CITY OF STERLING, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2021



LOYD GROUP, LLC

Certified Public Accountants

CITY OF STERLING, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2021

CITY COMMISSION

Stephen Wilson	Steve Rivas Mayor	Richard Jones, Jr.
Todd Rowland		Robert Boltz

CITY OFFICERS

Gayla Horsch Treasurer	Craig Crossette Manager	Scott Bush Attorney
Derrick Ploutz Police Chief	Sandra Fankhauser Clerk	Phil Durr Municipal Judge

CITY OF STERLING, KANSAS

For the Year Ended December 31, 2021

TABLE OF CONTENTS

		Page Numbers
	Independent Auditor's Report	1 – 3
	FINANCIAL SECTION	
Statement 1	Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4
	Notes to Financial Statement	5 – 11
	REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION	
Schedule 1	Summary of Expenditures – Actual and Budget – Regulatory Basis	12
Schedule 2	Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis	
	General Fund	
2-1	General Fund	13 – 14
	Special Purpose Funds	
2-2	Library Fund	15
2-3	Cemetery Fund	16
2-4	Special Highway Fund	17
2-5	Special Parks and Recreation Fund	18
2-6	Ambulance and Fire Equipment Fund	19
2-7	Sterling Community Cemetery Fund	20 – 21
2-8	Rescue Projects Fund	22
	Capital Project Fund	
2-9	Storm Sewer Project Fund	23
2-10	Bond Projects Fund	24

CITY OF STERLING, KANSAS

For the Year Ended December 31, 2021

TABLE OF CONTENTS

REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION (CONT.)

		Page Numbers
	Business Funds	
2-11	Water Utility Fund	25
2-12	Electric Utility Fund	26
2-13	Electric Equipment Reserve Fund	27
2-14	Sewer Utility Fund	28
2-15	Medical Services Fund	29
Schedule 3	Agency Funds – Schedule of Receipts and Disbursements – Regulatory Basis	30

LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Sterling, Kansas 67579

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sterling, Kansas (City), a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2021 and the related notes to the financial statement.

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 and Unmodified Opinions section of our report, the accompanying 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, 2021, 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 accompanying 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, 2021, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed 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.

Other Matter

The prior year's financial statement for the year ended December 31, 2020, was audited by another auditor, who expressed an unmodified opinion on regulatory basis of accounting, on May 24, 2021.

Responsibilities of Management 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.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, expenditures-actual and budget, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional 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 accompanying supplementary 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.

Another auditor previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Sterling, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued their report thereon dated May 24, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and their accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 1.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
June 7, 2022

CITY OF STERLING, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2021

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	$ 485,535	$ 964,370	$ 1,014,370	$ 435,535	$ -	$ 435,535
SPECIAL PURPOSE FUNDS:						
Library Fund	-	57,824	57,824	-	-	-
Cemetery Fund	-	57,841	57,813	28	-	28
Special Highway Fund	615,219	743,922	524,426	834,715	-	834,715
Special Parks & Recreation Fund	5,114	1,411	-	6,525	-	6,525
Ambulance and Fire Equipment Fund	205,443	27,776	26,443	206,776	-	206,776
Sterling Community Cemetery Fund	225,057	105,769	90,435	240,391	-	240,391
Rescue Projects Fund	-	167,560	-	167,560	-	167,560
Total Special Purpose Funds	1,050,833	994,543	756,941	1,288,435	-	1,455,995
CAPITAL PROJECTS FUNDS:						
Storm Sewer Project Fund	5,698	-	-	5,698	-	5,698
Bond Projects Fund	642,815	-	522,213	120,602	-	120,602
Total Capital Projects Funds	648,513	-	522,213	126,300	-	126,300
BUSINESS FUNDS:						
Water Utility Fund	85,288	384,625	433,331	36,582	-	36,582
Electric Utility Fund	1,150,559	2,610,216	2,481,425	1,279,350	54,552	1,333,902
Electric Equipment Reserve Fund	148,460	-	-	148,460	-	148,460
Sewer Utility Fund	250,225	408,642	400,462	258,405	-	258,405
Medical Services Fund	95,467	31,896	116,370	10,993	-	10,993
Total Business Funds	1,729,999	3,435,379	3,431,588	1,733,790	54,552	1,788,342
Total Reporting Entity (Excluding Agency Funds)	$ 3,914,880	$ 5,394,292	$ 5,725,112	$ 3,584,060	$ 54,552	$ 3,806,172

COMPOSITION OF CASH:	
Checking Accounts	$ 585,517
Savings Accounts	2,306,352
Certificates of Deposit	723,372
Sterling Community Cemetery	222,206
Cash on Hand	500
Total Cash	3,837,947
Less Agency Funds per Schedule 3	(31,775)
Total Reporting Entity (Excluding Agency Funds)	$ 3,806,172

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

CITY OF STERLING, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of Sterling is a municipal financial reporting entity governed by an elected Commission. The financial statement presents all funds that are administered and controlled by the Commission.

Related Municipal Entity. The City of Sterling has the following related municipal entity:

Cemetery. Financial information for the Cemetery may be obtained from the City of Sterling at 114 North Broadway, Sterling, Kansas 67579. The Cemetery is presented as a special purpose fund.

(b) Regulatory Basis Fund Types

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

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

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

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

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

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

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

(c) Basis of Accounting

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Accounting (Cont.)

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

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

Senate Bill 13 repealed the tax lid law and introduced the use of a revenue neutral rate with an additional budget hearing required if the proposed tax levy exceeds the revenue neutral rate. These policy changes apply to the 2022 budget cycle. Additional information can be found in the Memo to State of Kansas Taxing Subdivisions (2021) at https://admin.ks.gov/offices/oar/municipal-services.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did not hold a revenue neutral rate hearing for the year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year 2021.

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

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

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

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

(e) Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABLILITY

Compliance with Kansas Statutes

No statute violations were noted during 2021.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was $3,837,447 and the bank balance was $3,920,665. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $722,549 (for City and Cemetery) was covered by federal depository insurance and the remaining $3,198,116 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Electric Utility	General	K.S.A. 12-825d	$ 95,000
Water Utility	General	K.S.A. 12-825d	18,275
Sewer Utility	General	K.S.A. 12-825d	18,275
Total			$ 131,550

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2012B Refunding	1.65%	11-20-12	$ 220,000	08-01-23	$ 60,000	$ -	$ 25,000	$ 35,000	$ 908
Series 2020	2.5-4%	2-20-20	1,450,000	10-01-40	1,450,000	-	45,000	1,405,000	68,288
					1,510,000	-	70,000	1,440,000	69,196
Other:									
Kansas Water Pollution Control									
Revolving Loan	2.79%	08-20-08	1,220,348	09-01-29	622,905	-	61,793	561,112	16,951
					622,905	-	61,793	561,112	16,951
Capital Lease:									
Equipment Lease	2.65%	4-16-21	60,400	4-16-26	60,400	-	-	60,400	1,480
Catalytic Convertors	2.47%	10-07-13	530,000	10-07-23	173,079	-	56,263	116,816	3,983
Total Contractual Indebtedness					$ 2,366,384	$ -	$ 188,056	$ 2,178,328	$ 91,610

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

	Year								
	2022	2023	2024	2025	2026	2027 to 2031	2032 to 2036	2037 to 2040	Total
PRINCIPAL:									
General Obligation Bonds:									
Series 2012B Refunding	$ 25,000	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000
Series 2020	50,000	65,000	70,000	75,000	80,000	445,000	330,000	290,000	1,405,000
	75,000	75,000	70,000	75,000	80,000	445,000	330,000	290,000	1,440,000
Other:									
Kansas Water Pollution Control									
Revolving Loan	63,529	65,313	67,148	69,035	70,975	225,112	-	-	561,112
Capital Leases:									
Equipment Lease	11,503	11,785	12,071	12,369	12,672	-	-	-	60,400
Catalytic Convertors	57,680	59,136	-	-	-	-	-	-	116,816
TOTAL PRINCIPAL	207,712	211,234	149,219	156,404	163,647	670,112	330,000	290,000	2,178,328
INTEREST:									
General Obligation Bonds:									
Series 2012B Refunding	619	41		-	-	-	-	-	660
Series 2020	40,512	38,512	35,913	33,112	30,113	103,613	57,538	18,200	357,513
	41,131	38,553	35,913	33,112	30,113	103,613	57,538	18,200	358,173
Other:									
Kansas Water Pollution Control									
Revolving Loan	15,215	13,430	11,595	9,709	7,769	11,118	-	-	68,836
Capital Leases:									
Equipment Lease	1,480	1,198	912	614	310	-	-	-	4,514
Catalytic Convertors	2,565	1,111	-	-	-	-	-	-	3,676
TOTAL INTEREST	60,391	54,292	48,420	43,435	38,192	114,731	57,538	18,200	435,199
TOTAL PRINCIPAL AND INTEREST	$ 268,103	$ 265,526	$ 197,639	$ 199,839	$ 201,839	$ 784,843	$ 387,538	$ 308,200	$ 2,613,527

6. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were $103,503 for the year ended December 31, 2021.

Net Pension Liability. At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was $780,332. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

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

(b) Death and Disability Other Post Employment Benefits

K.S.A. 74-4927, disabled members in KPERS receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(c) Defined Contribution Pension Plan

The City participates in a defined contribution plan administered by the International City Manager's Association Retirement Corporation (ICMA Retirement). Employees become eligible for participation in the plan upon hire. The City contributes 1% of the participants' base wage and the participants may contribute any amount they determine up to IRS limits. For the year ended December 31, 2021, actual contributions by the City and plan participants were $15,207 and $14,484 respectively. ICMA Retirement includes 20 participants. Participants vest at service inception and are entitled to 100 percent of vested contributions. The plan is a money purchase plan qualified under Section 457 of the Internal Revenue Code.

(d) Other Employee Benefits

Vacation – Vacation time shall be earned on the basis of complete calendar months of service. Accrual of vacation shall start from the original date of employment and may be used within the first year. Vacation may not be used for any periods spent on unauthorized leave. Employees should make every effort to take their vacation in the calendar year in which it was earned. The City Manager at his discretion may allow vacation leave to be carried over from one calendar year to the next.

Each regular full-time employee will earn vacation leave as follows:

Years of Service	Per Year	Maximum Accumulation
Start through 9 years	80 hours	None
10 years and beyond	120 hours	None

Regular part-time employees earn vacation leave as follows:

Years of Service	Per Year	Maximum Accumulation
Start through 9 years	40 hours	None
10 years and beyond	80 hours	None

Upon separation of employment, employees shall be compensated for all earned but unused vacation leave at their final rate of pay, provided the employee has been employed with the City for at least twelve consecutive months.

Sick leave – All regular full time employees shall accrue sick leave at a rate of eight hours for each complete calendar month they are on paid status. Regular part-time employees shall accrue sick leave at a rate of four hours for each complete calendar month they are on paid status.

Accumulation of sick leave – Employees may accrue sick leave up to a maximum of seventy-five working days. Upon separation of employment, employees shall be compensated for one fourth (1/4) of accrued and unused sick leave at their final rate of pay, provided the employee has been employed with the City of Sterling for at least twelve consecutive months.

Compensation – Compensation time for authorized overtime work shall be at a rate of one and one-half times the employee's rate of pay. Employees shall be entitled to receive overtime compensation for all hours worked in excess of forty hours per week. Vacation, sick leave, personal days and holidays are generally counted as hours worked when computing overtime. However, no person employed in an administrative, executive or professional position, shall be eligible for overtime compensation.

8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2020 to 2021 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. CAPITAL PROJECTS

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

	Project Authorization	Expenditures To Date
W. Cleveland/Broadway Intersection Street project	$ 750,000	$ 597,788
Bond projects	2,420,629	756,987
	$ 3,170,629	$ 1,354,775

10. COVID-19 NOTE

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

As a result of COVID-19, the State of Kansas has received Coronavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The City received SLFRF in the amount of $215,501 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at https://home.treasury.gov/.

11. RELATED PARTIES

A Commission member is an officer of one of the financial institutions where the City has funds deposited. At December 31, 2021, funds deposited at this institution totaled $1,226,856.

12. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF STERLING, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF STERLING, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2021

	Certified Budget	Adjustment for for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
GENERAL FUND:					
General Fund	$ 1,222,985	$ -	$ 1,222,985	$ 1,040,162	$ (182,823)
SPECIAL PURPOSE FUNDS:					
Library Fund	69,618	-	69,618	57,824	(11,794)
Cemetery Fund	69,495	-	69,495	57,813	(11,682)
Special Highway Fund	984,679	-	984,679	524,426	(460,253)
Special Parks and Recreation Fund	-	-	-	-	-
Ambulance and Fire Equipment Fund	233,901	-	233,901	26,443	(207,458)
BUSINESS FUNDS:					
Water Utility Fund	491,863	-	491,863	433,331	(58,532)
Electric Utility Fund	3,188,967	-	3,188,967	2,481,425	(707,542)
Sewer Utility Fund	563,518	-	563,518	400,462	(163,056)
Medical Services Fund	141,622	-	141,622	116,370	(25,252)

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual	2021 Budget	2021 Variance - Over (Under)
Receipts				
Taxes -				
Ad valorem property tax	$ 195,868	$ 218,950	$ 232,788	$ (13,838)
Delinquent tax	8,850	9,209	-	9,209
Motor vehicle tax	46,119	38,845	35,570	3,275
Recreational vehicle tax	984	779	717	62
16/20M vehicle tax	90	71	86	(15)
Commercial vehicle tax	2,070	4,129	4,254	(125)
In-Lieu of tax	-	9,270	-	9,270
Guest tax	5,500	8,734	4,000	4,734
Local alcoholic liquor tax	896	1,409	1,096	313
Local sales tax	256,643	245,418	185,000	60,418
Total Taxes	517,020	536,814	463,511	73,303
Licenses and Permits -				
Licenses and permits	6,290	9,469	4,600	4,869
Utility franchise fees	55,061	61,879	65,000	(3,121)
Dog tags, impounds, adoption fees	835	1,138	-	1,138
Total Licenses and Permits	62,186	72,486	69,600	2,886
Charges for Services -				
Burn site	50,346	50,274	50,400	(126)
Camping	19,456	36,641	12,000	24,641
Impoundment	769	135	-	135
Refuse collection	86,768	87,766	88,000	(234)
Swimming and concessions	2,634	7,934	1,500	6,434
Total Charges for Services	159,973	182,750	151,900	30,850
Fines, Forfeitures and Penalties -				
Police Fines	13,001	19,058	16,000	3,058
Use of Money and Property -				
Interest received	7,608	2,924	8,000	(5,076)
Other -				
Miscellaneous	25,967	20,580	20,000	580
Reimbursements	7,300	-	-	-
Wildlife and Parks grant	40,000	-	-	-
SPARK	85,658	-	-	-
Grants	2,867	-	-	-
Police contract	24,000	24,000	24,000	-
Memorials	(2,693)	-	-	-
Total Other	183,099	44,580	44,000	580
Transfers In -				
Transfer from Electric Utility Fund	95,000	95,000	95,000	-
Transfer from Sewer Utility Fund	18,275	18,275	18,000	275
Transfer from Water Utility Fund	18,275	18,275	18,000	275
Total Transfers In	131,550	131,550	131,000	550
Total Receipts	1,074,437	990,162	$ 884,011	$ 106,151

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Expenditures				
Administrative -				
Personal services	$ 103,138	$ 109,861	$ 101,182	$ 8,679
Contractual services	240,419	173,619	150,800	22,819
Commodities	6,649	4,949	4,000	949
Capital outlay	27,210	24,726	40,000	(15,274)
Total Administrative	377,416	313,155	295,982	17,173
Police -				
Personal services	421,537	438,398	410,608	27,790
Contractual services	70,785	67,501	65,730	1,771
Commodities	14,278	22,641	23,925	(1,284)
Capital outlay	41,058	56,826	35,000	21,826
Total Police	547,658	585,366	535,263	50,103
Park -				
Contractual services	335	2,949	1,000	1,949
Commodities	5,471	17,964	15,150	2,814
Capital outlay	-	16,141	5,000	11,141
Total Park	5,806	37,054	21,150	15,904
Fire -				
Personal services	6,519	5,906	6,600	(694)
Contractual services	9,259	13,053	9,500	3,553
Commodities	746	210	1,925	(1,715)
Capital outlay	-	3,532	5,000	(1,468)
Total Fire	16,524	22,701	23,025	(324)
Swimming Pool -				
Personal services	18,683	30,833	28,000	2,833
Contractual services	48,361	5,313	5,000	313
Commodities	13,969	17,767	19,000	(1,233)
Capital outlay	-	-	2,000	(2,000)
Total Swimming Pool	81,013	53,913	54,000	(87)
Health & Sanitation -				
Contractual services	-	-	6,000	(6,000)
Commodities	2,163	796	2,500	(1,704)
Total Health & Sanitation	2,163	796	8,500	(7,704)
Other -				
Street department	566	1,385	-	1,385
Neighborhood revitalization rebate	-	25,791	26,637	(846)
Cash basis carryover	-	-	258,428	(258,428)
Total Expenditures	1,031,146	1,040,161	$ 1,222,985	$ (182,824)
Receipts Over (Under) Expenditures	43,291	(49,999)		
Unencumbered Cash, Beginning	442,244	485,535		
Unencumbered Cash, Ending	$ 485,535	$ 435,536		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 44,400	$ 45,881	$ 54,880	$ (8,999)
Delinquent tax	1,915	2,016	-	2,016
Motor vehicle tax	10,088	8,800	8,063	737
Recreational vehicle tax	215	177	163	14
16/20M vehicle tax	19	150	20	130
Commercial vehicle tax	455	800	1,000	(200)
Total Receipts	57,092	57,824	$ 64,126	$ (6,302)
Expenditures				
Appropriation to Library Board	57,092	57,824	$ 63,288	$ (5,464)
Neighborhood revitalization rebate	-	-	6,330	(6,330)
Total Expenditures	57,092	57,824	$ 69,618	$ (11,794)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 44,463	$ 45,906	$ 54,880	$ (8,974)
Delinquent tax	1,918	1,993	-	1,993
Motor vehicle tax	10,097	8,812	8,074	738
Recreational vehicle tax	216	177	163	14
16/20M vehicle tax	19	16	20	(4)
Commercial vehicle tax	454	937	933	4
Total Receipts	57,167	57,841	$ 64,070	$ (6,229)
Expenditures				
Appropriation to Sterling Community Cemetery	57,167	57,813	$ 63,165	$ (5,352)
Neighborhood revitalization rebate	-	-	6,330	(6,330)
Total Expenditures	57,167	57,813	$ 69,495	$ (11,682)
Receipts Over (Under) Expenditures	-	28		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 28		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 148,653	$ 156,437	$ 184,243	$ (27,806)
Delinquent tax	6,598	6,815	3,000	3,815
Motor vehicle tax	34,967	29,478	26,996	2,482
Recreational vehicle tax	745	591	545	46
16/20M vehicle tax	70	53	9,866	(9,813)
Commercial vehicle tax	1,563	3,134	-	3,134
Local sales tax	293,947	341,639	240,000	101,639
State of Kansas gas tax	57,483	63,647	60,800	2,847
State connecting links	7,245	14,560	6,500	8,060
FEMA reimbursement	9,427	53,203	-	53,203
Lease proceeds	-	60,000	-	60,000
Miscellaneous	1,613	14,365	-	14,365
Total Receipts	562,311	743,922	$ 531,950	$ 211,972
Expenditures				
Personal services	112,635	125,249	$ 132,035	$ (6,786)
Contractual services	212,152	252,448	250,200	2,248
Commodities	53,303	69,218	78,750	(9,532)
Capital outlay	19,500	40,000	60,000	(20,000)
Principal and interest	-	37,511	37,511	-
Transfer to Bond Projects Fund	356,000	-	404,610	(404,610)
Neighborhood revitalization rebate	-	-	21,573	(21,573)
Total Expenditures	753,590	524,426	$ 984,679	$ (460,253)
Receipts Over (Under) Expenditures	(191,280)	219,496		
Unencumbered Cash, Beginning	806,499	615,219		
Unencumbered Cash, Ending	$ 615,219	$ 834,715		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local alcoholic liquor tax	$ 896	$ 1,411	$ -	$ 1,411
Expenditures				
Capital outlay	-	-	$ -	$ -
Receipts Over (Under) Expenditures	896	1,411		
Unencumbered Cash, Beginning	4,218	5,114		
Unencumbered Cash, Ending	$ 5,114	$ 6,525		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

AMBULANCE AND FIRE EQUIPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance - Over (Under)
Receipts				
Ad valorem property tax	$ 18,621	$ 18,361	$ 21,624	$ (3,263)
Delinquent tax	770	806	-	806
Motor vehicle tax	4,038	3,687	3,381	306
Recreational vehicle tax	86	74	68	6
16/20M vehicle tax	8	6	8	(2)
Commercial vehicle tax	182	393	-	393
Other	-	4,449	-	4,449
Total Receipts	23,705	27,776	$ 25,081	$ 2,695
Expenditures				
Capital outlay	-	26,443	$ 231,369	$ (204,926)
Neighborhood revitalization rebate	-	-	2,532	(2,532)
Total Expenditures	-	26,443	$ 233,901	$ (207,458)
Receipts Over (Under) Expenditures	23,705	1,333		
Unencumbered Cash, Beginning	181,738	205,443		
Unencumbered Cash, Ending	$ 205,443	$ 206,776		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

STERLING COMMUNITY CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021		
	General Fund Actual	Stevenson Fund Actual	Perpetual Care Actual
Receipts			
Interest income	$ 26,372	$ -	$ -
Charges for service	10,580	-	-
Reimbursed expenses	75	-	-
Sale of lots	1,878	-	6,840
Township distribution	60,019	-	-
Total Receipts	98,924	-	6,840
Expenditures			
Personal services	85,402	-	-
Contractual services	4,042	-	-
Commodities	991	-	-
Total Expenditures	90,435	-	-
Receipts Over (Under) Expenditures	8,489	-	6,840
Unencumbered Cash, Beginning	28,160	59,700	132,163
Unencumbered Cash, Ending	$ 36,649	$ 59,700	$ 139,003

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUND

STERLING COMMUNITY CEMETERY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2021				
	Mausoleum Trust Funds				
	Mincer Actual	Manz Actual	Mead Actual	Total Cemetery Actual	2020 Actual
Receipts					
Taxes	$ -	$ -	$ -	$ -	$ 57,167
Interest income	2	2	1	26,377	333
Charges for service	-	-	-	10,580	9,095
Reimbursed expenses	-	-	-	75	-
Sale of lots	-	-	-	8,718	6,447
Township distribution	-	-	-	60,019	4,000
Total Receipts	2	2	1	105,769	77,042
Expenditures					
Personal services	-	-	-	85,402	79,958
Contractual services	-	-	-	4,042	6,333
Commodities	-	-	-	991	868
Total Expenditures	-	-	-	90,435	87,159
Receipts Over (Under) Expenditures	2	2	1	15,333	(10,117)
Unencumbered Cash, Beginning	2,487	1,726	822	225,058	235,174
Unencumbered Cash, Ending	$ 2,489	$ 1,728	$ 823	$ 240,391	$ 225,057

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUND

RESCUE PROJECTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021
Receipts		
Grants	$ -	$ 167,560
Expenditures	-	-
Receipts Over (Under) Expenditures	-	167,560
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 167,560

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUND

STORM SEWER PROJECT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021
Receipts	$ -	$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	5,698	5,698
Unencumbered Cash, Ending	$ 5,698	$ 5,698

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUND

BOND PROJECTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020	2021
Receipts		
Bond proceeds	$ 1,489,254	$ -
Transfer from Electric Utililty Fund	450,000	-
Transfer from Special Highway Fund	356,000	-
Total Receipts	2,295,254	-
Expenditures		
Substation project	383,950	522,213
Water valve project	320,816	-
Temporary note pay-off	947,673	-
Total Expenditures	1,652,439	522,213
Receipts Over (Under) Expenditures	642,815	(522,213)
Unencumbered Cash, Beginning	-	642,815
Unencumbered Cash, Ending	$ 642,815	$ 120,602

CITY OF STERLING, KANSAS

BUSINESS FUND

WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2021

(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance - Over (Under)
Receipts				
Sale to customers	$ 346,238	$ 355,850	$ 360,000	$ (4,150)
Connection fees	2,575	2,910	2,800	110
Hookups	996	1,056	500	556
Miscellaneous	751	6,137	2,000	4,137
Tower rent	17,236	18,672	17,232	1,440
Total Receipts	367,796	384,625	$ 382,532	$ 2,093
Expenditures				
Production -				
Contractual services	10,011	1,609	3,800	(2,191)
Commodities	2,526	29,779	8,500	21,279
Total Production	12,537	31,388	12,300	19,088
Distribution -				
Personal services	106,984	105,585	100,115	5,470
Contractual services	6,168	9,108	13,100	(3,992)
Commodities	42,498	78,959	52,200	26,759
Total Distribution	155,650	193,652	165,415	28,237
General and Administrative -				
Personal services	93,183	111,193	95,807	15,386
Contractual services	16,455	20,381	17,800	2,581
Commodities	2,466	3,167	2,500	667
Capital outlay	15,000	-	-	-
Revolving loan principal	25,000	35,000	35,000	-
Revolving loan interest	1,320	18,570	18,633	(63)
Miscellaneous	1,641	1,705	-	1,705
Transfer to General Fund	18,275	18,275	18,275	-
Cash basis carryover	-	-	126,133	(126,133)
Total General and Administrative	173,340	208,291	314,148	(105,857)
Total Expenditures	341,527	433,331	$ 491,863	$ (58,532)
Receipts Over (Under) Expenditures	26,269	(48,707)		
Unencumbered Cash, Beginning	59,020	85,289		
Unencumbered Cash, Ending	$ 85,289	$ 36,582		

CITY OF STERLING, KANSAS

BUSINESS FUND

ELECTRIC UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sales to customers	$ 2,277,535	$ 2,470,284	$ 2,400,000	$ 70,284
Connection fees	2,585	3,755	2,600	1,155
Street lighting	-	11,288	-	11,288
Installation charges	250	135	-	135
Capacity purchase reserve	98,976	104,513	93,449	11,064
Miscellaneous	8,951	20,241	10,000	10,241
Total Receipts	2,388,297	2,610,216	$ 2,506,049	$ 104,167
Expenditures				
Production -				
Personal services	156,218	182,037	$ 181,500	$ 537
Contractual services	1,126,683	1,230,125	1,249,200	(19,075)
Commodities	28,200	137,732	89,850	47,882
Capital outlay	-	-	15,000	(15,000)
Total Production	1,311,101	1,549,894	1,535,550	14,344
Distribution -				
Personal services	320,850	310,592	280,440	30,152
Contractual services	44,256	46,526	43,800	2,726
Commodities	245,598	134,062	142,000	(7,938)
Total Distribution	610,704	491,180	466,240	24,940
General and Administrative -				
Personal services	92,490	103,771	94,588	9,183
Contractual services	173,005	134,012	100,000	34,012
Commodities	4,952	6,178	7,900	(1,722)
Capital outlay	-	-	78,000	(78,000)
Catalytic convertors lease payment	61,752	95,513	95,212	301
Miscellaneous	(10,360)	5,877	-	5,877
Transfer to Bond Projects Fund	450,000	-	-	-
Transfer to General Fund	95,000	95,000	95,000	-
Cash basis carryover	-	-	716,477	(716,477)
Total General and Administrative	866,839	440,351	1,187,177	(746,826)
Total Expenditures	2,788,644	2,481,425	$ 3,188,967	$ (707,542)
Receipts Over (Under) Expenditures	(400,347)	128,791		
Unencumbered Cash, Beginning	1,550,906	1,150,559		
Unencumbered Cash, Ending	$ 1,150,559	$ 1,279,350		

CITY OF STERLING, KANSAS

BUSINESS FUND

ELECTRIC EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	2020 Actual	2021 Actual
Receipts	$ -	$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	148,460	148,460
Unencumbered Cash, Ending	$ 148,460	$ 148,460

CITY OF STERLING, KANSAS

BUSINESS FUND

SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Sale to customers	$ 383,483	$ 405,071	$ 360,000	$ 45,071
Miscellaneous	4,309	3,571	3,500	71
Total Receipts	387,792	408,642	$ 363,500	$ 45,142
Expenditures				
Collection -				
Contractual services	22,260	15,513	$ 18,000	$ (2,487)
Commodities	3,320	3,048	3,750	(702)
Total Collection	25,580	18,561	21,750	(3,189)
Treatment -				
Personal services	97,090	109,407	98,186	11,221
Contractual services	10,296	12,459	9,600	2,859
Commodities	2,232	11,425	3,300	8,125
Total Treatment	109,618	133,291	111,086	22,205
General and Administration -				
Personal services	92,198	101,085	95,823	5,262
Contractual services	36,526	36,009	11,500	24,509
Commodities	2,726	3,169	1,500	1,669
Revolving loan payment	77,072	90,072	90,019	53
Transfer to General Fund	18,275	18,275	18,275	-
Cash basis carryover	-	-	213,565	(213,565)
Total General and Administrative	226,797	248,610	430,682	(182,072)
Total Expenditures	361,995	400,462	$ 563,518	$ (163,056)
Receipts Over (Under) Expenditures	25,797	8,180		
Unencumbered Cash, Beginning	224,428	250,225		
Unencumbered Cash, Ending	$ 250,225	$ 258,405		

CITY OF STERLING, KANSAS

BUSINESS FUND

MEDICAL SERVICES FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Rent	$ 31,896	$ 31,896	$ 31,696	$ 200
Expenditures				
Contractual services	8,846	116,370	$ 141,622	$ (25,252)
Receipts Over (Under) Expenditures	23,050	(84,474)		
Unencumbered Cash, Beginning	72,417	95,467		
Unencumbered Cash, Ending	$ 95,467	$ 10,993		

CITY OF STERLING, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis

For the Year Ended December 31, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
State cost analysis	$ 3,714	$ -	$ -	$ 3,714
Water utility deposits	5,480	2,500	1,450	6,530
Electric utility depostis	18,540	12,000	9,306	21,234
Police forfeiture	297	-	-	297
Total	$ 28,031	$ 14,500	$ 10,756	$ 31,775