

CITY OF CLAY CENTER, KANSAS

FINANCIAL STATEMENTS

Year ended December 31, 2019

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CITY OF CLAY CENTER, KANSAS

Financial Statements
Year ended December 31, 2019

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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, 2019 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, 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 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

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

The City’s basic financial statement for the year ended December 31, 2018 (not presented herein) was audited by other auditors whose report dated March 19, 2019, expressed an unmodified opinion on the basic financial statement. The 2018 basic financial statement and the other auditor’s report are available in electronic format from the website of the Kansas Department of Administration at the following link: <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated March 19, 2019, stated that the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2018 was subjected to auditing procedures applied in the audit of the 2018 basic financial statements 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 statements 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, and in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

April 15, 2020

CITY OF CLAY CENTER, 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	Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	\$ 300,668	\$ -	\$ 3,309,756	\$ 3,373,164	\$ 237,260	\$ 137,190	\$ 374,450
Special Purpose Funds:							
Airport	6,268	-	74,938	79,742	1,464	5,380	6,844
Connecting Link Improvement	61,113	-	339,051	363,806	36,358	-	36,358
Employee Benefit	-	-	-	-	-	-	-
Industrial	884	-	25,428	25,000	1,312	-	1,312
Library	5,970	-	193,680	191,933	7,717	-	7,717
Public Recreation	5,243	-	73,213	50,937	27,519	476	27,995
Special Highway	174,954	-	109,195	89,668	194,481	2,538	197,019
Special Improvement	39,791	-	-	-	39,791	-	39,791
Sales Tax	94,840	-	421,413	363,583	152,670	-	152,670
Special Park and Recreation	11,498	-	8,382	4,807	15,073	700	15,773
2019 Special Improvement	-	-	1,777,645	1,731,422	46,223	105	46,328
Airport Improvement	8,461	-	289,711	304,332	[6,160]	10,824	4,664
Street, Building, Machinery and Equipment	468,099	-	95,163	105,790	457,472	2,000	459,472
Cemetery Perpetual Care	170,470	-	1,155	-	171,625	-	171,625
Pool Sales Tax	347,059	-	421,414	355,847	412,626	-	412,626
Bond and Interest Funds:							
Bond and Interest	1,999	-	94,611	-	96,610	-	96,610
Capital Project Funds							
Pool Project	41,408	-	-	-	41,408	-	41,408
Sanitary Improvement	-	-	-	-	-	-	-
Zoo Improvement	611,983	-	16,015	295,585	332,413	-	332,413
Fire Truck	-	-	-	-	-	-	-
Business Funds:							
Waste Water	187,152	-	455,884	513,938	129,098	40,584	169,682
Water Utility	1,690,736	-	2,734,213	2,920,820	1,504,129	153,338	1,657,467
Electric Utility	2,517,509	-	10,291,457	7,911,291	4,897,675	408,773	5,306,448
Trust Funds:							
FSA	18,915	-	85	2,850	16,150	-	16,150
Refuse Disposal Maintenance	258,060	-	272,779	214,756	316,083	10,875	326,958
Animal Shelter	2,446	-	-	-	2,446	-	2,446
Campbell Field Lights	3,549	-	39	2,500	1,088	-	1,088
Undercover	848	-	1,742	-	2,590	-	2,590
Underage Drinking Reward	1,743	-	-	1,743	-	-	-
Public Building Commission	473,935	-	358,221	358,948	473,208	-	473,208
Total Reporting Entity [Excluding Agency Funds]	\$ 7,505,601	\$ -	\$ 21,365,190	\$ 19,262,462	\$ 9,608,329	\$ 772,783	\$ 10,381,112

Composition of Cash:

Union State Bank	
Checking	\$ 1,166,705
Money Market	1,718,577
Certificates of Deposit	3,017,680
United Bank & Trust	
Checking	3,210,798
Money Market	1,055,003
Petty Cash	1,000
State of Kansas - Fiscal Agent	355,512
Total Cash	10,525,275
Agency Funds per Schedule 3	[144,163]
Total	\$ 10,381,112

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements December 31, 2019

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, 2019:

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, 2019

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, 2019.

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, 2019

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, 2019, 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, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$10,525,275 and the bank balance was \$10,577,724. 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 \$9,722,211 was collateralized with securities held by the pledging financial institutions' agents in the City's name and \$355,513 was held by the State of Kansas in trust.

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 8.39% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City and Public Utility were \$280,433 for the year ended December 31, 2019.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2019

NOTE 3 - Defined Benefit Pension Plan (Continued)

Net Pension Liability. At December 31, 2019, the City's and Public Utility's proportionate share of the collective net pension liability reported by KPERS was \$2,125,752. 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 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, 2019, the following changes occurred in long term liabilities:

<u>Issue</u>	<u>Balance January 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2019</u>	<u>Interest Paid</u>
Revolving Loan					
Sewer Improvement	\$ 566,764	\$ -	\$ 56,641	\$ 510,123	\$ 14,651
General Obligation Bonds					
Series 2010 Street Improvement	215,000	-	105,000	110,000	7,153
Series 2010B Refunding	700,000	-	350,000	350,000	16,275
Series 2013 Water	6,835,000	-	430,000	6,405,000	150,120
Series 2016A	80,000	-	26,000	54,000	2,152
Series 2019	-	875,000	-	875,000	-
Revenue Bonds					
Series 2014 Public Building Commission	4,035,000	-	195,000	3,840,000	163,948
Capital Lease Obligation					
Street Maintenance Facility	509,938	-	23,828	486,110	42,625
Fire Truck	472,187	-	35,656	436,531	16,917
Temporary Notes					
Series 2019-1	-	860,000	860,000	-	15,415
Promissory Note					
Water Line Loan	372,508	-	17,068	355,440	14,530
Pump Station Loan	-	3,500,000	-	3,500,000	-
Totals	<u>\$ 13,786,397</u>	<u>\$ 5,235,000</u>	<u>\$ 2,099,193</u>	<u>\$ 16,922,204</u>	<u>\$ 443,786</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2019

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, 2019</u>
Paid by taxes:					
Series 2010 Street Improvement	1.25 - 3.25%	10/19/2010	11/1/2020	\$ 975,000	\$ 110,000
Series 2016A	2.69%	7/26/2016	8/1/2021	130,000	54,000
Series 2019	2.00 - 3.00%	9/5/2019	11/1/2027	875,000	875,000
Paid by utility revenues:					
Series 2010B Refunding	1.00 - 3.15%	4/14/2010	1/1/2020	2,785,000	350,000
Series 2013 Water	1.35 - 2.80%	2/1/2013	8/1/2032	9,000,000	6,405,000
				<u>\$ 13,765,000</u>	<u>\$ 7,794,000</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>
2020	\$ 212,000	\$ 32,175	\$ 790,000	\$ 146,983	\$ 1,002,000	\$ 179,158
2021	107,000	21,826	450,000	133,351	557,000	155,177
2022	80,000	18,700	455,000	126,995	535,000	145,695
2023	85,000	16,300	460,000	119,615	545,000	135,915
2024	85,000	13,750	465,000	111,105	550,000	124,855
2025 - 2029	470,000	31,400	2,480,000	397,194	2,950,000	428,594
2030 - 2034	-	-	1,655,000	80,544	1,655,000	80,544
	<u>\$ 1,039,000</u>	<u>\$ 134,151</u>	<u>\$ 6,755,000</u>	<u>\$ 1,115,787</u>	<u>\$ 7,794,000</u>	<u>\$ 1,249,938</u>

On September 5, 2019, the City issued Series 2009 General Obligation Bonds in the amount of \$875,000. The bonds are being used to finance certain street improvements initially financed by the Series 2019 Temporary Notes. The bonds carry an interest rate ranging from 2.00% to 3.00% and have a final maturity date of November 1, 2027.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2019

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, 2019</u>
Series 2014 Public Building Commission	.50 - 5.00%	3/25/2014	9/1/2034	\$ 4,720,000	\$ 3,840,000

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>
2020	\$ 200,000	\$ 159,560
2021	205,000	154,560
2022	210,000	148,923
2023	215,000	142,623
2024	1,195,000	591,310
2025 - 2029	1,475,000	309,625
2030 - 2034	340,000	17,000
	<u>\$ 3,840,000</u>	<u>\$ 1,523,601</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, 2019, 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	\$ 896,930	\$ 510,123

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2019

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>	
2020	\$ 71,292
2021	71,292
2022	71,292
2023	71,292
2024	71,292
2025 - 2027	<u>213,877</u>
Total principal and interest	570,337
Less: interest	<u>[60,214]</u>
Total principal	<u>\$ 510,123</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, 2019, the balance on the lease was \$509,938.

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, 2019, the balance on the lease was \$472,187.

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

Year Ending <u>December 31,</u>	
2020	\$ 95,198
2021	95,198
2022	95,198
2023	95,198
2024	95,198
2025 - 2029	475,392
2030 - 2034	<u>213,110</u>
Total principal and interest	1,164,492
Less: interest	<u>[241,851]</u>
Total principal	<u>\$ 922,641</u>

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2019

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, 2019, the balance on the note was \$355,440.

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, 2019, the balance on the note was \$3,500,000.

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

Year Ending <u>December 31,</u>	
2020	\$ 426,251
2021	301,700
2022	301,699
2023	301,699
2024	301,700
2025 - 2029	1,508,498
2030 - 2034	1,505,771
2035 - 2039	1,352,749
2040	<u>22,504</u>
Total principal and interest	6,022,571
Less: interest	<u>[2,167,131]</u>
Total principal	<u>\$ 3,855,440</u>

NOTE 5 - 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 6 - Compensated Absences

It is the City's policy to pay employees' accrued vacation pay upon termination of employment. As of December 31, 2019, the liability for accrued vacation pay was \$61,972.

NOTE 7 - 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, 2019.

CITY OF CLAY CENTER, KANSAS

Notes to the Financial Statements
December 31, 2019

NOTE 8 - Interfund Transfers

A reconciliation of transfers by fund type for 2019 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Airport	\$ 50,000	K.S.A. 12-197
General	Street, Building, Machinery & Equipment	70,000	K.S.A. 12-1,117
General	Airport Improvement	<u>30,000</u>	K.S.A. 12-1,118
	Total	<u>150,000</u>	
Transfer from Public Utility Recorded As:			
	Charges for Services - Waste Water Fund	454,875	K.S.A. 12-825d
	Charges for Services - Refuse Disposal Maintenance Fund	<u>271,967</u>	K.S.A. 12-825d
		<u>726,842</u>	
Total transfers		<u>\$ 876,842</u>	

NOTE 9 - 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 local government 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, 2019.

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SCHEDULE 1

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

<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	\$ 3,723,753	\$ -	\$ 3,723,753	\$ 3,373,164	\$ 350,589
Special Purpose Funds:					
Airport	97,227	-	97,227	79,742	17,485
Connecting Link Improvement	531,845	-	531,845	363,806	168,039
Employee Benefit	-	-	-	-	-
Industrial	25,000	-	25,000	25,000	-
Library	191,933	-	191,933	191,933	-
Public Recreation	70,000	-	70,000	50,937	19,063
Special Highway	232,112	-	232,112	89,668	142,444
Special Improvement	39,791	-	39,791	-	39,791
Sales Tax	477,087	-	477,087	363,583	113,504
Special Park and Recreation	18,483	-	18,483	4,807	13,676
Pool Sales Tax	788,597	-	788,597	355,847	432,750
Bond and Interest	105,000	-	105,000	-	105,000
Business Funds:					
Waste Water	575,648	-	575,648	513,938	61,710
Water Utility	3,676,500	-	3,676,500	2,920,820	755,680
Electric Utility	12,741,000	-	12,741,000	7,911,291	4,829,709
Refuse Disposal Maintenance	487,987	-	487,987	214,756	273,231

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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared revenue				
Property taxes	\$ 1,723,664	\$ 1,720,582	\$ 1,777,969	\$ [57,387]
Alcohol tax	7,390	8,381	8,607	[226]
Franchise tax	136,019	128,409	155,000	[26,591]
Sales tax	1,014,389	1,062,088	985,000	77,088
Licenses and permits	38,799	34,562	52,000	[17,438]
Fines and fees	72,131	52,516	79,000	[26,484]
Charges for services	85,535	94,858	114,000	[19,142]
Reimbursed expenses	-	-	20,000	[20,000]
Miscellaneous	5,037	2,980	9,500	[6,520]
Transfer in	209,336	188,273	290,000	[101,727]
Use of money and property	11,302	17,107	12,000	5,107
Total Receipts	<u>3,303,602</u>	<u>3,309,756</u>	<u>\$ 3,503,076</u>	<u>\$ [193,320]</u>
Expenditures				
General government	752,146	729,771	\$ 833,553	\$ 103,782
Police department	649,820	676,518	819,100	142,582
Fire department	654,360	682,086	722,500	40,414
Highway department	554,585	573,018	612,700	39,682
Parks department	216,876	223,638	251,000	27,362
Pool department	151,369	162,842	152,900	[9,942]
Cemetery department	171,014	175,291	182,000	6,709
Transfer out	90,000	150,000	150,000	-
Total Expenditures	<u>3,240,170</u>	<u>3,373,164</u>	<u>\$ 3,723,753</u>	<u>\$ 350,589</u>
Receipts Over [Under] Expenditures	63,432	[63,408]		
Unencumbered Cash, Beginning	<u>237,236</u>	<u>300,668</u>		
Unencumbered Cash, Ending	<u>\$ 300,668</u>	<u>\$ 237,260</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, 2019
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		Current Year		Variance-
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Over [Under]
Receipts				
Use of money and property	\$ 9,200	\$ 11,785	\$ 10,000	\$ 1,785
Miscellaneous	28,372	13,153	35,500	[22,347]
Transfer in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Receipts	<u>87,572</u>	<u>74,938</u>	<u>\$ 95,500</u>	<u>\$ [20,562]</u>
Expenditures				
Contractual services	29,118	52,076	\$ 72,027	\$ 19,951
Commodities	<u>57,164</u>	<u>27,666</u>	<u>25,200</u>	<u>[2,466]</u>
Total Expenditures	<u>86,282</u>	<u>79,742</u>	<u>\$ 97,227</u>	<u>\$ 17,485</u>
Receipts Over [Under] Expenditures	1,290	[4,804]		
Unencumbered Cash, Beginning	<u>4,978</u>	<u>6,268</u>		
Unencumbered Cash, Ending	<u>\$ 6,268</u>	<u>\$ 1,464</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Connecting link distribution	\$ 29,268	\$ 339,051	\$ 500,000	\$ [160,949]
Total Receipts	<u>29,268</u>	<u>339,051</u>	<u>\$ 500,000</u>	<u>\$ [160,949]</u>
Expenditures				
Capital outlay	<u>-</u>	<u>363,806</u>	<u>\$ 531,845</u>	<u>\$ 168,039</u>
Total Expenditures	<u>-</u>	<u>363,806</u>	<u>\$ 531,845</u>	<u>\$ 168,039</u>
Receipts Over [Under] Expenditures	29,268	[24,755]		
Unencumbered Cash, Beginning	<u>31,845</u>	<u>61,113</u>		
Unencumbered Cash, Ending	<u>\$ 61,113</u>	<u>\$ 36,358</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 4

CITY OF CLAY CENTER, KANSAS
Employee Benefit 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 <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
Transfer out	14,550	-	\$ -	\$ -
Total Expenditures	14,550	-	\$ -	\$ -
Receipts Over [Under] Expenditures	[14,550]	-		
Unencumbered Cash, Beginning	14,550	-		
Unencumbered Cash, Ending	\$ -	\$ -		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Industrial 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 <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 25,427	\$ 25,428	\$ 24,748	\$ 680
Total Receipts	<u>25,427</u>	<u>25,428</u>	<u>\$ 24,748</u>	<u>\$ 680</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	427	428		
Unencumbered Cash, Beginning	<u>457</u>	<u>884</u>		
Unencumbered Cash, Ending	<u>\$ 884</u>	<u>\$ 1,312</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 6

CITY OF CLAY CENTER, 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 <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 190,450	\$ 193,680	\$ 189,556	\$ 4,124
Total Receipts	<u>190,450</u>	<u>193,680</u>	<u>\$ 189,556</u>	<u>\$ 4,124</u>
Expenditures				
Appropriations	<u>187,600</u>	<u>191,933</u>	<u>\$ 191,933</u>	<u>\$ -</u>
Total Expenditures	<u>187,600</u>	<u>191,933</u>	<u>\$ 191,933</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	2,850	1,747		
Unencumbered Cash, Beginning	<u>3,120</u>	<u>5,970</u>		
Unencumbered Cash, Ending	<u>\$ 5,970</u>	<u>\$ 7,717</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 23,412	\$ 28,656	\$ 28,124	\$ 532
Charges for services	-	26,630	37,000	[10,370]
Reimbursements	-	-	500	[500]
Miscellaneous	-	17,927	-	17,927
Total Receipts	<u>23,412</u>	<u>73,213</u>	<u>\$ 65,624</u>	<u>\$ 7,589</u>
Expenditures				
Appropriations	1,500	-	\$ 1,500	\$ 1,500
Personal services	5,757	15,043	9,500	[5,543]
Contractual services	-	1,103	20,000	18,897
Commodities	19,724	21,586	39,000	17,414
Capital outlay	223	13,205	-	[13,205]
Total Expenditures	<u>27,204</u>	<u>50,937</u>	<u>\$ 70,000</u>	<u>\$ 19,063</u>
Receipts Over [Under] Expenditures	[3,792]	22,276		
Unencumbered Cash, Beginning	<u>9,035</u>	<u>5,243</u>		
Unencumbered Cash, Ending	<u>\$ 5,243</u>	<u>\$ 27,519</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 109,462	\$ 109,140	\$ 110,320	\$ [1,180]
Reimbursements	<u>1,695</u>	<u>55</u>	<u>5,000</u>	<u>[4,945]</u>
Total Receipts	<u>111,157</u>	<u>109,195</u>	<u>\$ 115,320</u>	<u>\$ [6,125]</u>
Expenditures				
Commodities	126,750	86,405	\$ 232,112	\$ 145,707
Capital outlay	<u>-</u>	<u>3,263</u>	<u>-</u>	<u>[3,263]</u>
Total Expenditures	<u>126,750</u>	<u>89,668</u>	<u>\$ 232,112</u>	<u>\$ 142,444</u>
Receipts Over [Under] Expenditures	[15,593]	19,527		
Unencumbered Cash, Beginning	<u>190,547</u>	<u>174,954</u>		
Unencumbered Cash, Ending	<u>\$ 174,954</u>	<u>\$ 194,481</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
Special Improvement 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 <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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Sales tax	\$ 407,179	\$ 421,413	\$ 425,000	\$ [3,587]
Total Receipts	<u>407,179</u>	<u>421,413</u>	<u>\$ 425,000</u>	<u>\$ [3,587]</u>
Expenditures				
Construction costs	<u>406,530</u>	<u>363,583</u>	<u>\$ 477,087</u>	<u>\$ 113,504</u>
Total Expenditures	<u>406,530</u>	<u>363,583</u>	<u>\$ 477,087</u>	<u>\$ 113,504</u>
Receipts Over [Under] Expenditures	649	57,830		
Unencumbered Cash, Beginning	<u>94,191</u>	<u>94,840</u>		
Unencumbered Cash, Ending	<u>\$ 94,840</u>	<u>\$ 152,670</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance- Over [Under]
Receipts				
Intergovernmental	\$ 7,391	\$ 8,382	\$ 8,606	\$ [224]
Total Receipts	<u>7,391</u>	<u>8,382</u>	<u>\$ 8,606</u>	<u>\$ [224]</u>
Expenditures				
Commodities	5,531	4,073	\$ 10,000	\$ 5,927
Capital outlay	<u>2,931</u>	<u>734</u>	<u>8,483</u>	<u>7,749</u>
Total Expenditures	<u>8,462</u>	<u>4,807</u>	<u>\$ 18,483</u>	<u>\$ 13,676</u>
Receipts Over [Under] Expenditures	[1,071]	3,575		
Unencumbered Cash, Beginning	<u>12,569</u>	<u>11,498</u>		
Unencumbered Cash, Ending	<u>\$ 11,498</u>	<u>\$ 15,073</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 12

CITY OF CLAY CENTER, KANSAS
2019 Special Improvement
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Bond and temporary note proceeds	\$ 1,769,908	\$ -
Reimbursements	<u>7,737</u>	<u>-</u>
Total Receipts	<u>1,777,645</u>	<u>-</u>
Expenditures		
Contractual services	855,650	-
Bond principal	860,000	-
Interest	<u>15,772</u>	<u>-</u>
Total Expenditures	<u>1,731,422</u>	<u>-</u>
Receipts Over [Under] Expenditures	46,223	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 46,223</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Airport Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
County grant	\$ 259,711	\$ 145,963
Transfers in	<u>30,000</u>	<u>-</u>
 Total Receipts	 <u>289,711</u>	 <u>145,963</u>
 Expenditures		
Contractual services	299,955	119
Capital outlay	<u>4,377</u>	<u>-</u>
 Total Expenditures	 <u>304,332</u>	 <u>119</u>
 Receipts Over [Under] Expenditures	 [14,621]	 145,844
 Unencumbered Cash, Beginning	 <u>8,461</u>	 <u>[137,383]</u>
 Unencumbered Cash, Ending	 <u>\$ [6,160]</u>	 <u>\$ 8,461</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Sale of equipment	\$ 17,000	\$ 2,311
Donations	5,693	395
Miscellaneous	2,470	-
Transfer in	<u>70,000</u>	<u>40,000</u>
Total Receipts	<u>95,163</u>	<u>42,706</u>
Expenditures		
Capital outlay	53,468	40,029
Commodities	<u>52,322</u>	<u>-</u>
Total Expenditures	<u>105,790</u>	<u>40,029</u>
Receipts Over [Under] Expenditures	[10,627]	2,677
Unencumbered Cash, Beginning	<u>468,099</u>	<u>465,422</u>
Unencumbered Cash, Ending	<u>\$ 457,472</u>	<u>\$ 468,099</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Perpetual care payments	\$ 1,155	\$ 805
Total Receipts	<u>1,155</u>	<u>805</u>
Expenditures		
Contractual	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	1,155	805
Unencumbered Cash, Beginning	<u>170,470</u>	<u>169,665</u>
Unencumbered Cash, Ending	<u>\$ 171,625</u>	<u>\$ 170,470</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax	\$ 407,179	\$ 421,414	\$ 425,000	\$ [3,586]
Total Receipts	<u>407,179</u>	<u>421,414</u>	<u>\$ 425,000</u>	<u>\$ [3,586]</u>
Expenditures				
Transfer out	361,565	355,847	\$ 429,649	\$ 73,802
Lease payment	<u>-</u>	<u>-</u>	<u>358,948</u>	<u>358,948</u>
Total Expenditures	<u>361,565</u>	<u>355,847</u>	<u>\$ 788,597</u>	<u>\$ 432,750</u>
Receipts Over [Under] Expenditures	45,614	65,567		
Unencumbered Cash, Beginning	<u>301,445</u>	<u>347,059</u>		
Unencumbered Cash, Ending	<u>\$ 347,059</u>	<u>\$ 412,626</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 68,430	\$ 94,611	\$ 101,338	\$ [6,727]
Total Receipts	<u>68,430</u>	<u>94,611</u>	<u>\$ 101,338</u>	<u>\$ [6,727]</u>
Expenditures				
Bond principal	75,000	-	\$ 80,000	\$ 80,000
Interest	2,813	-	20,000	20,000
Miscellaneous	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Expenditures	<u>77,813</u>	<u>-</u>	<u>\$ 105,000</u>	<u>\$ 105,000</u>
Receipts Over [Under] Expenditures	[9,383]	94,611		
Unencumbered Cash, Beginning	<u>11,382</u>	<u>1,999</u>		
Unencumbered Cash, Ending	<u>\$ 1,999</u>	<u>\$ 96,610</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Contributions	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total Receipts	-	-
Expenditures		
Contractual	-	3,197
	<u>-</u>	<u>3,197</u>
Total Expenditures	-	3,197
Receipts Over [Under] Expenditures	-	[3,197]
Unencumbered Cash, Beginning	41,408	44,605
	<u>41,408</u>	<u>44,605</u>
Unencumbered Cash, Ending	\$ 41,408	\$ 41,408

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Sanitary Improvement Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Grants	\$ -	\$ -
	-	-
Total Receipts	-	-
Expenditures		
Contractual	-	418
	-	418
Total Expenditures	-	418
Receipts Over [Under] Expenditures	-	[418]
Unencumbered Cash, Beginning	-	418
Unencumbered Cash, Ending	\$ -	\$ -

* 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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Contributions	\$ 16,015	\$ 122,906
Total Receipts	<u>16,015</u>	<u>122,906</u>
Expenditures		
Transfers out	<u>295,585</u>	<u>26,364</u>
Total Expenditures	<u>295,585</u>	<u>26,364</u>
Receipts Over [Under] Expenditures	[279,570]	96,542
Unencumbered Cash, Beginning	<u>611,983</u>	<u>515,441</u>
Unencumbered Cash, Ending	<u>\$ 332,413</u>	<u>\$ 611,983</u>

* This fund is not required to be budgeted.

CITY OF CLAY CENTER, KANSAS
 Fire Truck Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Use of money and property	\$ -	\$ 3
Total Receipts	<u>-</u>	<u>3</u>
Expenditures		
Capital outlay	<u>-</u>	<u>2,779</u>
Total Expenditures	<u>-</u>	<u>2,779</u>
Receipts Over [Under] Expenditures	-	[2,776]
Unencumbered Cash, Beginning	<u>-</u>	<u>2,776</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 460,398	\$ 454,874	\$ 470,000	\$ [15,126]
Reimbursements	-	1,000	250	750
Miscellaneous	<u>60</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total Receipts	<u>460,458</u>	<u>455,884</u>	<u>\$ 470,250</u>	<u>\$ [14,366]</u>
Expenditures				
Personal services	205,572	223,058	\$ 255,000	\$ 31,942
Commodities	65,473	83,515	123,000	39,485
Contractual services	57,219	76,170	65,000	[11,170]
Capital outlay	38,604	31,749	30,665	[1,084]
Debt service	<u>93,501</u>	<u>99,446</u>	<u>101,983</u>	<u>2,537</u>
Total Expenditures	<u>460,369</u>	<u>513,938</u>	<u>\$ 575,648</u>	<u>\$ 61,710</u>
Receipts Over [Under] Expenditures	89	[58,054]		
Unencumbered Cash, Beginning	<u>187,063</u>	<u>187,152</u>		
Unencumbered Cash, Ending	<u>\$ 187,152</u>	<u>\$ 129,098</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 2,421,220	\$ 2,390,280	\$ 3,647,000	\$ [1,256,720]
Use of money and property	7,786	11,900	8,000	3,900
Miscellaneous	30,224	35,593	60,000	[24,407]
Transfers in	<u>26,364</u>	<u>296,440</u>	<u>-</u>	<u>296,440</u>
Total Receipts	<u>2,485,594</u>	<u>2,734,213</u>	<u>\$ 3,715,000</u>	<u>\$ [980,787]</u>
Expenditures				
Personal services	440,070	463,823	\$ 738,214	\$ 274,391
Contractual	43,898	56,855	108,205	51,350
Capital outlay	184,138	608,659	600,000	[8,659]
Commodities	419,810	405,021	722,081	317,060
Debt service	615,160	611,718	630,000	18,282
Transfer out	<u>785,574</u>	<u>774,744</u>	<u>878,000</u>	<u>103,256</u>
Total Expenditures	<u>2,488,650</u>	<u>2,920,820</u>	<u>\$ 3,676,500</u>	<u>\$ 755,680</u>
Receipts Over [Under] Expenditures	[3,056]	[186,607]		
Unencumbered Cash, Beginning	<u>1,693,792</u>	<u>1,690,736</u>		
Unencumbered Cash, Ending	<u>\$ 1,690,736</u>	<u>\$ 1,504,129</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, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 6,581,918	\$ 6,494,501	\$ 12,140,000	\$ [5,645,499]
Taxes	208,310	195,163	460,000	[264,837]
Use of money and property	15,146	36,454	15,000	21,454
Loan proceeds	-	3,500,000	-	3,500,000
Miscellaneous	29,092	63,344	205,000	[141,656]
Transfers in	-	1,995	-	1,995
Total Receipts	<u>6,834,466</u>	<u>10,291,457</u>	<u>\$ 12,820,000</u>	<u>\$ [2,528,543]</u>
Expenditures				
Personal services	1,702,957	1,762,493	\$ 2,840,751	\$ 1,078,258
Contractual	68,554	144,533	313,374	168,841
Capital outlay	103,295	1,126,011	800,000	[326,011]
Commodities	4,441,821	4,176,618	7,616,875	3,440,257
Debt service	350,994	369,155	525,000	155,845
Sales tax	203,026	192,377	460,000	267,623
Transfer out	147,331	140,104	185,000	44,896
Total Expenditures	<u>7,017,978</u>	<u>7,911,291</u>	<u>\$ 12,741,000</u>	<u>\$ 4,829,709</u>
Receipts Over [Under] Expenditures	[183,512]	2,380,166		
Unencumbered Cash, Beginning	<u>2,701,021</u>	<u>2,517,509</u>		
Unencumbered Cash, Ending	<u>\$ 2,517,509</u>	<u>\$ 4,897,675</u>		

See independent auditor's report on the financial statements.

CITY OF CLAY CENTER, KANSAS
 FSA Fund*
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Transfer in	\$ -	\$ 8,350
Use of money and property	<u>85</u>	<u>58</u>
Total Receipts	<u>85</u>	<u>8,408</u>
Expenditures		
Transfer out	<u>2,850</u>	<u>-</u>
Total Expenditures	<u>2,850</u>	<u>-</u>
Receipts Over [Under] Expenditures	[2,765]	8,408
Unencumbered Cash, Beginning	<u>18,915</u>	<u>10,507</u>
Unencumbered Cash, Ending	<u>\$ 16,150</u>	<u>\$ 18,915</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, 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 for services	\$ 269,673	\$ 271,968	\$ 277,000	\$ [5,032]
Miscellaneous	<u>216</u>	<u>811</u>	<u>1,000</u>	<u>[189]</u>
Total Receipts	<u>269,889</u>	<u>272,779</u>	<u>\$ 278,000</u>	<u>\$ [5,221]</u>
Expenditures				
Commodities	22,798	19,302	\$ 45,750	\$ 26,448
Personal services	124,066	131,084	142,000	10,916
Contractual services	62,924	64,370	70,200	5,830
Capital outlay	<u>56,828</u>	<u>-</u>	<u>230,037</u>	<u>230,037</u>
Total Expenditures	<u>266,616</u>	<u>214,756</u>	<u>\$ 487,987</u>	<u>\$ 273,231</u>
Receipts Over [Under] Expenditures	3,273	58,023		
Unencumbered Cash, Beginning	<u>254,787</u>	<u>258,060</u>		
Unencumbered Cash, Ending	<u>\$ 258,060</u>	<u>\$ 316,083</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Donations	\$ -	\$ -
	<u>-</u>	<u>-</u>
Total Receipts	-	-
Expenditures		
Animal feed and care	-	-
	<u>-</u>	<u>-</u>
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>2,446</u>	<u>2,446</u>
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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Donations	\$ 39	\$ 1,150
Total Receipts	<u>39</u>	<u>1,150</u>
Expenditures		
Capital outlay	<u>2,500</u>	<u>1,433</u>
Total Expenditures	<u>2,500</u>	<u>1,433</u>
Receipts Over [Under] Expenditures	[2,461]	[283]
Unencumbered Cash, Beginning	<u>3,549</u>	<u>3,832</u>
Unencumbered Cash, Ending	<u>\$ 1,088</u>	<u>\$ 3,549</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Miscellaneous	\$ 1,742	\$ -
Total Receipts	<u>1,742</u>	<u>-</u>
Expenditures		
Operational equipment	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	1,742	-
Unencumbered Cash, Beginning	<u>848</u>	<u>848</u>
Unencumbered Cash, Ending	<u>\$ 2,590</u>	<u>\$ 848</u>

* 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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Donations	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Miscellaneous	1,743	-
Total Expenditures	1,743	-
Receipts Over [Under] Expenditures	[1,743]	-
Unencumbered Cash, Beginning	1,743	1,743
Unencumbered Cash, Ending	\$ -	\$ 1,743

* 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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Receipts		
Transfer in	\$ 355,847	\$ 361,565
Use of money and property	<u>2,374</u>	<u>1,936</u>
Total Receipts	<u>358,221</u>	<u>363,501</u>
Expenditures		
Capital outlay	-	-
Bond principal	195,000	195,000
Interest	<u>163,948</u>	<u>167,848</u>
Total Expenditures	<u>358,948</u>	<u>362,848</u>
Receipts Over [Under] Expenditures	[727]	653
Unencumbered Cash, Beginning	<u>473,935</u>	<u>473,282</u>
Unencumbered Cash, Ending	<u><u>\$ 473,208</u></u>	<u><u>\$ 473,935</u></u>

* This fund is not required to be budgeted.

SCHEDULE 3

CITY OF CLAY CENTER, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2019

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Employee Health Insurance	\$ 133,244	\$ 870	\$ 870	\$ 133,245
Crime Stoppers	10,138	780	-	10,918
Police Court	10,753	314	11,067	-
Recreation and Ball Fund	<u>16,973</u>	<u>-</u>	<u>16,973</u>	<u>-</u>
 Total Agency Funds	 <u>\$ 171,108</u>	 <u>\$ 1,965</u>	 <u>\$ 28,910</u>	 <u>\$ 144,163</u>

See independent auditor's report on the financial statements.