

CITY OF BIRD CITY, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2019

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

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Bird City, Kansas
Bird City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Bird City, Kansas**, as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from 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, the financial statement is prepared by **City of Bird City, Kansas** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters 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 **City of Bird City, 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 **City of Bird City, 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 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 and individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedules 1 and 2 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of **City of Bird City, Kansas** as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated July 1, 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://admin.ks.gov/offices/chief-financial-officer/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.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

July 6, 2020

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 74,771	-	328,270	290,318	112,723	9,685	122,408
Special Purpose Funds							
Library Fund	-	-	15,304	15,304	-	-	-
Special Highway Fund	45,165	-	26,954	17,647	54,472	-	54,472
Special Parks Fund	2,797	-	2,509	1,554	3,752	32	3,784
Safe Routes to School Reimbursement Grant Fund	-	-	5,313	-	5,313	-	5,313
Capital Equipment Fund	21,421	-	25,510	19,006	27,925	-	27,925
Capital Improvements Fund	30,082	-	-	-	30,082	-	30,082
Community Projects Fund	2,227	-	48,812	43,517	7,522	1,293	8,815
Business Funds							
Solid Waste Fund	8,967	-	6,504	5,293	10,178	706	10,884
Water and Sewer Fund	91,415	-	256,232	246,461	101,186	4,848	106,034
Wastewater Treatment Facility Debt Fund	81,353	-	28,000	35,132	74,221	-	74,221
Water Improvement Fund	58,998	-	10,000	22,229	46,769	-	46,769
Trust Funds							
Park Trust Fund	3,736	-	10	1,500	2,246	-	2,246
Eggers Trust Fund	31,447	-	141	-	31,588	-	31,588
Prosecutors Trust Fund	445	-	100	404	141	-	141
Total Primary Government	\$ 452,824	-	753,659	698,365	508,118	16,564	524,682
Composition of Cash				Checking Accounts		\$	524,532
				Petty Cash			150
				Total Primary Government		\$	524,682

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

CITY OF BIRD CITY, KANSAS

Notes to Financial Statement

December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Bird City, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The City is a municipal corporation governed by an elected five-member council. This financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Housing Authority

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the library.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

Trust Fund – fund 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.).

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the

CITY OF BIRD CITY, KANSAS

Notes to Financial Statement

December 31, 2019

United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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.

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 of accounting.

NOTE 2 – 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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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 schedules 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 revenues 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted

CITY OF BIRD CITY, KANSAS

Notes to Financial Statement

December 31, 2019

expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Safe Routes to School Reimbursement Grant Fund, Capital Equipment Fund, Capital Improvements Fund, and Community Projects 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 governing body.

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Bird City, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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 K.S.A. 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 does not use "peak periods". All deposits were legally secured at December 31, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$524,682 and the bank balance was \$529,755. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$279,755 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. The City had no investments at December 31, 2019.

CITY OF BIRD CITY, KANSAS
Notes to Financial Statement
December 31, 2019

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Bird City, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2019 were as follows:

From	To	Regulatory Authority	Amount
Water and Sewer Fund	Capital Equipment Fund	K.S.A. 12-825d	\$ 22,000
Water and Sewer Fund	Wastewater Treatment Facility Debt Fund	K.S.A. 12-825d	28,000
Water and Sewer Fund	Water Improvement Fund	K.S.A. 12-825d	10,000
Water and Sewer Fund	Special Highway Fund	K.S.A. 68-590	15,000

NOTE 5 – LITIGATION

City of Bird City, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

City of Bird City, Kansas 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 has been unable to obtain worker's compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in KMIT, a public entity risk pool currently operating as a common risk management and insurance program for 161 participating members.

The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City carries commercial insurance for all other risks of loss, including property, general liability, inland marine, automobile, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Bird City, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

CITY OF BIRD CITY, KANSAS
Notes to Financial Statement
December 31, 2019

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

City of Bird City, Kansas 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 S 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 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 \$9,405 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 \$77,205. 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.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Bird City, Kansas** 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

CITY OF BIRD CITY, KANSAS

Notes to Financial Statement

December 31, 2019

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.

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

NOTE 10 – COMPENSATED ABSENCES

Paid Time Off

City of Bird City, Kansas' policy regarding paid time off entitles regular full-time employees to accumulate paid time off hours as follows:

0 – 6 months	Earned at 8 hours per month
6 months – 1 year	Earned at 10 hours per month
1 – 3 years	Earned at 12 hours per month
3 – 5 years	Earned at 16 hours per month
Over 5 years	Earned at 20 hours per month

New employees cannot use their earned paid time off until they have been employed for six months. Paid time off is paid at an employee's regular rate of pay and there is no maximum time accumulated of paid time off. Upon voluntary termination of employment, an employee will be paid for any accrued time off up to 120 hours and upon forced resignation, employees are paid up to 80 hours. Upon involuntary termination, an employee will be paid for any accrue paid time off up to 40 hours.

NOTE 11 – DEBT RESTRICTIONS AND COVENANTS

KDHE Loan

On November 30, 2010, **City of Bird City, Kansas** entered into an amended loan agreement with the Kansas Department of Health and Environment to fund improvements to the wastewater treatment facility in the amount of \$538,143. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2019 as it is providing dedicated funds through a combination of water rates and fees.

KDHE Water Improvement Loan

On April 19, 2016, **City of Bird City, Kansas** entered into an amended loan agreement with the Kansas Department of Health and Environment to fund improvements for a wastewater treatment project not to exceed \$435,998. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2019.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent to year end, the United States experienced a nationwide pandemic from the novel coronavirus known as COVID-19. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact the entire United States economy. As of the date of this financial statement, the City is unable to reasonably determine the effects of this virus on the operations of the municipality. The City has evaluated subsequent events through July 6, 2020, which is the date the financial statement was available to be issued.

CITY OF BIRD CITY, KANSAS

Notes to Financial Statement

December 31, 2019

NOTE 13 – LONG-TERM DEBT

City of Bird City, Kansas has the following type of long-term debt.

KDHE Revolving Loans

On September 25, 2008, the City entered into a \$545,925 revolving loan agreement with the Kansas Department of Health and Environment on behalf of the State of Kansas to finance the construction of a wastewater treatment facility. The City will use proceeds generated by the operation of the facility for loan repayment, which began September 1, 2008. The loan agreement was amended to \$538,143 on November 30, 2010 due to the expenditures on the project being lower than originally expected.

On October 8, 2012, the City entered into a \$320,000 revolving loan agreement with the Kansas Department of Health and Environment on behalf of the State of Kansas to finance the replacement of existing waterlines, meters, install valves, and rehabilitate the existing elevated storage tank of the City's water system. The City will use rates, fees, and charges collected for use and services furnished by or through the system for loan repayment, which began August 1, 2014. The loan agreement was amended on June 13, 2014 because no draw downs had been made at this time. The payment beginning date was amended to August 1, 2015. The loan agreement was amended again on April 19, 2016 for the final loan amount of \$435,998.

Lease Obligations

The City has entered into a lease agreement for equipment with an option to purchase at the expiration of the lease terms. The lease contains a fiscal funding clause.

CITY OF BIRD CITY, KANSAS
Notes to Financial Statement
December 31, 2019

Changes in long-term liabilities for the City for the year ended December 31, 2019, were as follows:

	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
KDHE Loans									
KDHE Revolving Loan Sewer System	2.65%	11/30/10	\$ 538,143	9/1/28	\$ 281,240	-	27,862	253,378	7,270
KDHE Revolving Loan Water Project	1.90%	4/19/16	435,998	2/1/35	304,981	-	15,453	289,528	6,776
Capital Lease									
CNH Skid Steer	2.75%	2/6/18	31,813	2/6/21	31,813	-	10,316	21,497	875
Total Contractual Indebtedness					\$ 618,034	-	53,631	564,403	14,921

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	2025-2029	2030-2034	2035	Total
Principal										
KDHE Loans										
KDHE Loan - Sewer System	\$	28,606	29,369	30,152	30,956	31,782	102,513	-	-	253,378
KDHE Loan - Water Project		15,803	16,161	16,526	16,900	17,283	92,459	103,404	10,992	289,528
Capital Lease										
CNH Skid Steer		10,600	10,897	-	-	-	-	-	-	21,497
Total Principal		55,009	56,427	46,678	47,856	49,065	194,972	103,404	10,992	564,403
Interest										
KDHE Loans										
KDHE Loan - Sewer System		5,911	5,219	4,510	3,781	3,034	4,435	-	-	26,890
KDHE Loan - Water Project		5,426	5,124	4,816	4,500	4,339	15,780	6,538	104	46,627
Capital Lease										
CNH Skid Steer		591	300	-	-	-	-	-	-	891
Total Interest		11,928	10,643	9,326	8,281	7,373	20,215	6,538	104	74,408
Total Principal and Interest		\$ 66,937	67,070	56,004	56,137	56,438	215,187	109,942	11,096	638,811

CITY OF BIRD CITY, KANSAS

Regulatory-Required Supplementary Information

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Fund					
General Fund	\$ 356,317	-	356,317	290,318	(65,999)
Special Purpose Funds					
Library Fund	15,850	-	15,850	15,304	(546)
Special Highway Fund	51,956	-	51,956	17,647	(34,309)
Special Parks Fund	5,311	-	5,311	1,554	(3,757)
Business Funds					
Solid Waste Fund	13,208	-	13,208	5,293	(7,915)
Water and Sewer Fund	340,677	-	340,677	246,461	(94,216)

CITY OF BIRD CITY, 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 170,351	167,543	180,713	(13,170)
Delinquent Tax	2,447	8,599	2,000	6,599
Motor Vehicle Tax	31,382	29,924	29,613	311
Recreational Vehicle Tax	157	198	208	(10)
16/20M Vehicle Tax	576	750	701	49
Commercial Motor Vehicle Fees	1,884	1,330	1,519	(189)
Gross Earning (Intangible) Tax	2,601	2,611	1,905	706
Intergovernmental Revenues				
Local Alcoholic Liquor Tax	1,608	2,509	2,392	117
Local Sales Tax	41,842	41,400	32,000	9,400
Federal Aid	-	3,750	-	3,750
Licenses and Permits				
Franchise Tax	35,927	34,586	30,500	4,086
Licenses	5,535	6,215	200	6,015
Dog Tags and Fines	114	55	5,100	(5,045)
Use of Money and Property				
Rent	3,600	3,600	3,600	-
Interest	2,201	2,921	1,300	1,621
Other				
Donations	6,050	10,230	-	10,230
Miscellaneous	6,217	3,403	30	3,373
Pool	6,317	8,377	11,000	(2,623)
Reimbursed Expenses	5,590	269	100	169
Total Receipts	<u>324,399</u>	<u>328,270</u>	<u>302,881</u>	<u>25,389</u>
Expenditures				
Personal Services	6,301	7,863	8,160	(297)
County Economic Development	1,490	1,150	1,000	150
Employee Benefits	60,865	53,734	49,800	3,934
Fire	10,962	15,031	16,100	(1,069)
Library	-	-	5,125	(5,125)
Capital Outlay	-	-	56,441	(56,441)
Insurance	36,494	35,866	31,000	4,866
Legal and Accounting	21,925	20,916	24,050	(3,134)
Miscellaneous	1,328	4,724	2,151	2,573
Noxious Weed	-	174	300	(126)
Park	35	1,232	700	532
Police	38,647	38,400	41,160	(2,760)
Pool	25,087	34,070	30,800	3,270
Street	75,513	59,590	68,030	(8,440)
Street Lighting	13,490	14,091	13,500	591
Utilities	6,747	3,477	8,000	(4,523)
Total Expenditures	<u>298,884</u>	<u>290,318</u>	<u>356,317</u>	<u>(65,999)</u>
Receipts Over (Under) Expenditures	<u>25,515</u>	<u>37,952</u>		
Unencumbered Cash - Beginning	<u>49,256</u>	<u>74,771</u>		
Unencumbered Cash - Ending	<u>\$ 74,771</u>	<u>112,723</u>		

CITY OF BIRD CITY, KANSAS

Library 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 8,387	13,234	14,272	(1,038)
Delinquent Tax	143	485	-	485
Motor Vehicle Tax	1,533	1,473	1,458	15
Recreational Vehicle Tax	8	10	10	0
16/20 Vehicle Tax	35	37	35	2
Commercial Motor Vehicle Fees	92	65	75	(10)
Total Receipts	10,198	15,304	15,850	(546)
Expenditures				
Library Operations	10,286	15,304	15,850	(546)
Receipts Over (Under) Expenditures	(88)	-		
Unencumbered Cash - Beginning	88	-		
Unencumbered Cash - Ending	\$ -	-		

CITY OF BIRD CITY, KANSAS
Special Highway 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
State of Kansas Gas Tax	\$ 11,853	11,954	11,710	244
Transfers In				
Water & Sewer Fund	-	15,000	-	15,000
Total Receipts	11,853	26,954	<u>11,710</u>	<u>15,244</u>
Expenditures				
Street Repairs and Maintenance	5,244	17,647	<u>51,956</u>	<u>(34,309)</u>
Receipts Over (Under) Expenditures	6,609	9,307		
Unencumbered Cash - Beginning	<u>38,556</u>	<u>45,165</u>		
Unencumbered Cash - Ending	<u>\$ 45,165</u>	<u>54,472</u>		

CITY OF BIRD CITY, KANSAS
Special Parks 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Local Alcoholic Liquor Tax	\$ 1,608	2,509	2,392	117
Expenditures				
Park Improvement	1,848	1,120	5,311	(4,191)
Utilities	254	434	-	434
Total Expenditures	2,102	1,554	5,311	(3,757)
Receipts Over (Under) Expenditures	(494)	955		
Unencumbered Cash - Beginning	3,291	2,797		
Unencumbered Cash - Ending	\$ 2,797	3,752		

CITY OF BIRD CITY, KANSAS
Safe Routes to School Reimbursement Grant Fund

Schedule of Receipts and Expenditures
Regulatory Basis

For the Year Ended December 31, 2019

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

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 53,467	5,313
Expenditures		
Engineering	53,467	-
Receipts Over (Under) Expenditures	-	5,313
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	5,313

CITY OF BIRD CITY, KANSAS
Capital Equipment Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In		
Water and Sewer Fund	\$ 19,000	22,000
Sale of Equipment	-	3,510
Total Receipts	19,000	25,510
Expenditures		
Equipment	11,067	19,006
Receipts Over (Under) Expenditures	7,933	6,504
Unencumbered Cash - Beginning	13,488	21,421
Unencumbered Cash - Ending	\$ 21,421	27,925

CITY OF BIRD CITY, KANSAS
Capital Improvements Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In		
Water and Sewer Fund	\$ 10,000	-
Expenditures	-	-
Receipts Over (Under) Expenditures	10,000	-
Unencumbered Cash - Beginning	20,082	30,082
Unencumbered Cash - Ending	<u>\$ 30,082</u>	<u>30,082</u>

CITY OF BIRD CITY, KANSAS
Community Projects Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Grants	\$ 10,740	43,500
State Aid	1,875	5,312
Total Receipts	12,615	48,812
Expenditures		
Capital Outlay	18,108	43,517
Receipts Over (Under) Expenditures	(5,493)	5,295
Unencumbered Cash - Beginning	7,720	2,227
Unencumbered Cash - Ending	\$ 2,227	7,522

CITY OF BIRD CITY, KANSAS

Solid Waste 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Charges to Customers	\$ 6,414	6,504	6,000	504
Expenditures				
Charges Paid to Landfill	4,155	5,293	13,208	(7,915)
Receipts Over (Under) Expenditures	2,259	1,211		
Unencumbered Cash - Beginning	6,708	8,967		
Unencumbered Cash - Ending	\$ 8,967	10,178		

CITY OF BIRD CITY, KANSAS

Water and Sewer 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Collections	\$ 254,814	255,313	256,350	(1,037)
Equipment Sales	3,711	879	-	879
Miscellaneous	330	40	150	(110)
Total Receipts	<u>258,855</u>	<u>256,232</u>	<u>256,500</u>	<u>(268)</u>
Expenditures				
Personal Services	33,887	39,183	35,200	3,983
Capital Outlay	-	-	84,447	(84,447)
Recycle Fee	644	2,442	10,000	(7,558)
Production and Distribution	79,298	119,906	94,830	25,076
Sales Tax	1,579	1,343	1,600	(257)
Sewer	9,729	6,853	14,600	(7,747)
Water Protection Fee	1,667	1,734	2,000	(266)
Transfers Out				
Wastewater Treatment Facility Debt Fur	46,000	28,000	38,000	(10,000)
Water Improvement Fund	35,000	10,000	28,000	(18,000)
Capital Equipment Fund	19,000	22,000	22,000	-
Special Highway Fund	-	15,000	-	15,000
Capital Improvements Fund	10,000	-	10,000	(10,000)
Total Expenditures	<u>236,804</u>	<u>246,461</u>	<u>340,677</u>	<u>(94,216)</u>
Receipts Over (Under) Expenditures	22,051	9,771		
Unencumbered Cash - Beginning	<u>69,364</u>	<u>91,415</u>		
Unencumbered Cash - Ending	\$ <u>91,415</u>	<u>101,186</u>		

CITY OF BIRD CITY, KANSAS
Wastewater Treatment Facility Debt Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In		
Water and Sewer Fund	\$ 46,000	28,000
Expenditures		
Principal	27,138	27,862
Interest	7,239	6,584
Fees	755	686
Total Expenditures	35,132	35,132
Receipts Over (Under) Expenditures	10,868	(7,132)
Unencumbered Cash - Beginning	70,485	81,353
Unencumbered Cash - Ending	\$ 81,353	74,221

CITY OF BIRD CITY, KANSAS
Water Improvement Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Grant Income	\$ 60,000	-
Transfers In		
Water and Sewer Fund	35,000	10,000
Total Receipts	95,000	10,000
Expenditures		
Interest and Fees	8,517	6,776
Principal	78,085	15,453
Total Expenditures	86,602	22,229
Receipts Over (Under) Expenditures	8,398	(12,229)
Unencumbered Cash - Beginning	50,600	58,998
Unencumbered Cash - Ending	\$ 58,998	46,769

CITY OF BIRD CITY, KANSAS
Park Trust Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 13	10
Expenditures		
Park Maintenance	1,500	1,500
Receipts Over (Under) Expenditures	(1,487)	(1,490)
Unencumbered Cash - Beginning	5,223	3,736
Unencumbered Cash - Ending	\$ 3,736	2,246

CITY OF BIRD CITY, KANSAS
Eggers Trust Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Interest Income	\$ 157	141
Expenditures		
Repairs and Maintenance	4,849	-
Receipts Over (Under) Expenditures	(4,692)	141
Unencumbered Cash - Beginning	36,139	31,447
Unencumbered Cash - Ending	\$ 31,447	31,588

CITY OF BIRD CITY, KANSAS
Prosecutors Trust Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals For the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Fines	\$ 300	100
Expenditures		
Scholarships	399	404
Receipts Over (Under) Expenditures	(99)	(304)
Unencumbered Cash - Beginning	544	445
Unencumbered Cash - Ending	\$ 445	141