and Penalties -				
Police Fines	15,193	18,123	18,000	123
Use of Money and Property -				
Interest received	8,430	11,384	4,567	6,817
Other -				
Miscellaneous	59,213	63,140	20,000	43,140
Reimbursements	-	31,167	-	31,167
Police contract	32,000	24,000	24,000	-
Memorials	-	1,900	-	1,900
Total Other	91,213	120,207	44,000	76,207
Transfers In -				
Transfer from Agency Funds	5,257	-	-	-
Transfer from Electric Utility Fund	115,000	120,000	120,000	-
Transfer from Sewer Utility Fund	18,275	18,275	18,275	-
Transfer from Water Utility Fund	15,800	15,800	15,800	-
Total Transfers In	154,332	154,075	154,075	-
Total Receipts	942,014	1,008,985	\$ 930,588	\$ 78,397

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019		Variance - Over (Under)
		Actual	Budget	
Expenditures				
Administrative -				
Personal services	\$ 93,044	\$ 95,627	\$ 100,262	\$ (4,635)
Contractual services	180,054	161,935	152,392	9,543
Commodities	2,995	4,358	4,000	358
Capital outlay	32,123	103,061	41,209	61,852
Total Administrative	308,216	364,981	297,863	67,118
Police -				
Personal services	377,496	403,946	371,960	31,986
Contractual services	64,769	74,514	61,430	13,084
Commodities	17,145	19,510	23,900	(4,390)
Capital outlay	14,669	12,303	37,500	(25,197)
Total Police	474,079	510,273	494,790	15,483
Park -				
Contractual services	1,023	2,552	15,915	(13,363)
Commodities	19,855	12,481	15,050	(2,569)
Capital outlay	26,250	14,346	5,700	8,646
Total Park	47,128	29,379	36,665	(7,286)
Fire -				
Personal services	6,104	6,651	8,200	(1,549)
Contractual services	10,750	9,926	10,900	(974)
Commodities	411	270	425	(155)
Capital outlay	2,883	-	5,000	(5,000)
Total Fire	20,148	16,847	24,525	(7,678)
Swimming Pool -				
Personal services	34,652	27,797	36,010	(8,213)
Contractual services	4,106	1,973	12,600	(10,627)
Commodities	17,709	16,051	18,700	(2,649)
Capital outlay	-	2,386	2,000	386
Total Swimming Pool	56,467	48,207	69,310	(21,103)
Health & Sanitation -				
Contractual services	1,955	25,000	6,000	19,000
Commodities	227	458	2,500	(2,042)
Total Health & Sanitation	2,182	25,458	8,500	16,958
Other -				
Street department	-	1,381	-	1,381
Neighborhood revitalization rebate	-	-	24,054	(24,054)
2 mill for future facilities needs	-	-	19,000	(19,000)
Cash basis carryover	-	-	350,000	(350,000)
Total Expenditures	908,220	996,526	\$ 1,324,707	\$ (328,181)
Receipts Over (Under) Expenditures	33,794	12,459		
Unencumbered Cash, Beginning	395,991	429,785		
Unencumbered Cash, Ending	\$ 429,785	\$ 442,244		

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 41,843	\$ 42,914	\$ 49,725	\$ (6,811)
Delinquent tax	1,762	633	-	633
Motor vehicle tax	8,245	6,304	7,867	(1,563)
Recreational vehicle tax	155	138	166	(28)
16/20M vehicle tax	44	15	54	(39)
Commercial vehicle tax	1,279	1,463	1,400	63
Total Receipts	<u>53,328</u>	<u>51,467</u>	<u>\$ 59,212</u>	<u>\$ (7,745)</u>
Expenditures				
Appropriation to Library Board	51,675	53,120	\$ 54,625	\$ (1,505)
Neighborhood revitalization rebate	-	-	4,750	(4,750)
Total Expenditures	<u>51,675</u>	<u>53,120</u>	<u>\$ 59,375</u>	<u>\$ (6,255)</u>
Receipts Over (Under) Expenditures	1,653	(1,653)		
Unencumbered Cash, Beginning	-	1,653		
Unencumbered Cash, Ending	<u>\$ 1,653</u>	<u>\$ -</u>		

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Ad valorem property tax	\$ 42,118	\$ 42,895	\$ 49,723	\$ (6,828)
Delinquent tax	1,762	635	-	635
Motor vehicle tax	8,244	6,338	7,910	(1,572)
Recreational vehicle tax	107	126	167	(41)
16/20M vehicle tax	43	30	54	(24)
Commercial vehicle tax	1,281	1,472	1,400	72
Total Receipts	<u>53,555</u>	<u>51,496</u>	<u>\$ 59,254</u>	<u>\$ (7,758)</u>
Expenditures				
Appropriation to Sterling Community Cemetery	51,895	53,156	\$ 56,850	\$ (3,694)
Neighborhood revitalization rebate	-	-	4,553	(4,553)
Total Expenditures	<u>51,895</u>	<u>53,156</u>	<u>\$ 61,403</u>	<u>\$ (8,247)</u>
Receipts Over (Under) Expenditures	1,660	(1,660)		
Unencumbered Cash, Beginning	-	1,660		
Unencumbered Cash, Ending	<u>\$ 1,660</u>	<u>\$ -</u>		

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 150,859	\$ 147,502	\$ 177,604	\$ (30,102)
Delinquent tax	5,318	2,120	4,000	(1,880)
Motor vehicle tax	27,306	22,723	28,363	(5,640)
Recreational vehicle tax	513	509	599	(90)
16/20M vehicle tax	133	112	193	(81)
Commercial vehicle tax	4,242	5,276	5,000	276
Local sales tax	310,586	280,696	246,000	34,696
State of Kansas gas tax	61,123	60,800	59,600	1,200
State connecting links	6,539	4,359	8,700	(4,341)
CDBG grant proceeds	-	367,498	-	367,498
Temporary note proceeds	-	670,000	-	670,000
Miscellaneous	-	17,817	-	17,817
Total Receipts	566,619	1,579,412	\$ 530,059	\$ 1,049,353
Expenditures				
Personal services	99,146	104,156	\$ 125,306	\$ (21,150)
Contractual services	181,175	727,716	660,200	67,516
Commodities	74,141	57,527	55,250	2,277
Capital outlay	96,230	627,849	8,000	619,849
Neighborhood revitalization rebate	-	-	11,823	(11,823)
Cash basis carryover	-	-	394,000	(394,000)
Adjustment for Qualifying Budget Credits	-	-	367,498	367,498
Total Expenditures and Budget Credits	450,692	1,517,248	\$ 1,622,077	\$ (104,829)
Receipts Over (Under) Expenditures	115,927	62,163		
Unencumbered Cash, Beginning	628,409	744,336		
Unencumbered Cash, Ending	\$ 744,336	\$ 806,499		

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, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
Local alcoholic liquor tax	\$ 562	\$ 1,015	\$ -	\$ 1,015
Expenditures				
Capital outlay	-	-	\$ 180	\$ (180)
Receipts Over (Under) Expenditures	562	1,015		
Unencumbered Cash, Beginning	<u>2,641</u>	<u>3,203</u>		
Unencumbered Cash, Ending	<u>\$ 3,203</u>	<u>\$ 4,218</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, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Ad valorem property tax	\$ 16,835	\$ 17,323	\$ 19,420	\$ (2,097)
Delinquent tax	709	255	-	255
Motor vehicle tax	3,298	2,536	3,500	(964)
Recreational vehicle tax	62	55	63	(8)
16/20M vehicle tax	17	6	30	(24)
Commercial vehicle tax	512	425	749	(324)
Total Receipts	<u>21,433</u>	<u>20,600</u>	<u>\$ 23,762</u>	<u>\$ (3,162)</u>
Expenditures				
Capital outlay	-	-	\$ 189,025	\$ (189,025)
Neighborhood revitalization rebate	-	-	1,811	(1,811)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 190,836</u>	<u>\$ (190,836)</u>
Receipts Over (Under) Expenditures	21,433	20,600		
Unencumbered Cash, Beginning	<u>139,705</u>	<u>161,138</u>		
Unencumbered Cash, Ending	<u>\$ 161,138</u>	<u>\$ 181,738</u>		

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2019		
	General Fund Actual	Stevenson Fund Actual	Perpetual Care Actual
Receipts			
Taxes	\$ 53,156	\$ -	\$ -
Interest income	2,058	-	-
Charges for service	11,730	-	-
Reimbursed expenses	22,600	-	-
Sale of lots	686	-	2,240
Township distribution	4,000	-	-
Total Receipts	94,230	-	2,240
Expenditures			
Personal services	75,926	-	-
Contractual services	4,480	-	-
Commodities	742	-	-
Capital outlay	27,600	-	-
Total Expenditures	108,748	-	-
Receipts Over (Under) Expenditures	(14,518)	-	2,240
Unencumbered Cash, Beginning	57,841	59,700	124,883
Unencumbered Cash, Ending	\$ 43,323	\$ 59,700	\$ 127,123

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

STERLING COMMUNITY CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2019				
	Mausoleum Trust Funds			Total Cemetery	2018
	Mincer Actual	Manz Actual	Mead Actual	Actual	Actual
Receipts					
Taxes	\$ -	\$ -	\$ -	\$ 53,156	\$ 51,892
Interest income	5	3	2	2,068	2,039
Charges for service	-	-	-	11,730	10,448
Reimbursed expenses	-	-	-	22,600	-
Sale of lots	-	-	-	2,926	9,840
Township distribution	-	-	-	4,000	4,000
Total Receipts	5	3	2	96,480	78,219
Expenditures					
Personal services	-	-	-	75,926	72,451
Contractual services	-	-	-	4,480	4,835
Commodities	-	-	-	742	1,013
Capital outlay	-	-	-	27,600	11,297
Total Expenditures	-	-	-	108,748	89,596
Receipts Over (Under) Expenditures	5	3	2	(12,268)	(11,377)
Unencumbered Cash, Beginning	2,478	1,721	819	247,442	258,819
Unencumbered Cash, Ending	\$ 2,483	\$ 1,724	\$ 821	\$ 235,174	\$ 247,442

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUND

STORM SEWER PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018</u>	<u>2019</u>
Receipts		
Grant	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>5,698</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, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2019</u>			<u>Variance -</u>
	<u>2018</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
Sale to customers	\$ 280,146	\$ 339,948	\$ 350,000	\$ (10,052)
Connection fees	3,130	2,640	2,800	(160)
Hookups	374	735	500	235
Miscellaneous	15,058	14,865	2,000	12,865
Tower rent	17,236	14,363	14,000	363
Total Receipts	315,944	372,551	\$ 369,300	\$ 3,251
Expenditures				
Production -				
Contractual services	4,833	3,757	\$ 3,800	\$ (43)
Commodities	7,040	19,390	8,200	11,190
Total Production	11,873	23,147	12,000	11,147
Distribution -				
Personal services	99,096	102,182	95,122	7,060
Contractual services	11,823	10,188	10,450	(262)
Commodities	44,670	44,615	41,280	3,335
Total Distribution	155,589	156,985	146,852	10,133
General and Administrative -				
Personal services	83,480	88,072	88,841	(769)
Contractual services	31,385	19,281	18,300	981
Commodities	2,795	3,399	2,500	899
Capital outlay	22,350	11,155	55,000	(43,845)
Revolving loan principal	20,000	25,000	25,000	-
Revolving loan interest	2,038	1,730	1,733	(3)
Miscellaneous	1,878	1,694	2,000	(306)
Transfer to General Fund	15,800	15,800	15,800	-
Cash basis carryover	-	-	74,711	(74,711)
Total General and Administrative	179,726	166,131	283,885	(117,754)
Total Expenditures	347,188	346,263	\$ 442,737	\$ (96,474)
Receipts Over (Under) Expenditures	(31,244)	26,288		
Unencumbered Cash, Beginning	63,976	32,732		
Unencumbered Cash, Ending	\$ 32,732	\$ 59,020		

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018	Actual	Budget	Variance - Over (Under)
	Actual			
Receipts				
Sales to customers	\$ 2,382,244	\$ 2,422,994	\$ 2,350,000	\$ 72,994
Connection fees	2,840	2,448	2,600	(152)
Installation charges	375	375	-	375
Capacity purchase reserve	117,450	143,550	156,600	(13,050)
Temporary note proceeds	-	92,000	-	92,000
Transfer from Sewer Utility Fund	-	166,000	-	166,000
Miscellaneous	49,933	52,807	10,000	42,807
Total Receipts	<u>2,552,842</u>	<u>2,880,174</u>	<u>\$ 2,519,200</u>	<u>\$ 360,974</u>
Expenditures				
Production -				
Personal services	184,964	194,308	\$ 183,723	\$ 10,585
Contractual services	1,242,953	1,217,464	1,204,138	13,326
Commodities	68,291	34,573	83,850	(49,277)
Capital outlay	41,810	104,931	80,000	24,931
Total Production	<u>1,538,018</u>	<u>1,551,276</u>	<u>1,551,711</u>	<u>(435)</u>
Distribution -				
Personal services	246,898	280,528	249,600	30,928
Contractual services	50,663	52,414	48,200	4,214
Commodities	84,553	112,858	257,000	(144,142)
Capital outlay	-	1,812	-	1,812
Total Distribution	<u>382,114</u>	<u>447,612</u>	<u>554,800</u>	<u>(107,188)</u>
General and Administrative -				
Personal services	82,820	84,628	88,954	(4,326)
Contractual services	157,682	243,439	124,500	118,939
Commodities	7,764	10,922	6,900	4,022
Capital outlay	3,200	79,645	100,000	(20,355)
Catalytic convertors lease payment	58,840	30,123	60,066	(29,943)
Miscellaneous	670	602	-	602
Transfer to Sewer Utility Fund	166,000	-	-	-
Transfer to General Fund	115,000	120,000	120,000	-
Cash basis carryover	-	-	1,324,703	(1,324,703)
Total General and Administrative	<u>591,976</u>	<u>569,359</u>	<u>1,825,123</u>	<u>(1,255,764)</u>
Total Expenditures	<u>2,512,108</u>	<u>2,568,247</u>	<u>\$ 3,931,634</u>	<u>\$ (1,363,387)</u>
Receipts Over (Under) Expenditures	40,734	311,926		
Unencumbered Cash, Beginning	<u>1,198,246</u>	<u>1,238,980</u>		
Unencumbered Cash, Ending	<u>\$ 1,238,980</u>	<u>\$ 1,550,906</u>		

CITY OF STERLING, KANSAS

BUSINESS FUND

ELECTRIC EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018 Actual</u>	<u>2019 Actual</u>
Receipts	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>148,460</u>	<u>148,460</u>
Unencumbered Cash, Ending	<u><u>\$ 148,460</u></u>	<u><u>\$ 148,460</u></u>

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Receipts				
Sale to customers	\$ 369,369	\$ 370,755	\$ 370,000	\$ 755
Temporary note proceeds	-	171,000	-	171,000
Transfer from Electric Utility Fund	166,000	-	-	-
Miscellaneous	<u>63</u>	<u>5,063</u>	<u>500</u>	<u>4,563</u>
Total Receipts	<u>535,432</u>	<u>546,818</u>	<u>\$ 370,500</u>	<u>\$ 176,318</u>
Expenditures				
Collection -				
Contractual services	11,372	12,967	\$ 18,000	\$ (5,033)
Commodities	3,382	1,755	3,750	(1,995)
Capital outlay	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>
Total Collection	<u>14,754</u>	<u>14,722</u>	<u>71,750</u>	<u>(57,028)</u>
Treatment -				
Personal services	94,852	98,064	95,129	2,935
Contractual services	8,714	14,951	18,600	(3,649)
Commodities	<u>4,572</u>	<u>6,688</u>	<u>3,300</u>	<u>3,388</u>
Total Treatment	<u>108,138</u>	<u>119,703</u>	<u>117,029</u>	<u>2,674</u>
General and Administration -				
Personal services	83,477	86,771	88,955	(2,184)
Contractual services	32,654	33,316	10,900	22,416
Commodities	2,297	2,783	1,500	1,283
Capital outlay	204,909	52,726	30,000	22,726
Catalytic convertors lease payment	-	30,123	-	30,123
Revolving loan payment	77,746	77,817	78,744	(927)
Transfer to General Fund	18,275	18,275	18,275	-
Transfer to Electric Utility Fund	-	166,000	-	166,000
Cash basis carryover	<u>-</u>	<u>-</u>	<u>170,394</u>	<u>(170,394)</u>
Total General and Administrative	<u>419,358</u>	<u>467,811</u>	<u>398,768</u>	<u>69,043</u>
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>-</u>	<u>171,000</u>	<u>171,000</u>
Total Expenditures and Budget Credits	<u>542,250</u>	<u>602,236</u>	<u>\$ 758,547</u>	<u>\$ (156,311)</u>
Receipts Over (Under) Expenditures	(6,818)	(55,418)		
Unencumbered Cash, Beginning	<u>286,664</u>	<u>279,846</u>		
Unencumbered Cash, Ending	<u>\$ 279,846</u>	<u>\$ 224,428</u>		

CITY OF STERLING, KANSAS

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

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Rent	\$ 31,896	\$ 31,596	\$ 31,696	\$ (100)
Expenditures				
Contractual services	8,632	3,684	\$ -	\$ 3,684
Lease purchase payment	11,608	-	-	-
Cash basis reserve	-	-	65,116	(65,116)
Total Expenditures	20,240	3,684	\$ 65,116	\$ (61,432)
Receipts Over (Under) Expenditures	11,656	27,912		
Unencumbered Cash, Beginning	32,849	44,505		
Unencumbered Cash, Ending	\$ 44,505	\$ 72,417		

CITY OF STERLING, KANSAS

AGENCY FUNDSSCHEDULE OF RECEIPTS AND DISBURSEMENTSRegulatory Basis

For the Year Ended December 31, 2019

<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	5,101	2,250	1,700	5,651
Electric utility deposits	18,509	9,250	9,400	18,359
Police forfeiture	<u>297</u>	<u>-</u>	<u>-</u>	<u>297</u>
Total	<u>\$ 27,621</u>	<u>\$ 11,500</u>	<u>\$ 11,100</u>	<u>\$ 28,021</u>