

The City of Scott City, Kansas

Financial Statement

For the Year Ended December 31, 2019

**The City of Scott City, Kansas
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For the Year Ended December 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Scott City, Kansas 67871

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash of the City of Scott City, Kansas, a Municipality as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the 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 to the financial statement, the financial statement is prepared by the City of Scott 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 of 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 of Scott City as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

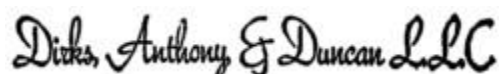
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Scott City as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-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.

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 Scott City, Kansas as of and for the year ended December 31, 2018, and have issued our reported thereon dated June 7, 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, 2018 (Schedule 2 as listed in the table of contents) is presented for the 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.



DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

May 22, 2020

The City of Scott City, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances Payable	Ending Cash Balance
<u>General Fund:</u>						
General Fund	\$ 1,529,165	\$ 3,539,872	\$ 3,305,521	\$ 1,763,516	\$ 230,831	\$ 1,994,347
<u>Special Purpose Funds:</u>						
Employee Benefits Fund	58,053	246,763	275,291	29,525	20,636	50,161
Transient Guest Tax Fund	79,986	76,863	88,455	68,394	2,473	70,867
Fire Equipment Sinking Fund	230,636	51,190	-	281,826	-	281,826
Municipal Equipment Reserve Fund	82,262	20,000	-	102,262	-	102,262
Airport Sinking Fund	275,345	143,560	84,921	333,984	5,500	339,484
Special Highway Fund	225,911	204,806	202,832	227,885	3,098	230,983
Special Parks Fund	26,701	5,148	11,525	20,324	225	20,549
<u>Business Funds:</u>						
Airport Fund	30,699	27,349	14,137	43,911	688	44,599
Water Utility Fund	956,176	1,044,589	1,266,383	734,382	51,276	785,658
Sewer Utility Fund	528,708	212,420	152,992	588,136	14,078	602,214
 Total Reporting Entity (Excluding Agency Funds)	 <u>\$ 4,023,642</u>	 <u>\$ 5,572,560</u>	 <u>\$ 5,402,057</u>	 <u>\$ 4,194,145</u>	 <u>\$ 328,805</u>	 <u>\$ 4,522,950</u>
Composition of Cash:				Cash in Checking		\$ 275,396
				Money Market		789,447
				Certificate of Deposit		3,500,000
				Total Cash		4,564,843
				Less: Agency Fund per Schedule 3		(41,893)
				Total Reporting Entity (Excluding Agency Fund)		<u>\$ 4,522,950</u>

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

The City of Scott City, Kansas

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CITY OF SCOTT CITY, KANSAS
Notes to the Financial Statement
December 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

The City of Scott City is a municipal corporation governed by an elected mayor and an elected eight-member council. This financial statement presents the City of Scott City (the City) and its related municipal entities. The related municipal entities are not included in the City's reporting entity, because, though they were established to benefit the City and/or its constituents, the municipality does not elect to include the related municipal entity in its audit report.

Related Municipal Entity

The City appoints the board to the housing authority.

1. *Scott City Housing Authority*: Scott City 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. The records and audit report are maintained and held by Kustom Bookkeeping, PO Box 217 Healy, Kansas 67850.

b) Regulatory Basis Fund Types

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

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

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

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

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

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

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

c) Basis of Accounting

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

CITY OF SCOTT CITY, KANSAS
Notes to the Financial Statement
December 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no 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 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Trust Funds, Agency Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

No statute violations were noted for the year ending December 2019.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

CITY OF SCOTT CITY, KANSAS
Notes to the Financial Statement
December 2019

NOTE 3 – DEPOSITS AND INVESTMENTS (CONT.)

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

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

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 2019.

At December 2019, the carrying amount of the City's deposits, including certificates of deposit, was \$4,564, 843 and the bank balance was \$4,567,284. The bank balance was held by three (3) banks, with one holding over seventy-five percent of the cash, resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance, and the remaining \$3,603,034 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.

NOTE 4 – INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1,117	\$ 20,000
General Fund	Special Highway Fund	K.S.A. 12-1,119	100,000

NOTE 5 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. Seq. Kansas law establishes and amends benefit provisions. KPERS issues a 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 before 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 contribution are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF SCOTT CITY, KANSAS
Notes to the Financial Statement
December 2019

NOTE 5 – DEFINED BENEFIT PENSION PLAN (CONT.)

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 2019. Contributions to the pension plan from the City were \$110,725 for the year ended December 2019.

Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,020,096. 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 contribution 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 www.kpers.org or can be obtained as described above.

NOTE 6 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

a) Other Post-Employment Benefits

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

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

b) Death and Disability Other Post-Employment Benefit

As provided by K.S.A. 74-4927, disable 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 payment. The employer contribution rate is set at 1% for the year ended December 2019.

c) Other Employee Benefits

Compensated Absences. Vacation and sick leave are earned and credited according to a table in the employee policy handbook. No more than 80 hours of accrued vacation leave may be carried over from one calendar year to the next. Upon retirement or death of an employee, the City pays an accrued vacation leave to the employee or his/her estate. The amount of accrued leave at December 2019 and 2018 were \$37,350 and \$39,261, respectively. Because sick pay is not payable to the employee upon termination, no amount for accrued sick pay has been encumbered.

CITY OF SCOTT CITY, KANSAS
Notes to the Financial Statement
December 2019

NOTE 7 – LONG-TERM DEBT

Changes in long-term liabilities for the City of Scott City for the year ended December 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
General Obligation Bonds:									
Series 2013	2.0-4.4%	8/22/2013	3,280,000	2033	\$ 2,635,000	\$ -	\$ 135,000	\$ 2,500,000	\$ 97,938
Series 2016	3.0%	9/1/2016	528,000	2024	407,000	-	66,000	341,000	11,027
					3,042,000	-	201,000	2,841,000	108,965
Special Assessment Bond:**									
Series 2014	3.0%	8/26/2014	450,948	2024	286,000	-	44,000	242,000	8,580
Total Contractual Indebtedness					\$ 3,328,000	\$ -	\$ 245,000	\$ 3,083,000	\$ 117,545

****See Note 6**

Current maturities of long-term debt and interest for the next years through maturity are as follow:

	Year						Total
	2020	2021	2022	2023	2024	2025-29	2030-33
Principal:							
Series 2013	\$ 145,000	\$ 150,000	\$ 150,000	\$ 155,000	\$ 160,000	\$ 890,000	\$ 850,000
Series 2016	64,900	68,200	64,900	70,400	72,600	-	-
Series 2014	46,000	47,000	48,000	50,000	51,000	-	-
Total Principal	255,900	265,200	262,900	275,400	283,600	890,000	850,000
							3,083,000
Interest:							
Series 2013	95,238	91,613	87,488	82,988	77,950	294,800	94,218
Series 2016	9,581	8,283	6,336	4,290	2,178	-	-
Series 2014	7,260	5,880	4,470	3,030	1,530	-	-
Total Interest	112,079	105,776	98,294	90,308	81,658	294,800	94,218
							877,133
Total Principal and Interest	\$ 367,979	\$ 370,976	\$ 361,194	\$ 365,708	\$ 365,258	\$ 1,184,800	\$ 944,218
							\$ 3,960,133

CITY OF SCOTT CITY, KANSAS
Notes to the Financial Statement
December 2019

NOTE 8 – SPECIAL ASSESSMENT BOND

The City issued a special assessment bond in order to provide streets, curbs and guttering to the Eastridge Subdivision and Prairie Meadows Addition. The repayment of the bond shall be through special assessed property taxes that will be levied on these developments. When the City opened the bond for purchase, after the bond approval, instead of selling the bond to an outside investor, the City purchased their own bond with money out of the General Fund in the amount of \$450,948. The City will remit their yearly interest and principal to the State of Kansas, who will, then, send the remittances to the City since they are the owner of the bond. If the property taxes on the Eastridge Subdivision and Prairie Meadows Addition become delinquent the General Fund will have to pick up the difference with excess revenue or with an increase in the mill levy.

NOTE 9 – RELATED PARTIES

The City purchases its insurance from The Rodenbeek & Green Agency, which amounted to \$130,745 in 2019. The City Mayor, Everett Green, is the Agency Principal of The Rodenbeek & Green Agency.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized, but one event is to be disclosed in this financial statement.

On January 30, 2020, the World Health Organization (WHO) declared the coronavirus outbreak, aka COVID-19, a "Public Health Emergency of International Concern." The coronavirus was elevated to pandemic on March 10, 2020. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact the entire United States economy. It is unknown how long these conditions will last and what the complete financial effect will be to the municipality.

The City of Scott City, Kansas

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

The City of Scott City, Kansas

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The City of Scott City, Kansas
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over (Under)</u>
<u>General Fund:</u>			
General Fund	\$ 5,339,376	\$ 3,305,521	\$ (2,033,855)
<u>Special Purpose Funds:</u>			
Employee Benefits Fund	301,000	275,291	(25,709)
Transient Guest Tax Fund	149,200	88,455	(60,745)
Fire Equipment Sinking Fund	282,000	-	(282,000)
Municipal Equipment Reserve Fund	102,262	-	(102,262)
Airport Sinking Fund	738,684	84,921	(653,763)
Special Highway Fund	435,282	202,832	(232,450)
Special Parks Fund	23,166	11,525	(11,641)
<u>Business Funds:</u>			
Airport Fund	43,677	14,137	(29,540)
Water Utility Fund	1,819,557	1,266,383	(553,174)
Sewer Utility Fund	586,544	152,992	(433,552)

The City of Scott 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)

		2019		Variance-
	2018	Actual	Budget	Over
	Actual			(Under)
Receipts				
Ad Valorem Tax	\$ 1,455,097	\$ 1,492,225	\$ 1,517,678	\$ (25,453)
Neighborhood Revitalization Rebate	(64,083)	(60,627)	(67,935)	7,308
Delinquent Tax	3,600	535	-	535
Motor Vehicle Tax	245,556	259,078	256,290	2,788
Recreational Vehicle Tax	5,004	5,205	5,645	(440)
16/20M Vehicle Tax	1,989	2,557	2,048	509
Redemption Tax	9,294	15,748	12,000	3,748
Special Assessments Tax Revenue	45,224	93,696	50,000	43,696
Local Liquor Tax	5,645	5,148	5,515	(367)
City Sales Tax	705,078	700,479	760,000	(59,521)
Compensation Use Tax	123,147	119,893	75,000	44,893
Highway Connecting Links	15,180	20,254	15,170	5,084
Franchise Tax	237,413	250,820	260,000	(9,180)
Dog License	270	311	300	11
Dog Redemption Fees	1,780	1,910	800	1,110
Miscellaneous Licenses	17,580	20,035	17,000	3,035
Building Permits	29,318	18,337	30,000	(11,663)
Special Permits	16,937	23,501	25,000	(1,499)
Court Fines/Diversion Fees	119,928	110,197	120,000	(9,803)
Salaries Reimbursement	183,477	194,468	187,000	7,468
Private Sector Reimbursement	65,199	86,187	85,000	1,187
Pool Collections and Concessions	30,339	35,027	30,000	5,027
Interest on Bond Investment**	9,870	4,290	8,580	(4,290)
Bond Principal Received**	43,000	44,000	44,000	-
Interest on Idle Funds	59,567	88,883	50,000	38,883
Miscellaneous	5,897	4,415	13,100	(8,685)
Property Sales	-	-	-	-
Cell Tower Lease	20,409	3,300	-	3,300
Total Receipts	3,391,715	3,539,872	\$ 3,502,191	\$ 37,681

**See Note 8

The City of Scott 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)

		2019		Variance- Over (Under)
	2018 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Expenditures				
Sales Tax Projects	\$ 310,870	\$ 350,000	\$ 330,000	\$ 20,000
Mayor, Council and Treasurer	55,112	56,374	59,840	(3,466)
Municipal Court	38,042	54,207	47,100	7,107
City Attorney	22,005	52,980	55,000	(2,020)
City Hall	21,640	9,703	29,200	(19,497)
City Clerk	191,757	201,602	217,000	(15,398)
Police Department	651,183	691,121	695,840	(4,719)
Fire Department	33,821	38,377	49,475	(11,098)
City Inspector	27,123	28,615	32,230	(3,615)
Public Service Officer	49,528	45,735	53,970	(8,235)
Public Works	357,160	378,655	403,179	(24,524)
Swimming Pool	109,793	136,882	130,750	6,132
Park Department	80,515	67,892	85,035	(17,143)
Public Utilities Services	129,950	112,086	154,000	(41,914)
Community Support Programs	37,198	30,225	30,400	(175)
City Improvements & Special Projects	193,652	181,958	1,121,330	(939,372)
Risk Management	77,918	82,202	83,000	(798)
Health Insurance	546,855	589,282	590,000	(718)
Bond Interest & Principal	127,363	77,625	77,027	598
Lease Payment	165,556	-	-	-
Miscellaneous	-	-	975,000	(975,000)
Transfer to Municipal Equipment	20,000	20,000	20,000	-
Transfer to Special Highway	100,000	100,000	100,000	-
Total Expenditures	<u>3,347,041</u>	<u>3,305,521</u>	<u>\$ 5,339,376</u>	<u>(2,033,855)</u>
Receipts Over (Under) Expenditures	44,674	234,351		<u>\$ 2,071,536</u>
Unencumbered Cash, Beginning	<u>1,484,491</u>	<u>1,529,165</u>		
Unencumbered Cash, Ending	<u>\$ 1,529,165</u>	<u>\$ 1,763,516</u>		

The City of Scott City, Kansas
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance-
	2018	Actual	Budget	Over
	Actual			(Under)
Receipts				
Ad Valorem Tax	\$ 185,846	\$ 216,096	\$ 219,772	\$ (3,676)
Neighborhood Revitalization Rebate	(8,184)	(8,780)	(9,321)	541
Delinquent Tax	479	72	-	72
Motor Vehicle Tax	43,749	36,014	32,727	3,287
Recreational Vehicle Tax	891	710	720	(10)
16/20M Vehicle Tax	334	463	261	202
Redemption Tax	1,618	2,188	-	2,188
Total Receipts	<u>224,733</u>	<u>246,763</u>	<u>\$ 244,159</u>	<u>\$ 2,604</u>
Expenditures				
Workman's Compensation	24,203	26,513	36,000	(9,487)
KPERS	125,476	133,313	126,000	7,313
FICA	112,730	114,112	115,000	(888)
Unemployment Insurance	1,331	1,353	4,000	(2,647)
Miscellaneous	-	-	20,000	(20,000)
Total Expenditures	<u>263,740</u>	<u>275,291</u>	<u>\$ 301,000</u>	<u>(25,709)</u>
Receipts Over (Under) Expenditures	(39,007)	(28,528)		<u>\$ 28,313</u>
Unencumbered Cash, Beginning	<u>97,060</u>	<u>58,053</u>		
Unencumbered Cash, Ending	<u>\$ 58,053</u>	<u>\$ 29,525</u>		

The City of Scott City, Kansas
 Transient Guest Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2019			Variance- Over (Under)
	2018 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Transient Guest Tax	\$ 70,976	\$ 76,813	\$ 75,000	\$ 1,813
Miscellaneous	<u>306</u>	<u>50</u>	<u>-</u>	<u>50</u>
Total Receipts	<u>71,282</u>	<u>76,863</u>	<u>\$ 75,000</u>	<u>\$ 1,863</u>
Expenditures				
Salary	16,258	16,734	16,000	734
Dues	104	100	2,000	(1,900)
Seminars, Conferences & Schooling	460	-	2,000	(2,000)
Travel	1,498	1,682	5,000	(3,318)
Telephone	1,090	1,481	1,200	281
Other Advertising Services	69,371	56,459	90,000	(33,541)
Other Technical Services	8,110	11,686	10,000	1,686
Office, Data processing & Computer Supplies	426	313	23,000	(22,687)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>97,317</u>	<u>88,455</u>	<u>\$ 149,200</u>	<u>(60,745)</u>
Receipts Over (Under) Expenditures	(26,035)	(11,592)		<u>\$ 62,608</u>
Unencumbered Cash, Beginning	<u>106,021</u>	<u>79,986</u>		
Unencumbered Cash, Ending	<u>\$ 79,986</u>	<u>\$ 68,394</u>		

The City of Scott City, Kansas
 Fire Equipment Sinking Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance- Over (Under)
	2018 Actual	Actual	Budget	
Receipts				
Ad Valorem Tax	\$ 39,078	\$ 45,362	\$ 46,123	\$ (761)
Neighborhood Revitalization Rebate	(1,721)	(1,843)	(1,956)	113
Delinquent Tax	96	19	-	19
Motor Vehicle Tax	6,666	7,008	6,881	127
Recreational Vehicle Tax	136	141	151	(10)
16/20M Vehicle Tax	50	71	55	16
Redemption Tax	255	432	-	432
Total Receipts	<u>44,560</u>	<u>51,190</u>	<u>\$ 51,254</u>	<u>\$ (64)</u>
Expenditures				
Capital Outlay	<u>-</u>	<u>-</u>	<u>282,000</u>	<u>(282,000)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 282,000</u>	<u>(282,000)</u>
Receipts Over (Under) Expenditures	44,560	51,190		<u>\$ 281,936</u>
Unencumbered Cash, Beginning	<u>186,076</u>	<u>230,636</u>		
Unencumbered Cash, Ending	<u>\$ 230,636</u>	<u>\$ 281,826</u>		

The City of Scott City, Kansas
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance- Over (Under)
	2018 Actual	Actual	Budget	
Receipts				
Transfers from General Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total Receipts	20,000	20,000	<u>\$ 20,000</u>	<u>\$ -</u>
Expenditures				
Capital Outlay	-	-	102,262	(102,262)
Total Expenditures	-	-	<u>\$ 102,262</u>	<u>(102,262)</u>
Receipts Over (Under) Expenditures	20,000	20,000		<u>\$ 102,262</u>
Unencumbered Cash, Beginning	62,262	82,262		
Unencumbered Cash, Ending	<u>\$ 82,262</u>	<u>\$ 102,262</u>		

The City of Scott City, Kansas
 Airport Sinking Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance- Over (Under)
	2018 Actual	Actual	Budget	
Receipts				
Ad Valorem Tax	\$ 102,625	\$ 110,527	\$ 112,405	\$ (1,878)
Neighborhood Revitalization Rebate	(4,520)	(4,491)	(4,768)	277
Delinquent Tax	244	42	-	42
Motor Vehicle Tax	15,468	18,334	18,075	259
Recreational Vehicle Tax	315	368	398	(30)
16/20M Vehicle Tax	65	183	144	39
Redemption Tax	559	1,047	-	1,047
Private Sector Reimbursement	6,494	-	-	-
Federal Grants	314,962	17,550	199,584	(182,034)
Total Receipts	<u>436,212</u>	<u>143,560</u>	<u>\$ 325,838</u>	<u>\$ (182,278)</u>
Expenditures				
Contractual Services	61,353	65,421	60,100	5,321
Capital Outlay	<u>50,497</u>	<u>19,500</u>	<u>678,584</u>	<u>(659,084)</u>
Total Expenditures	<u>111,850</u>	<u>84,921</u>	<u>\$ 738,684</u>	<u>(653,763)</u>
Receipts Over (Under) Expenditures	324,362	58,639		<u>\$ 471,485</u>
Unencumbered Cash, Beginning	<u>(49,017)</u>	<u>275,345</u>		
Unencumbered Cash, Ending	<u>\$ 275,345</u>	<u>\$ 333,984</u>		

The City of Scott 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)

		2019		Variance- Over (Under)
	2018 Actual	Actual	Budget	
Receipts				
State of Kansas Gas Tax	\$ 105,295	\$ 104,806	\$ 105,460	\$ (654)
Transfer from General Fund	100,000	100,000	100,000	-
Total Receipts	<u>205,295</u>	<u>204,806</u>	<u>\$ 205,460</u>	<u>\$ (654)</u>
Expenditures				
Other Materials	152,966	190,768	405,282	(214,514)
Asphalt and Concrete	9,039	12,064	30,000	(17,936)
Total Expenditures	<u>162,005</u>	<u>202,832</u>	<u>\$ 435,282</u>	<u>(232,450)</u>
Receipts Over (Under) Expenditures	43,290	1,974		<u>\$ 231,796</u>
Unencumbered Cash, Beginning	<u>182,621</u>	<u>225,911</u>		
Unencumbered Cash, Ending	<u>\$ 225,911</u>	<u>\$ 227,885</u>		

The City of Scott 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)

		2019		Variance- Over (Under)
	2018 Actual	Actual	Budget	
Receipts				
Local Liquor Tax	\$ 5,645	\$ 5,148	\$ 5,515	\$ (367)
Miscellaneous	-	-	-	-
Total Receipts	<u>5,645</u>	<u>5,148</u>	<u>\$ 5,515</u>	<u>\$ (367)</u>
Expenditures				
Capital Outlay	<u>5,406</u>	<u>11,525</u>	<u>23,166</u>	<u>(11,641)</u>
Total Expenditures	<u>5,406</u>	<u>11,525</u>	<u>\$ 23,166</u>	<u>(11,641)</u>
Receipts Over (Under) Expenditures	239	(6,377)		<u>\$ 11,274</u>
Unencumbered Cash, Beginning	<u>26,462</u>	<u>26,701</u>		
Unencumbered Cash, Ending	<u>\$ 26,701</u>	<u>\$ 20,324</u>		

The City of Scott City, Kansas
 Airport Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2019
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance- Over (Under)
	2018 Actual	Actual	Budget	
Receipts				
Lease Payments	\$ 18,875	\$ 20,485	\$ 20,480	\$ 5
Fuel Sales	4,270	5,864	4,000	1,864
Miscellaneous	65	1,000	-	1,000
Total Receipts	<u>23,210</u>	<u>27,349</u>	<u>\$ 24,480</u>	<u>\$ 2,869</u>
Expenditures				
Education	100	100	2,600	(2,500)
Maintenance	435	435	3,700	(3,265)
Utilities	6,314	6,453	8,000	(1,547)
Technical Services	1,191	560	5,800	(5,240)
Materials, Small Tools & Equipment	451	1,062	2,000	(938)
Capital Outlay	2,583	5,527	21,577	(16,050)
Total Expenditures	<u>11,074</u>	<u>14,137</u>	<u>\$ 43,677</u>	<u>(29,540)</u>
Receipts Over (Under) Expenditures	12,136	13,212		<u>\$ 32,409</u>
Unencumbered Cash, Beginning	<u>18,563</u>	<u>30,699</u>		
Unencumbered Cash, Ending	<u>\$ 30,699</u>	<u>\$ 43,911</u>		

The City of Scott City, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance- Over (Under)
	2018 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Water Sales	\$ 884,319	\$ 931,788	\$ 914,800	\$ 16,988
Service Connection Fees	14,717	13,935	17,400	(3,465)
Penalties	7,086	6,674	7,000	(326)
Tax Collected	752	1,625	1,000	625
Private Sector Reimbursement	9,532	30,332	11,000	19,332
Cell Tower Lease	-	17,622	-	17,622
Crop Sales	-	15,437	-	15,437
Miscellaneous	7,004	27,176	20,710	6,466
Total Receipts	<u>923,410</u>	<u>1,044,589</u>	<u>\$ 971,910</u>	<u>\$ 72,679</u>
Expenditures				
Salary and Overtime	172,662	179,725	178,394	1,331
Printing, Mailing and Dues	9,525	10,508	13,400	(2,892)
Education	1,462	1,304	2,500	(1,196)
Utilities	99,077	89,803	111,100	(21,297)
Professional Engineering Services	1,194	21,303	60,000	(38,697)
Technical Services and Maintenance	24,585	29,326	32,000	(2,674)
Taxes	21,443	23,390	26,000	(2,610)
Data Processing & Supplies	4,479	4,249	5,400	(1,151)
Repairs	25,572	1,794	33,000	(31,206)
Materials and Supplies	95,278	86,756	92,600	(5,844)
Chemicals	76,417	62,465	71,500	(9,035)
Capital Outlay	42,662	503,866	938,325	(434,459)
Insurance	18,310	18,956	22,000	(3,044)
Debt Service	235,638	232,938	233,338	(400)
Total Expenditures	<u>828,304</u>	<u>1,266,383</u>	<u>\$ 1,819,557</u>	<u>(553,174)</u>
Receipts Over (Under) Expenditures	95,106	(221,794)		<u>\$ 625,853</u>
Unencumbered Cash, Beginning	831,070	956,176		
Prior Year Cancelled Encumbrances	<u>30,000</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 956,176</u>	<u>\$ 734,382</u>		

The City of Scott City, Kansas
Sewer Utility 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)

		<u>2019</u>		Variance- Over (Under)
	<u>2018 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Sewer Collections	\$ 210,205	\$ 210,715	\$ 211,000	\$ (285)
Sewer Penalties	<u>1,895</u>	<u>1,705</u>	<u>2,000</u>	<u>(295)</u>
Total Receipts	<u>212,100</u>	<u>212,420</u>	<u>\$ 213,000</u>	<u>\$ (580)</u>
Expenditures				
Salary and Overtime	86,351	91,249	90,236	1,013
Repairs, Supplies and Miscellaneous	7,204	21,319	18,260	3,059
Utilities	12,015	10,800	15,840	(5,040)
Printing, Mailing and Delivery Services	3,171	3,649	4,300	(651)
Professional Services	605	975	13,000	(12,025)
Data Processing	897	928	3,500	(2,572)
Water and Sewer Materials	22,333	19,357	47,500	(28,143)
Capital Outlay	<u>17,341</u>	<u>4,715</u>	<u>393,908</u>	<u>(389,193)</u>
Total Expenditures	<u>149,917</u>	<u>152,992</u>	<u>\$ 586,544</u>	<u>(433,552)</u>
Receipts Over (Under) Expenditures	62,183	59,428		<u>\$ 432,972</u>
Unencumbered Cash, Beginning	436,005	528,708		
Prior Year Cancelled Encumbrances	<u>30,520</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 528,708</u>	<u>\$ 588,136</u>		

Schedule 3

The City of Scott City, Kansas
 Agency Funds
 Schedule of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court Fund	<u>\$ 44,817</u>	<u>\$ 122,930</u>	<u>\$ 125,854</u>	<u>\$ 41,893</u>
Total	<u><u>\$ 44,817</u></u>	<u><u>\$ 125,854</u></u>	<u><u>\$ 122,930</u></u>	<u><u>\$ 41,893</u></u>