

CITY OF CLAY CENTER, KANSAS

FINANCIAL STATEMENTS

Year ended December 31, 2020

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CITY OF CLAY CENTER, KANSAS

Financial Statements
Year ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Clay Center, Kansas

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the presentation of the financial statements 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 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and the summary of 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 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Matter

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 Clay Center, Kansas as of and for the year ended December 13, 2019 (not presented herein), and have issued our report thereon dated April 15, 2020 which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipalservices>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 6, 2021

CITY OF CLAY CENTER, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	\$ 237,260	\$ -	\$ 3,387,154	\$ 3,347,691	\$ 276,723	\$ 90,808	\$ 367,531
Special Purpose Funds:							
Airport	1,464	-	66,566	51,578	16,452	779	17,231
Connecting Link Improvement	36,358	-	48,814	30,000	55,172	-	55,172
Industrial	1,312	-	25,660	25,000	1,972	-	1,972
Library	7,717	-	192,662	196,396	3,983	-	3,983
Public Recreation	27,519	-	54,821	57,633	24,707	5,221	29,928
Special Highway	194,481	-	103,703	146,942	151,242	240	151,482
Special Improvement	39,791	-	-	-	39,791	-	39,791
Sales Tax	152,670	-	458,133	412,870	197,933	-	197,933
Special Park and Recreation	15,073	-	7,090	5,842	16,321	-	16,321
2019 Special Improvement	46,223	-	-	46,223	-	-	-
Airport Improvement	[6,160]	-	12,419	17,582	[11,323]	-	[11,323]
Street, Building, Machinery and Equipment	457,472	-	114,114	20,227	551,359	-	551,359
Cemetery Perpetual Care	171,625	-	2,030	-	173,655	-	173,655
Pool Sales Tax	412,626	-	458,132	357,167	513,591	-	513,591
Bond and Interest Funds:							
Bond and Interest	96,610	-	94,984	101,982	89,612	-	89,612
Capital Project Funds							
Pool Project	41,408	-	-	-	41,408	-	41,408
Zoo Improvement	332,413	-	41,425	117,032	256,806	-	256,806
Business Funds:							
Waste Water	129,098	-	443,756	456,650	116,204	16,642	132,846
Water Utility	1,504,129	-	8,340,273	8,728,664	1,115,738	92,127	1,207,865
Electric Utility	4,897,675	-	6,780,594	7,837,344	3,840,925	866,328	4,707,253
Trust Funds:							
FSA	16,150	-	49	12,000	4,199	-	4,199
Refuse Disposal Maintenance	316,083	-	278,298	226,929	367,452	9,384	376,836
Animal Shelter	2,446	-	-	-	2,446	-	2,446
Campbell Field Lights	1,088	-	-	1,088	-	-	-
Undercover	2,590	-	-	-	2,590	-	2,590
Underage Drinking Reward	-	-	-	-	-	-	-
Public Building Commission	473,208	-	359,563	359,560	473,211	-	473,211
Total Reporting Entity [Excluding Agency Funds]	\$ 9,608,329	\$ -	\$ 21,270,240	\$ 22,556,400	\$ 8,322,169	\$ 1,081,529	\$ 9,403,698

Composition of Cash:

Union State Bank	
Checking	\$ 952,368
Money Market	3,391,127
Certificates of Deposit	1,367,489
United Bank & Trust	
Checking	3,364,799
Money Market	464,139
Petty Cash	<u>3,000</u>
Total Cash	9,542,922
Agency Funds per Schedule 3	<u>[139,224]</u>
Total	<u>\$ 9,403,698</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Clay Center (City) is a municipal corporation governed by a mayor and eight-member council. These financial statements present the City (the primary government) and exclude its related municipal entities, of which the City is considered financially accountable. The excluded related municipal entities of the City are as follows:

Clay Center Recreation Commission
Clay Center Public Library
Clay Center Public Housing Authority

Separate financial statements may be obtained directly from the above.

The City has included the Public Building Commission as a blended related municipal entity.

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory basis receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

Capital Project Funds - 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 (payroll clearing fund, county treasurer tax collection accounts, etc.).

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 city council to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended December 31, 2020.

The statutes permit transferring budgeted amounts between accounts 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 projects funds, trust funds and the follow special purpose funds: 2019 Special Improvements Fund, Airport Improvement Fund, Street, Building, Machinery, and Equipment Fund and the Cemetery Perpetual Care Fund.

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

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2020

NOTE 2 - Deposits

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

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2020, the City held no such investments.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods." All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$9,542,922 and the bank balance was \$9,599,926. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$9,099,926 was collateralized with letters of credit and 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.

NOTE 3 - 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, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City and Public Utility were \$247,214 for the year ended December 31, 2020.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2020

NOTE 3 - Defined Benefit Pension Plan (Continued)

Net Pension Liability. At December 31, 2020, the City's and Public Utility's proportionate share of the collective net pension liability reported by KPERS was \$2,626,226. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 - Long-Term Debt

During the year ended December 31, 2020, the following changes occurred in long term liabilities:

<u>Issue</u>	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2020</u>	<u>Interest Paid</u>
Revolving Loan					
Sewer Improvement	\$ 510,123	\$ -	\$ 57,985	\$ 452,138	\$ 13,285
General Obligation Bonds					
Series 2010 Street Improvement	110,000	-	110,000	-	3,740
Series 2010B Refunding	350,000	-	350,000	-	5,513
Series 2013 Water	6,405,000	-	6,405,000	-	141,470
Series 2016A	54,000	-	27,000	27,000	1,453
Series 2019	875,000	-	75,000	800,000	26,982
Series 2020	-	6,060,000	-	6,060,000	-
Revenue Bonds					
Series 2014 Public Building Commission	3,840,000	-	200,000	3,640,000	159,560
Capital Lease Obligation					
Street Maintenance Facility	486,110	-	24,811	461,299	15,850
Fire Truck	436,531	-	36,724	399,807	17,813
Promissory Note					
Water Line Loan	355,440	-	18,009	337,431	13,732
Pump Station Loan	3,500,000	-	98,860	3,401,140	295,731
Totals	<u>\$ 16,922,204</u>	<u>\$ 6,060,000</u>	<u>\$ 7,403,389</u>	<u>\$ 15,578,815</u>	<u>\$ 695,129</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

General Obligation Bonds. The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund regulatory basis receipts. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Amount Outstanding at December 31, 2020</u>
Paid by taxes:					
Series 2016A	2.69%	7/26/2016	8/1/2021	\$ 130,000	\$ 27,000
Series 2019	2.00 - 3.00%	9/5/2019	11/1/2027	875,000	800,000
Paid by utility revenues:					
Series 2020	1.29%	6/4/2020	8/1/2032	6,060,000	6,060,000
				<u>\$ 7,065,000</u>	<u>\$ 6,887,000</u>

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

<u>Year Ending</u>	<u>Governmental Funds</u>		<u>Enterprise Funds</u>		<u>Total</u>	
<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 107,000	\$ 21,826	\$ 465,000	\$ 89,100	\$ 572,000	\$ 110,926
2022	80,000	18,700	485,000	70,628	565,000	89,328
2023	85,000	16,300	485,000	64,339	570,000	80,639
2024	85,000	13,750	485,000	58,115	570,000	71,865
2025	90,000	11,200	495,000	51,826	585,000	63,026
2026 - 2030	380,000	20,200	2,565,000	161,411	2,945,000	181,611
2030 - 2034	-	-	1,080,000	17,447	1,080,000	17,447
	<u>\$ 827,000</u>	<u>\$ 101,976</u>	<u>\$ 6,060,000</u>	<u>\$ 512,866</u>	<u>\$ 6,887,000</u>	<u>\$ 614,842</u>

General Obligation Bonds, Series 2020, were issued on June 4, 2020, and have an interest rate of 1.29%. Due dates on the bonds range from February 2021 through August 2032. Proceeds of the bonds were used to refund the Series 2013 bonds. As a result of the refunding, the Series 2013 bonds were considered to be defeased and the liability was removed from the City's financial statements. The transaction resulted in an economic gain of \$328,316 and a reduction of \$360,938 in future debt payments.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

Revenue Bonds. The Public Building Commission issued Series 2014 Revenue Bonds in the amount of \$4,720,000 on March 25, 2014, for the construction of a new community swimming pool and associated appurtenances in the City at the site of the existing swimming pool. Revenue Bonds currently outstanding are as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Amount Outstanding at December 31, 2020</u>
Series 2014 Public Building Commission	.50 - 5.00%	3/25/2014	9/1/2034	<u>\$ 4,720,000</u>	<u>\$ 3,640,000</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 205,000	\$ 154,560
2022	210,000	148,923
2023	215,000	142,623
2024	225,000	135,635
2025	230,000	127,760
2026 - 2030	1,285,000	492,040
2031 - 2034	<u>1,270,000</u>	<u>162,500</u>
	<u>\$ 3,640,000</u>	<u>\$ 1,364,041</u>

State Agency Loans. The City has entered into a loan agreement with the Kansas Department of Health and Environment for improving the wastewater system in Clay Center. At December 31, 2020, the outstanding principal balance for the loan is as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Amount of Issue</u>	<u>Current Amount</u>
Sewer Improvement	2.68%	5/24/2006	9/1/2027	<u>\$ 896,930</u>	<u>\$ 452,138</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

The following displays annual debt service requirements to maturity for loan payable to be paid from service regulatory basis receipts:

Year Ending <u>December 31,</u>	
2021	\$ 71,292
2022	71,292
2023	71,292
2024	71,292
2025	71,292
2026 - 2027	<u>142,585</u>
Total principal and interest	499,045
Less: interest	<u>[46,907]</u>
Total principal	<u>\$ 452,138</u>

Capital Lease. On September 23, 2014, the City entered into a capital lease agreement in the amount of \$600,000 for financing the acquisition of a street maintenance facility. The interest rate on the lease is 3.68% and has a final maturity of August 1, 2034. As of December 31, 2020, the balance on the lease was \$461,299.

On December 21, 2016, the City entered into a capital lease agreement in the amount of \$540,000 to finance the purchase of a fire truck. The interest rate on the lease is 3.66% and has a final maturity of December 15, 2029. As of December 31, 2020, the balance on the lease was \$399,807.

The annual lease payment required to maturity for the capital lease payable is as follows:

Year Ending <u>December 31,</u>	
2021	\$ 95,198
2022	95,198
2023	95,198
2024	95,198
2025	95,198
2026 - 2030	423,415
2031 - 2034	<u>170,498</u>
Total principal and interest	1,069,903
Less: interest	<u>[208,797]</u>
Total principal	<u>\$ 861,106</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2020

NOTE 4 - Long-Term Debt (Continued)

Promissory Notes. On January 15, 2015, the Clay Center Public Utility signed a promissory note with Union State Bank in the amount of \$436,342 for the construction of the water line to Morganville. The interest rate on the note is 3.95% with a final maturity of January 15, 2035. As of December 31, 2020, the balance on the note was \$337,431.

On March 4, 2019, the Clay Center Public Utility signed a promissory note with Union State Bank in the amount of \$3,500,000 for the construction of a pump station. The interest rate on the note is 4.69% with a final maturity of January 25, 2040. As of December 31, 2020, the balance on the note was \$3,401,140.

The annual payments required to maturity for the promissory notes payable are as follows:

Year Ending December 31,	
2021	\$ 301,700
2022	301,699
2023	301,699
2024	301,700
2025	301,700
2026 - 2030	1,508,498
2031 - 2035	1,476,116
2036 - 2040	<u>1,102,981</u>
Total principal and interest	5,596,093
Less: interest	<u>[1,857,522]</u>
Total principal	<u>\$ 3,738,571</u>

NOTE 5 - Statutory Violation

The City was in violation of K.S.A. 10-130, which requires bond payments to be remitted to the Office of the State Treasurer no less than 20 days before the redemption date of such bonds and the payment of interest thereon. Six bond payments made during the year ended December 31, 2020, were received by the Office of the State Treasurer fewer than 20 days before the redemption date

NOTE 6 - Compensated Absences

It is the City's policy to pay employees' accrued vacation and personal leave pay upon termination of employment. As of December 31, 2020, the City's liability for accrued vacation pay was \$71,114 and accrued personal leave pay was \$9,155.

It is the Public Utility's policy to pay employees' accrued vacation leave pay upon termination of employment. As of December 31, 2020, the Public Utility's liability for accrued vacation pay was \$83,714.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2020

NOTE 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2020.

NOTE 9 - Interfund Transfers

A reconciliation of transfers by fund type for 2020 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Airport	\$ 30,000	K.S.A. 12-197
General	Street, Building, Machinery & Equipment	75,000	K.S.A. 12-1,117
		<u>105,000</u>	
Transfer from Public Utility Recorded As:			
Transfer In - General Fund		187,075	K.S.A. 12-825d
Charges for Services - Waste Water Fund		443,225	K.S.A. 12-825d
Charges for Services - Refuse Disposal Maintenance Fund		<u>277,930</u>	K.S.A. 12-825d
		<u>908,230</u>	
Total transfers		<u>\$ 1,013,230</u>	

NOTE 10 - Other Long-Term Obligations from Operations

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

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

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

SCHEDULE 1

CITY OF CLAY CENTER, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 3,796,740	\$ -	\$ 3,796,740	\$ 3,347,691	\$ 449,049
Special Purpose Funds:					
Airport	99,041	-	99,041	51,578	47,463
Connecting Link Improvement	589,268	-	589,268	30,000	559,268
Industrial	25,000	-	25,000	25,000	-
Library	196,396	-	196,396	196,396	-
Public Recreation	101,500	-	101,500	57,633	43,867
Special Highway	231,914	-	231,914	146,942	84,972
Special Improvement	39,791	-	39,791	-	39,791
Sales Tax	519,840	-	519,840	412,870	106,970
Special Park and Recreation	13,478	-	13,478	5,842	7,636
Pool Sales Tax	759,560	-	759,560	357,167	402,393
Bond and Interest	118,000	-	118,000	101,982	16,018
Business Funds:					
Waste Water	595,369	-	595,369	456,650	138,719
Water Utility	3,756,000	6,060,000	9,816,000	8,728,664	1,087,336
Electric Utility	14,906,000	-	14,906,000	7,837,344	7,068,656
Refuse Disposal Maintenance	449,610	-	449,610	226,929	222,681

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared revenue				
Property taxes	\$ 1,720,582	\$ 1,707,170	\$ 1,800,272	\$ [93,102]
Alcohol tax	8,381	7,091	7,490	[399]
Franchise tax	128,409	118,403	155,000	[36,597]
Sales tax	1,062,088	1,161,386	1,055,000	106,386
Licenses and permits	34,562	45,536	52,000	[6,464]
Fines and fees	52,516	26,979	79,000	[52,021]
Charges for services	94,858	99,089	114,000	[14,911]
Reimbursed expenses	1,349	17,254	20,000	[2,746]
Miscellaneous	1,631	1,276	9,500	[8,224]
Transfer in	188,273	187,075	250,000	[62,925]
Use of money and property	17,107	15,895	14,000	1,895
Total Receipts	<u>3,309,756</u>	<u>3,387,154</u>	<u>\$ 3,556,262</u>	<u>\$ [169,108]</u>
Expenditures				
General government	729,771	569,456	\$ 620,900	\$ 51,444
Police department	676,518	728,200	781,500	53,300
Fire department	682,086	684,706	730,000	45,294
Highway department	573,018	578,661	614,200	35,539
Parks department	223,638	235,145	241,500	6,355
Pool department	162,842	128,631	158,500	29,869
Cemetery department	175,291	180,112	183,000	2,888
Municipal court	-	137,780	113,400	[24,380]
Debt service	-	-	113,740	113,740
Neighborhood revitalization program	-	-	60,000	60,000
Transfers out	150,000	105,000	180,000	75,000
Total Expenditures	<u>3,373,164</u>	<u>3,347,691</u>	<u>\$ 3,796,740</u>	<u>\$ 449,049</u>
Receipts Over [Under] Expenditures	[63,408]	39,463		
Unencumbered Cash, Beginning	<u>300,668</u>	<u>237,260</u>		
Unencumbered Cash, Ending	<u>\$ 237,260</u>	<u>\$ 276,723</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 2

CITY OF CLAY CENTER, KANSAS
 Airport Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		Current Year		
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance- Over [Under]
Receipts				
Use of money and property	\$ 11,785	\$ 10,943	\$ -	\$ 10,943
Miscellaneous	13,153	25,623	46,000	[20,377]
Transfer in	<u>50,000</u>	<u>30,000</u>	<u>50,000</u>	<u>[20,000]</u>
Total Receipts	<u>74,938</u>	<u>66,566</u>	<u>\$ 96,000</u>	<u>\$ [29,434]</u>
Expenditures				
Contractual services	52,076	24,834	\$ 55,500	\$ 30,666
Commodities	<u>27,666</u>	<u>26,744</u>	<u>43,541</u>	<u>16,797</u>
Total Expenditures	<u>79,742</u>	<u>51,578</u>	<u>\$ 99,041</u>	<u>\$ 47,463</u>
Receipts Over [Under] Expenditures	[4,804]	14,988		
Unencumbered Cash, Beginning	<u>6,268</u>	<u>1,464</u>		
Unencumbered Cash, Ending	<u>\$ 1,464</u>	<u>\$ 16,452</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Connecting Link Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Connecting link distribution	\$ 339,051	\$ 48,814	\$ 530,000	\$ [481,186]
Total Receipts	<u>339,051</u>	<u>48,814</u>	<u>\$ 530,000</u>	<u>\$ [481,186]</u>
Expenditures				
Capital outlay	<u>363,806</u>	<u>30,000</u>	<u>\$ 589,268</u>	<u>\$ 559,268</u>
Total Expenditures	<u>363,806</u>	<u>30,000</u>	<u>\$ 589,268</u>	<u>\$ 559,268</u>
Receipts Over [Under] Expenditures	[24,755]	18,814		
Unencumbered Cash, Beginning	<u>61,113</u>	<u>36,358</u>		
Unencumbered Cash, Ending	<u>\$ 36,358</u>	<u>\$ 55,172</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 4

CITY OF CLAY CENTER, KANSAS
Industrial Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 25,428	\$ 25,660	\$ 25,214	\$ 446
Total Receipts	<u>25,428</u>	<u>25,660</u>	<u>\$ 25,214</u>	<u>\$ 446</u>
Expenditures				
Appropriations	<u>25,000</u>	<u>25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	428	660		
Unencumbered Cash, Beginning	<u>884</u>	<u>1,312</u>		
Unencumbered Cash, Ending	<u>\$ 1,312</u>	<u>\$ 1,972</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance- Over [Under]
		Actual	Budget	
Receipts				
Taxes	\$ 193,680	\$ 192,662	\$ 193,378	\$ [716]
Total Receipts	<u>193,680</u>	<u>192,662</u>	<u>\$ 193,378</u>	<u>\$ [716]</u>
Expenditures				
Appropriations	<u>191,933</u>	<u>196,396</u>	<u>\$ 196,396</u>	<u>\$ -</u>
Total Expenditures	<u>191,933</u>	<u>196,396</u>	<u>\$ 196,396</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	1,747	[3,734]		
Unencumbered Cash, Beginning	<u>5,970</u>	<u>7,717</u>		
Unencumbered Cash, Ending	<u>\$ 7,717</u>	<u>\$ 3,983</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Public Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 28,656	\$ 30,306	\$ 30,865	\$ [559]
Charges for services	26,630	24,515	43,000	[18,485]
Reimbursements	-	-	5,000	[5,000]
Miscellaneous	<u>17,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>73,213</u>	<u>54,821</u>	<u>\$ 78,865</u>	<u>\$ [24,044]</u>
Expenditures				
Appropriations	-	-	\$ 3,000	\$ 3,000
Personal services	15,043	17,681	13,000	[4,681]
Contractual services	1,103	1,026	17,250	16,224
Commodities	21,586	38,926	68,250	29,324
Capital outlay	<u>13,205</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>50,937</u>	<u>57,633</u>	<u>\$ 101,500</u>	<u>\$ 43,867</u>
Receipts Over [Under] Expenditures	22,276	[2,812]		
Unencumbered Cash, Beginning	<u>5,243</u>	<u>27,519</u>		
Unencumbered Cash, Ending	<u>\$ 27,519</u>	<u>\$ 24,707</u>		

See independent auditor's report on the financial statements.

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

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Intergovernmental	\$ 109,140	\$ 103,703	\$ 108,550	\$ [4,847]
Reimbursements	<u>55</u>	<u>-</u>	<u>15,000</u>	<u>[15,000]</u>
Total Receipts	<u>109,195</u>	<u>103,703</u>	<u>\$ 123,550</u>	<u>\$ [19,847]</u>
Expenditures				
Commodities	86,405	146,942	\$ 231,914	\$ 84,972
Capital outlay	<u>3,263</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>89,668</u>	<u>146,942</u>	<u>\$ 231,914</u>	<u>\$ 84,972</u>
Receipts Over [Under] Expenditures	19,527	[43,239]		
Unencumbered Cash, Beginning	<u>174,954</u>	<u>194,481</u>		
Unencumbered Cash, Ending	<u>\$ 194,481</u>	<u>\$ 151,242</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 8

CITY OF CLAY CENTER, KANSAS
Special Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
Contractual services	-	-	\$ 39,791	\$ 39,791
Total Expenditures	-	-	\$ 39,791	\$ 39,791
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	39,791	39,791		
Unencumbered Cash, Ending	\$ 39,791	\$ 39,791		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax	\$ 421,413	\$ 458,133	\$ 430,000	\$ 28,133
Total Receipts	<u>421,413</u>	<u>458,133</u>	<u>\$ 430,000</u>	<u>\$ 28,133</u>
Expenditures				
Construction costs	<u>363,583</u>	<u>412,870</u>	<u>\$ 519,840</u>	<u>\$ 106,970</u>
Total Expenditures	<u>363,583</u>	<u>412,870</u>	<u>\$ 519,840</u>	<u>\$ 106,970</u>
Receipts Over [Under] Expenditures	57,830	45,263		
Unencumbered Cash, Beginning	<u>94,840</u>	<u>152,670</u>		
Unencumbered Cash, Ending	<u>\$ 152,670</u>	<u>\$ 197,933</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance- Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Intergovernmental	\$ 8,382	\$ 7,090	\$ 7,490	\$ [400]
Total Receipts	<u>8,382</u>	<u>7,090</u>	<u>\$ 7,490</u>	<u>\$ [400]</u>
Expenditures				
Commodities	4,073	5,842	\$ 6,000	\$ 158
Capital outlay	<u>734</u>	<u>-</u>	<u>7,478</u>	<u>7,478</u>
Total Expenditures	<u>4,807</u>	<u>5,842</u>	<u>\$ 13,478</u>	<u>\$ 7,636</u>
Receipts Over [Under] Expenditures	3,575	1,248		
Unencumbered Cash, Beginning	<u>11,498</u>	<u>15,073</u>		
Unencumbered Cash, Ending	<u>\$ 15,073</u>	<u>\$ 16,321</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 2019 Special Improvement*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Bond and temporary note proceeds	\$ -	\$ 1,769,908
Reimbursements	<u>-</u>	<u>7,737</u>
Total Receipts	<u>-</u>	<u>1,777,645</u>
Expenditures		
Contractual services	46,223	855,650
Bond principal	-	860,000
Interest	<u>-</u>	<u>15,772</u>
Total Expenditures	<u>46,223</u>	<u>1,731,422</u>
Receipts Over [Under] Expenditures	[46,223]	46,223
Unencumbered Cash, Beginning	<u>46,223</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 46,223</u>

* This fund is not required to be budgeted.

SCHEDULE 2 - 12

CITY OF CLAY CENTER, KANSAS
 Airport Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
County grant	\$ 12,419	\$ 259,711
Transfers in	<u>-</u>	<u>30,000</u>
Total Receipts	<u>12,419</u>	<u>289,711</u>
Expenditures		
Contractual services	17,582	299,955
Capital outlay	<u>-</u>	<u>4,377</u>
Total Expenditures	<u>17,582</u>	<u>304,332</u>
Receipts Over [Under] Expenditures	[5,163]	[14,621]
Unencumbered Cash, Beginning	<u>[6,160]</u>	<u>8,461</u>
Unencumbered Cash, Ending	<u>\$ [11,323]</u>	<u>\$ [6,160]</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Street, Building, Machinery and Equipment Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Sale of equipment	\$ -	\$ 17,000
Donations	26,196	5,693
Miscellaneous	12,918	2,470
Transfer in	<u>75,000</u>	<u>70,000</u>
 Total Receipts	 <u>114,114</u>	 <u>95,163</u>
 Expenditures		
Capital outlay	19,623	53,468
Commodities	<u>604</u>	<u>52,322</u>
 Total Expenditures	 <u>20,227</u>	 <u>105,790</u>
 Receipts Over [Under] Expenditures	 93,887	 [10,627]
 Unencumbered Cash, Beginning	 <u>457,472</u>	 <u>468,099</u>
 Unencumbered Cash, Ending	 <u>\$ 551,359</u>	 <u>\$ 457,472</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Cemetery Perpetual Care Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Perpetual care payments	\$ 2,030	\$ 1,155
Total Receipts	<u>2,030</u>	<u>1,155</u>
Expenditures		
Contractual	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	2,030	1,155
Unencumbered Cash, Beginning	<u>171,625</u>	<u>170,470</u>
Unencumbered Cash, Ending	<u>\$ 173,655</u>	<u>\$ 171,625</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Pool Sales Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Sales tax	\$ 421,414	\$ 458,132	\$ 430,000	\$ 28,132
Total Receipts	<u>421,414</u>	<u>458,132</u>	<u>\$ 430,000</u>	<u>\$ 28,132</u>
Expenditures				
Transfer out	355,847	357,167	\$ 400,000	\$ 42,833
Lease payment	<u>-</u>	<u>-</u>	<u>359,560</u>	<u>359,560</u>
Total Expenditures	<u>355,847</u>	<u>357,167</u>	<u>\$ 759,560</u>	<u>\$ 402,393</u>
Receipts Over [Under] Expenditures	65,567	100,965		
Unencumbered Cash, Beginning	<u>347,059</u>	<u>412,626</u>		
Unencumbered Cash, Ending	<u>\$ 412,626</u>	<u>\$ 513,591</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 94,611	\$ 94,984	\$ 100,739	\$ [5,755]
Total Receipts	<u>94,611</u>	<u>94,984</u>	<u>\$ 100,739</u>	<u>\$ [5,755]</u>
Expenditures				
Bond principal	-	75,000	\$ 105,000	\$ 30,000
Interest	<u>-</u>	<u>26,982</u>	<u>13,000</u>	<u>[13,982]</u>
Total Expenditures	<u>-</u>	<u>101,982</u>	<u>\$ 118,000</u>	<u>\$ 16,018</u>
Receipts Over [Under] Expenditures	94,611	[6,998]		
Unencumbered Cash, Beginning	<u>1,999</u>	<u>96,610</u>		
Unencumbered Cash, Ending	<u>\$ 96,610</u>	<u>\$ 89,612</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 Pool Project Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Contributions	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total Receipts	-	-
Expenditures		
Contractual	-	-
	<u>-</u>	<u>-</u>
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>41,408</u>	<u>41,408</u>
Unencumbered Cash, Ending	<u>\$ 41,408</u>	<u>\$ 41,408</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Zoo Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Contributions	\$ 41,425	\$ 16,015
Total Receipts	<u>41,425</u>	<u>16,015</u>
Expenditures		
Transfers out	<u>117,032</u>	<u>295,585</u>
Total Expenditures	<u>117,032</u>	<u>295,585</u>
Receipts Over [Under] Expenditures	[75,607]	[279,570]
Unencumbered Cash, Beginning	<u>332,413</u>	<u>611,983</u>
Unencumbered Cash, Ending	<u>\$ 256,806</u>	<u>\$ 332,413</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Waste Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 454,874	\$ 443,226	\$ 470,000	\$ [26,774]
Reimbursements	1,000	500	1,000	[500]
Miscellaneous	<u>10</u>	<u>30</u>	<u>-</u>	<u>30</u>
Total Receipts	<u>455,884</u>	<u>443,756</u>	<u>\$ 471,000</u>	<u>\$ [27,244]</u>
Expenditures				
Personal services	223,058	241,924	\$ 259,500	\$ 17,576
Commodities	83,515	60,951	123,000	62,049
Contractual services	76,170	54,051	65,000	10,949
Capital outlay	31,749	-	46,367	46,367
Debt service	<u>99,446</u>	<u>99,724</u>	<u>101,502</u>	<u>1,778</u>
Total Expenditures	<u>513,938</u>	<u>456,650</u>	<u>\$ 595,369</u>	<u>\$ 138,719</u>
Receipts Over [Under] Expenditures	[58,054]	[12,894]		
Unencumbered Cash, Beginning	<u>187,152</u>	<u>129,098</u>		
Unencumbered Cash, Ending	<u>\$ 129,098</u>	<u>\$ 116,204</u>		

See independent auditor's report on the financial statements.

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

	Prior Year	Current Year		Variance- Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 2,390,280	\$ 2,121,126	\$ 3,580,500	\$ [1,459,374]
Use of money and property	11,900	14,976	15,000	[24]
Miscellaneous	35,593	24,328	75,000	[50,672]
Bond proceeds	-	6,060,000	-	6,060,000
Transfers in	<u>296,440</u>	<u>119,843</u>	<u>130,000</u>	<u>[10,157]</u>
Total Receipts	<u>2,734,213</u>	<u>8,340,273</u>	<u>\$ 3,800,500</u>	<u>\$ 4,539,773</u>
Expenditures				
Personal services	463,823	500,491	\$ 1,105,000	\$ 604,509
Contractual	56,855	206,152	540,000	333,848
Capital outlay	608,659	263,610	600,000	336,390
Commodities	405,021	421,679	780,000	358,321
Debt service	611,718	6,563,766	630,000	[5,933,766]
Miscellaneous	-	-	21,000	21,000
Transfer out	774,744	772,966	80,000	[692,966]
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>6,060,000</u>	<u>6,060,000</u>
Total Expenditures	<u>2,920,820</u>	<u>8,728,664</u>	<u>\$ 9,816,000</u>	<u>\$ 1,087,336</u>
Receipts Over [Under] Expenditures	[186,607]	[388,391]		
Unencumbered Cash, Beginning	<u>1,690,736</u>	<u>1,504,129</u>		
Unencumbered Cash, Ending	<u>\$ 1,504,129</u>	<u>\$ 1,115,738</u>		

See independent auditor's report on the financial statements.

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

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 6,494,501	\$ 6,302,638	\$ 11,940,000	\$ [5,637,362]
Taxes	195,163	166,489	400,000	[233,511]
Use of money and property	36,454	69,277	25,000	44,277
Loan proceeds	3,500,000	-	2,170,500	[2,170,500]
Miscellaneous	63,344	85,941	285,000	[199,059]
Transfers in	1,995	156,249	115,000	41,249
Total Receipts	<u>10,291,457</u>	<u>6,780,594</u>	<u>\$ 14,935,500</u>	<u>\$ [8,154,906]</u>
Expenditures				
Personal services	1,762,493	1,827,443	\$ 8,485,000	\$ 6,657,557
Contractual	144,533	56,616	938,000	881,384
Capital outlay	1,126,011	883,562	2,700,000	1,816,438
Commodities	4,176,618	3,845,310	1,283,000	[2,562,310]
Debt service	369,155	750,167	375,000	[375,167]
Sales tax	192,377	192,147	450,000	257,853
Transfer out	140,104	282,099	675,000	392,901
Total Expenditures	<u>7,911,291</u>	<u>7,837,344</u>	<u>\$ 14,906,000</u>	<u>\$ 7,068,656</u>
Receipts Over [Under] Expenditures	2,380,166	[1,056,750]		
Unencumbered Cash, Beginning	<u>2,517,509</u>	<u>4,897,675</u>		
Unencumbered Cash, Ending	<u>\$ 4,897,675</u>	<u>\$ 3,840,925</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 22

CITY OF CLAY CENTER, KANSAS
FSA Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Transfer in	\$ -	\$ -
Use of money and property	<u>49</u>	<u>85</u>
Total Receipts	<u>49</u>	<u>85</u>
Expenditures		
Transfer out	<u>12,000</u>	<u>2,850</u>
Total Expenditures	<u>12,000</u>	<u>2,850</u>
Receipts Over [Under] Expenditures	[11,951]	[2,765]
Unencumbered Cash, Beginning	<u>16,150</u>	<u>18,915</u>
Unencumbered Cash, Ending	<u>\$ 4,199</u>	<u>\$ 16,150</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Refuse Disposal Maintenance Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2020
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 271,968	\$ 277,930	\$ 277,000	\$ 930
Miscellaneous	<u>811</u>	<u>368</u>	<u>8,000</u>	<u>[7,632]</u>
Total Receipts	<u>272,779</u>	<u>278,298</u>	<u>\$ 285,000</u>	<u>\$ [6,702]</u>
Expenditures				
Commodities	19,302	14,183	\$ 44,250	\$ 30,067
Personal services	131,084	142,292	155,000	12,708
Contractual services	64,370	70,454	70,200	[254]
Capital outlay	<u>-</u>	<u>-</u>	<u>180,160</u>	<u>180,160</u>
Total Expenditures	<u>214,756</u>	<u>226,929</u>	<u>\$ 449,610</u>	<u>\$ 222,681</u>
Receipts Over [Under] Expenditures	58,023	51,369		
Unencumbered Cash, Beginning	<u>258,060</u>	<u>316,083</u>		
Unencumbered Cash, Ending	<u>\$ 316,083</u>	<u>\$ 367,452</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 Animal Shelter Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Donations	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Animal feed and care	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	2,446	2,446
Unencumbered Cash, Ending	<u>\$ 2,446</u>	<u>\$ 2,446</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Campbell Field Lights Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Donations	\$ -	\$ 39
Total Receipts	<u>-</u>	<u>39</u>
Expenditures		
Capital outlay	<u>1,088</u>	<u>2,500</u>
Total Expenditures	<u>1,088</u>	<u>2,500</u>
Receipts Over [Under] Expenditures	[1,088]	[2,461]
Unencumbered Cash, Beginning	<u>1,088</u>	<u>3,549</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,088</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Undercover Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Miscellaneous	\$ -	\$ 1,742
Total Receipts	-	1,742
Expenditures		
Operational equipment	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	1,742
Unencumbered Cash, Beginning	2,590	848
Unencumbered Cash, Ending	\$ 2,590	\$ 2,590

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Underage Drinking Reward Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Donations	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Miscellaneous	-	1,743
Total Expenditures	-	1,743
Receipts Over [Under] Expenditures	-	[1,743]
Unencumbered Cash, Beginning	-	1,743
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
Public Building Commission Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Receipts		
Transfer in	\$ 357,167	\$ 355,847
Use of money and property	<u>2,396</u>	<u>2,374</u>
Total Receipts	<u>359,563</u>	<u>358,221</u>
Expenditures		
Bond principal	200,000	195,000
Interest	<u>159,560</u>	<u>163,948</u>
Total Expenditures	<u>359,560</u>	<u>358,948</u>
Receipts Over [Under] Expenditures	3	[727]
Unencumbered Cash, Beginning	<u>473,208</u>	<u>473,935</u>
Unencumbered Cash, Ending	<u>\$ 473,211</u>	<u>\$ 473,208</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2020

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Employee Health Insurance	\$ 133,245	\$ 2,514	\$ 870	\$ 134,889
Crime Stoppers	10,918	86	10,918	86
CDBG	<u>-</u>	<u>28,357</u>	<u>24,107</u>	<u>4,250</u>
Total Agency Funds	<u>\$ 144,163</u>	<u>\$ 30,956</u>	<u>\$ 35,895</u>	<u>\$ 139,224</u>

See independent auditor's report on the financial statements.