

CITY OF STERLING, KANSAS

FINANCIAL STATEMENT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

**CITY OF STERLING, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2020**

CITY COMMISSION

Jonathan Zimmerman

Steve Rivas
Mayor

Paul Bingle

Todd Rowland

Bob Booth

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, 2020

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CITY OF STERLING, KANSAS

For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Sterling, Kansas 67579

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sterling, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on 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 of Sterling, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

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Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2020 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 schedule 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 2020 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 2020 basic financial statement. The 2020 information has been 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 information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Sterling, Kansas as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated July 16, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC
McPherson, Kansas
May 24, 2021

CITY OF STERLING, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis****For the Year Ended December 31, 2020**

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	\$ 442,244	\$ 1,074,437	\$ 1,031,146	\$ 485,535	\$ -	\$ 485,535
SPECIAL PURPOSE FUNDS:						
Library Fund	-	57,092	57,092	-	-	-
Cemetery Fund	-	57,167	57,167	-	-	-
Special Highway Fund	806,499	562,310	753,590	615,219	-	615,219
Special Parks & Recreation Fund	4,218	896	-	5,114	-	5,114
Ambulance and Fire Equipment Fund	181,738	23,705	-	205,443	-	205,443
Sterling Community Cemetery Fund	235,174	77,042	87,158	225,057	-	225,057
Total Special Purpose Funds	1,227,629	778,212	955,007	1,050,834	-	1,050,834
CAPITAL PROJECTS FUNDS:						
Storm Sewer Project Fund	5,698	-	-	5,698	-	5,698
Bond Projects Fund	-	2,295,254	1,652,439	642,815	-	642,815
Total Capital Projects Funds	5,698	2,295,254	1,652,439	648,513	-	648,513
BUSINESS FUNDS:						
Water Utility Fund	59,020	367,796	341,527	85,288	-	85,288
Electric Utility Fund	1,550,906	2,388,297	2,788,644	1,150,559	51,805	1,202,364
Electric Equipment Reserve Fund	148,460	-	-	148,460	-	148,460
Sewer Utility Fund	224,428	387,792	361,996	250,225	-	250,225
Medical Services Fund	72,417	31,896	8,846	95,467	-	95,467
Total Business Funds	2,055,231	3,175,781	3,501,012	1,729,999	51,805	1,781,804
Total Reporting Entity (Excluding Agency Funds)	\$ 3,730,802	\$ 7,323,683	\$ 7,139,604	\$ 3,914,881	\$ 51,805	\$ 3,966,686
COMPOSITION OF CASH:						
Checking Accounts						\$ 174,144
Savings Accounts						2,895,172
Certificates of Deposit						700,000
Sterling Community Cemetery						224,901
Cash on Hand						500
Total Cash						3,994,717
Less Agency Funds per Schedule 3						(28,031)
Total Reporting Entity (Excluding Agency Funds)						\$ 3,966,686

CITY OF STERLING, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2020

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.

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 2020.

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 ACCOUNTABILITY

Compliance with Kansas Statutes

No statute violations were noted during 2020.

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, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$3,994,217 and the bank balance was \$4,123,939. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$726,418 (for City and Cemetery) was covered by federal depository insurance and the remaining \$3,397,521 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
Electric Utility	Bond Projects	K.S.A. 12-825d	450,000
Special Highway	Bond Projects	K.S.A. 12-1,118	356,000
Total			<u>\$ 937,550</u>

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2020, 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	\$ 85,000	\$ -	\$ 25,000	\$ 60,000	\$ 1,320
Series 2020	2.5-4%	2/20/2020	1,450,000	10-01-40	-	1,450,000	-	1,450,000	-
					<u>85,000</u>	<u>1,450,000</u>	<u>25,000</u>	<u>1,510,000</u>	<u>1,320</u>
Other:									
GO Temporary Notes, Series 2019	1.85%	04-01-19	933,000	09-01-20	933,000	-	933,000	-	14,673
Kansas Water Pollution Control Revolving Loan	2.79%	08-20-08	1,220,348	09-01-29	683,009	-	60,104	622,905	18,640
					<u>1,616,009</u>	<u>-</u>	<u>993,104</u>	<u>622,905</u>	<u>33,313</u>
Capital Lease:									
Catalytic Convertors	2.47%	10-07-13	530,000	10-07-23	227,944	-	54,865	173,079	6,888
Total Contractual Indebtedness					<u>\$ 1,928,953</u>	<u>\$ 1,450,000</u>	<u>\$ 1,072,969</u>	<u>\$ 2,305,984</u>	<u>\$ 41,521</u>

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

	Year								Total
	2021	2022	2023	2024	2025	2026 to 2030	2031 to 2035	2036 to 2040	
PRINCIPAL:									
General Obligation Bonds:									
Series 2012B Refunding	\$ 25,000	\$ 25,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000
Series 2020	45,000	50,000	65,000	70,000	75,000	465,000	320,000	360,000	1,450,000
	<u>70,000</u>	<u>75,000</u>	<u>75,000</u>	<u>70,000</u>	<u>75,000</u>	<u>465,000</u>	<u>320,000</u>	<u>360,000</u>	<u>1,510,000</u>
Other:									
Kansas Water Pollution Control Revolving Loan	61,793	63,529	65,313	67,148	69,035	296,087	-	-	622,905
Capital Leases:									
Catalytic Convertors	56,263	57,680	59,136	-	-	-	-	-	173,079
TOTAL PRINCIPAL	<u>188,056</u>	<u>196,209</u>	<u>199,449</u>	<u>137,148</u>	<u>144,035</u>	<u>761,087</u>	<u>320,000</u>	<u>360,000</u>	<u>2,305,984</u>
INTEREST:									
General Obligation Bonds:									
Series 2012B Refunding	908	495	124	-	-	-	-	-	1,527
Series 2020	68,288	40,513	38,512	35,913	33,112	118,262	64,650	26,850	426,100
	<u>69,196</u>	<u>41,008</u>	<u>38,636</u>	<u>35,913</u>	<u>33,112</u>	<u>118,262</u>	<u>64,650</u>	<u>26,850</u>	<u>427,627</u>
Other:									
Kansas Water Pollution Control Revolving Loan	16,951	15,215	13,430	11,595	9,709	18,887	-	-	85,787
Capital Leases:									
Catalytic Convertors	3,983	2,566	1,111	-	-	-	-	-	7,660
TOTAL INTEREST	<u>90,130</u>	<u>58,789</u>	<u>53,177</u>	<u>47,508</u>	<u>42,821</u>	<u>137,149</u>	<u>64,650</u>	<u>26,850</u>	<u>521,074</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 278,186</u>	<u>\$ 254,998</u>	<u>\$ 252,626</u>	<u>\$ 184,656</u>	<u>\$ 186,856</u>	<u>\$ 898,236</u>	<u>\$ 384,650</u>	<u>\$ 386,850</u>	<u>\$ 2,827,058</u>

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 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$96,555 for the year ended December 31, 2020.

Net Pension Liability. At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,071,155. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup 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, 2020.

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, 2020, actual contributions by the City and plan participants were \$13,970 and \$15,358 respectively. ICMA Retirement includes 19 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:

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

Regular part-time employees earn vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>	<u>Maximum Accumulation</u>
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 2019 to 2020 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
5th Street mill and overlay project	\$ 153,220	\$ 153,220
Municipal pool bathhouse renovation	78,815	78,815
Bond projects	2,420,629	704,766
	<u>\$ 2,652,664</u>	<u>\$ 936,801</u>

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 Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of \$400 million. The City received CRF in the amount of \$114,187 during 2020. The City is encouraged to share the CRF with local businesses within the City. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.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, 2020, funds deposited at this institution totaled \$1,228,389.

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, 2020

CITY OF STERLING, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis**

(Budgeted Funds Only)

For the Year Ended December 31, 2020

	<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 FUND:					
General Fund	\$ 1,301,229	\$ -	\$ 1,301,229	\$ 1,031,146	\$ (270,083)
SPECIAL PURPOSE FUNDS:					
Library Fund	63,845	-	63,845	57,092	(6,753)
Cemetery Fund	58,772	-	58,772	57,167	(1,605)
Special Highway Fund	1,304,397	-	1,304,397	753,590	(550,807)
Special Parks and Recreation Fund	3,203	-	3,203	-	(3,203)
Ambulance and Fire Equipment Fund	208,344	-	208,344	-	(208,344)
BUSINESS FUNDS:					
Water Utility Fund	982,393	-	982,393	341,527	(640,866)
Electric Utility Fund	4,504,280	-	4,504,280	2,788,644	(1,715,636)
Sewer Utility Fund	1,037,712	-	1,037,712	361,996	(675,716)
Medical Services Fund	44,505	-	44,505	8,846	(35,659)

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

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

		2020		
	2019			Variance -
	Actual	Actual	Budget	Over
				(Under)
Receipts				
Taxes -				
Ad valorem property tax	\$ 195,459	\$ 195,868	\$ 216,063	\$ (20,195)
Delinquent tax	3,083	8,850	10,000	(1,150)
Motor vehicle tax	29,294	46,119	35,156	10,963
Recreational vehicle tax	641	984	649	335
16/20M vehicle tax	172	90	222	(132)
Commercial vehicle tax	6,802	2,070	4,254	(2,184)
Guest tax	-	5,500	-	5,500
Local alcoholic liquor tax	1,015	896	300	596
Local sales tax	221,787	256,643	185,000	71,643
Total Taxes	458,253	517,020	451,644	65,376
Licenses and Permits -				
Licenses and permits	7,500	6,290	3,620	2,670
Utility franchise fees	65,448	55,061	69,800	(14,739)
Dog tags, impounds, adoption fees	722	835	850	(15)
Total Licenses and Permits	73,670	62,186	74,270	(12,084)
Charges for Services -				
Burn site	50,183	50,346	50,400	(54)
Camping	22,229	19,456	12,000	7,456
Impoundment	234	769	600	169
Refuse collection	94,047	86,768	88,000	(1,232)
Swimming and concessions	6,580	2,634	5,300	(2,666)
Total Charges for Services	173,273	159,973	156,300	3,673
Fines, Forfeitures and Penalties -				
Police Fines	18,123	13,001	16,000	(2,999)
Use of Money and Property -				
Interest received	11,384	7,608	8,150	(542)
Other -				
Miscellaneous	63,140	25,967	24,892	1,075
Reimbursements	31,167	7,300	-	7,300
Wildlife and Parks grant	-	40,000	-	40,000
SPARK	-	85,658	-	85,658
Grants	-	2,867	-	2,867
Police contract	24,000	24,000	24,000	-
Memorials	1,900	(2,693)	-	(2,693)
Total Other	120,207	183,099	48,892	134,207
Transfers In -				
Transfer from Electric Utility Fund	120,000	95,000	95,000	-
Transfer from Sewer Utility Fund	18,275	18,275	18,275	-
Transfer from Water Utility Fund	15,800	18,275	18,275	-
Total Transfers In	154,075	131,550	131,550	-
Total Receipts	1,008,985	1,074,437	\$ 886,806	\$ 187,631

CITY OF STERLING, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2020

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

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Expenditures				
Administrative -				
Personal services	\$ 95,627	\$ 103,138	\$ 97,455	\$ 5,683
Contractual services	161,935	240,419	149,300	91,119
Commodities	4,358	6,649	4,000	2,649
Capital outlay	103,061	27,210	40,000	(12,790)
Total Administrative	364,981	377,416	290,755	86,661
Police -				
Personal services	403,946	421,537	386,809	34,728
Contractual services	74,514	70,785	65,180	5,605
Commodities	19,510	14,278	26,200	(11,922)
Capital outlay	12,303	41,058	43,000	(1,942)
Total Police	510,273	547,658	521,189	26,469
Park -				
Contractual services	2,552	335	1,000	(665)
Commodities	12,481	5,471	15,150	(9,679)
Capital outlay	14,346	-	5,000	(5,000)
Total Park	29,379	5,806	21,150	(15,344)
Fire -				
Personal services	6,651	6,519	6,600	(81)
Contractual services	9,926	9,259	11,000	(1,741)
Commodities	270	746	425	321
Capital outlay	-	-	5,000	(5,000)
Total Fire	16,847	16,524	23,025	(6,501)
Swimming Pool -				
Personal services	27,797	18,683	36,010	(17,327)
Contractual services	1,973	48,361	26,600	21,761
Commodities	16,051	13,969	19,000	(5,031)
Capital outlay	2,386	-	-	-
Total Swimming Pool	48,207	81,013	81,610	(597)
Health & Sanitation -				
Contractual services	25,000	-	6,000	(6,000)
Commodities	458	2,163	2,500	(337)
Total Health & Sanitation	25,458	2,163	8,500	(6,337)
Other -				
Street department	1,381	566	-	566
Cash basis carryover	-	-	355,000	(355,000)
Total Expenditures	996,526	1,031,146	\$ 1,301,229	\$ (270,083)
Receipts Over (Under) Expenditures	12,459	43,291		
Unencumbered Cash, Beginning	429,785	442,244		
Unencumbered Cash, Ending	\$ 442,244	\$ 485,535		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 42,914	\$ 44,400	\$ 47,984	\$ (3,584)
Delinquent tax	633	1,915	-	1,915
Motor vehicle tax	6,304	10,088	7,867	2,221
Recreational vehicle tax	138	215	166	49
16/20M vehicle tax	15	19	54	(35)
Commercial vehicle tax	1,463	455	1,400	(945)
Total Receipts	51,467	57,092	\$ 57,471	\$ (379)
Expenditures				
Appropriation to Library Board	53,120	57,092	\$ 63,845	\$ (6,753)
Receipts Over (Under) Expenditures	(1,653)	-		
Unencumbered Cash, Beginning	1,653	-		
Unencumbered Cash, Ending	\$ -	\$ -		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDCEMETERY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

		<u>2020</u>		
	<u>2019 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Ad valorem property tax	\$ 42,895	\$ 44,463	\$ 47,202	\$ (2,739)
Delinquent tax	635	1,918	1,700	218
Motor vehicle tax	6,338	10,097	7,714	2,383
Recreational vehicle tax	126	216	167	49
16/20M vehicle tax	30	19	54	(35)
Commercial vehicle tax	1,472	454	933	(479)
Total Receipts	<u>51,496</u>	<u>57,167</u>	<u>\$ 57,770</u>	<u>\$ (603)</u>
Expenditures				
Appropriation to Sterling Community Cemetery	<u>53,156</u>	<u>57,167</u>	<u>\$ 58,772</u>	<u>\$ (1,605)</u>
Receipts Over (Under) Expenditures	(1,660)	-		
Unencumbered Cash, Beginning	<u>1,660</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDSPECIAL HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

		<u>2020</u>		<u>Variance -</u>
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 147,502	\$ 148,653	\$ 158,257	\$ (9,604)
Delinquent tax	2,120	6,598	5,000	1,598
Motor vehicle tax	22,723	34,967	26,531	8,436
Recreational vehicle tax	509	745	491	254
16/20M vehicle tax	112	70	166	(96)
Commercial vehicle tax	5,276	1,563	3,210	(1,647)
Local sales tax	280,696	293,947	246,000	47,947
State of Kansas gas tax	60,800	57,483	59,600	(2,117)
State connecting links	4,359	7,245	6,500	745
CDBG grant proceeds	367,498	9,427	-	9,427
Temporary note proceeds	670,000	-	-	-
Miscellaneous	17,817	1,612	-	1,612
Total Receipts	<u>1,579,412</u>	<u>562,310</u>	<u>\$ 505,755</u>	<u>\$ 56,555</u>
Expenditures				
Personal services	104,156	112,635	\$ 126,197	\$ (13,562)
Contractual services	727,716	212,152	600,200	(388,048)
Commodities	57,527	53,303	64,000	(10,697)
Capital outlay	627,849	19,500	40,000	(20,500)
Transfer to Bond Projects Fund	-	356,000	-	356,000
Cash basis carryover	-	-	474,000	(474,000)
Total Expenditures	<u>1,517,248</u>	<u>753,590</u>	<u>\$ 1,304,397</u>	<u>\$ (550,807)</u>
Receipts Over (Under) Expenditures	62,163	(191,280)		
Unencumbered Cash, Beginning	<u>744,336</u>	<u>806,499</u>		
Unencumbered Cash, Ending	<u>\$ 806,499</u>	<u>\$ 615,219</u>		

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, 2020

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

		2020		
	2019 Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local alcoholic liquor tax	\$ 1,015	\$ 896	\$ -	\$ 896
Expenditures				
Capital outlay	-	-	\$ 3,203	\$ (3,203)
Receipts Over (Under) Expenditures	1,015	896		
Unencumbered Cash, Beginning	3,203	4,218		
Unencumbered Cash, Ending	\$ 4,218	\$ 5,114		

CITY OF STERLING, KANSAS

SPECIAL PURPOSE FUNDAMBULANCE AND FIRE EQUIPMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Ad valorem property tax	\$ 17,323	\$ 18,621	\$ 19,874	\$ (1,253)
Delinquent tax	255	770	700	70
Motor vehicle tax	2,536	4,038	3,085	953
Recreational vehicle tax	55	86	57	29
16/20M vehicle tax	6	8	19	(11)
Commercial vehicle tax	425	182	373	(191)
Total Receipts	<u>20,600</u>	<u>23,705</u>	<u>\$ 24,108</u>	<u>\$ (403)</u>
Expenditures				
Cash basis carryover	<u>-</u>	<u>-</u>	<u>\$ 208,344</u>	<u>\$ (208,344)</u>
Receipts Over (Under) Expenditures	20,600	23,705		
Unencumbered Cash, Beginning	<u>161,138</u>	<u>181,738</u>		
Unencumbered Cash, Ending	<u>\$ 181,738</u>	<u>\$ 205,443</u>		

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, 2020

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

	2020		
	General Fund Actual	Stevenson Fund Actual	Perpetual Care Actual
Receipts			
Taxes	\$ 57,167	\$ -	\$ -
Interest income	326	-	-
Charges for service	9,095	-	-
Reimbursed expenses	-	-	-
Sale of lots	1,407	-	5,040
Township distribution	4,000	-	-
Total Receipts	<u>71,995</u>	<u>-</u>	<u>5,040</u>
Expenditures			
Personal services	79,958	-	-
Contractual services	6,333	-	-
Commodities	867	-	-
Capital outlay	-	-	-
Total Expenditures	<u>87,158</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	(15,163)	-	5,040
Unencumbered Cash, Beginning	<u>43,323</u>	<u>59,700</u>	<u>127,123</u>
Unencumbered Cash, Ending	<u>\$ 28,160</u>	<u>\$ 59,700</u>	<u>\$ 132,163</u>

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, 2020

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

	2020				
	Mausoleum Trust Funds			Total Cemetery	2019
	Mincer Actual	Manz Actual	Mead Actual	Actual	Actual
Receipts					
Taxes	\$ -	\$ -	\$ -	\$ 57,167	\$ 53,156
Interest income	4	2	1	333	2,068
Charges for service	-	-	-	9,095	11,730
Reimbursed expenses	-	-	-	-	22,600
Sale of lots	-	-	-	6,447	2,926
Township distribution	-	-	-	4,000	4,000
Total Receipts	4	2	1	77,042	96,480
Expenditures					
Personal services	-	-	-	79,958	75,926
Contractual services	-	-	-	6,333	4,480
Commodities	-	-	-	867	742
Capital outlay	-	-	-	-	27,600
Total Expenditures	-	-	-	87,158	108,748
Receipts Over (Under) Expenditures	4	2	1	(10,117)	(12,268)
Unencumbered Cash, Beginning	2,483	1,724	821	235,174	247,442
Unencumbered Cash, Ending	\$ 2,487	\$ 1,726	\$ 822	\$ 225,057	\$ 235,174

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUNDSTORM SEWER PROJECT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

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

	<u>2019</u>	<u>2020</u>
Receipts	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>5,698</u>	<u>5,698</u>
Unencumbered Cash, Ending	<u>\$ 5,698</u>	<u>\$ 5,698</u>

CITY OF STERLING, KANSAS

CAPITAL PROJECT FUNDBOND PROJECTS FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

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

	<u>2019</u>	<u>2020</u>
Receipts		
Bond proceeds	\$ -	\$ 1,489,254
Transfer from Electric Utility Fund	-	450,000
Transfer from Special Highway Fund	-	356,000
	<u>-</u>	<u>356,000</u>
Total Receipts	<u>-</u>	<u>2,295,254</u>
Expenditures		
Substation project	-	383,950
Water valve project	-	320,816
Temporary note pay-off	-	947,673
	<u>-</u>	<u>947,673</u>
Total Expenditures	<u>-</u>	<u>1,652,439</u>
Receipts Over (Under) Expenditures	-	642,815
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 642,815</u>

CITY OF STERLING, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

	<u>2020</u>			<u>Variance - Over (Under)</u>
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Sale to customers	\$ 339,948	\$ 346,238	\$ 360,000	\$ (13,762)
Connection fees	2,640	2,575	2,800	(225)
Hookups	735	996	500	496
Miscellaneous	14,865	751	2,000	(1,249)
Bond proceeds	-	-	580,000	(580,000)
Tower rent	14,363	17,236	17,232	4
Total Receipts	372,551	367,796	\$ 962,532	\$ (594,736)
Expenditures				
Production -				
Contractual services	3,757	10,011	\$ 3,800	\$ 6,211
Commodities	19,390	2,526	8,500	(5,974)
Total Production	23,147	12,537	12,300	237
Distribution -				
Personal services	102,182	106,984	96,814	10,170
Contractual services	10,188	6,168	13,100	(6,932)
Commodities	44,615	42,498	52,200	(9,702)
Total Distribution	156,985	155,650	162,114	(6,464)
General and Administrative -				
Personal services	88,072	93,183	92,537	646
Contractual services	19,281	16,455	17,800	(1,345)
Commodities	3,399	2,466	2,500	(34)
Capital outlay	11,155	15,000	630,000	(615,000)
Revolving loan principal	25,000	25,000	25,000	-
Revolving loan interest	1,730	1,320	1,320	-
Miscellaneous	1,694	1,641	-	1,641
Transfer to General Fund	15,800	18,275	18,275	-
Cash basis carryover	-	-	20,547	(20,547)
Total General and Administrative	166,131	173,340	807,979	(634,639)
Total Expenditures	346,263	341,527	\$ 982,393	\$ (640,866)
Receipts Over (Under) Expenditures	26,288	26,268		
Unencumbered Cash, Beginning	32,732	59,020		
Unencumbered Cash, Ending	\$ 59,020	\$ 85,288		

CITY OF STERLING, KANSAS

BUSINESS FUNDELECTRIC UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

		<u>2020</u>		
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Sales to customers	\$ 2,422,994	\$ 2,277,535	\$ 2,400,000	\$ (122,465)
Connection fees	2,448	2,585	2,600	(15)
Installation charges	375	250	-	250
Capacity purchase reserve	143,550	98,976	63,000	35,976
Temporary note proceeds	92,000	-	-	-
Bond proceeds	-	-	590,000	(590,000)
Transfer from Sewer Utility Fund	166,000	-	-	-
Miscellaneous	52,807	8,951	1,000	7,951
Total Receipts	<u>2,880,174</u>	<u>2,388,297</u>	<u>\$ 3,056,600</u>	<u>\$ (668,303)</u>
Expenditures				
Production -				
Personal services	194,308	156,218	\$ 189,034	\$ (32,816)
Contractual services	1,217,464	1,126,683	1,249,200	(122,517)
Commodities	34,573	28,200	84,850	(56,650)
Capital outlay	104,931	-	20,000	(20,000)
Total Production	<u>1,551,276</u>	<u>1,311,101</u>	<u>1,543,084</u>	<u>(231,983)</u>
Distribution -				
Personal services	280,528	320,850	261,954	58,896
Contractual services	52,414	44,256	46,700	(2,444)
Commodities	112,858	245,598	117,000	128,598
Capital outlay	1,812	-	-	-
Total Distribution	<u>447,612</u>	<u>610,704</u>	<u>425,654</u>	<u>185,050</u>
General and Administrative -				
Personal services	84,628	92,490	92,537	(47)
Contractual services	243,439	173,005	1,293,500	(1,120,495)
Commodities	10,922	4,952	7,900	(2,948)
Capital outlay	79,645	-	15,000	(15,000)
Catalytic convertors lease payment	30,123	61,752	60,246	1,506
Miscellaneous	602	(10,360)	75,000	(85,360)
Transfer to Bond Projects Fund	-	450,000	-	450,000
Transfer to General Fund	120,000	95,000	95,000	-
Cash basis carryover	-	-	896,359	(896,359)
Total General and Administrative	<u>569,359</u>	<u>866,839</u>	<u>2,535,542</u>	<u>(1,668,703)</u>
Total Expenditures	<u>2,568,247</u>	<u>2,788,644</u>	<u>\$ 4,504,280</u>	<u>\$ (1,715,636)</u>
Receipts Over (Under) Expenditures	311,926	(400,347)		
Unencumbered Cash, Beginning	<u>1,238,980</u>	<u>1,550,906</u>		
Unencumbered Cash, Ending	<u>\$ 1,550,906</u>	<u>\$ 1,150,559</u>		

CITY OF STERLING, KANSAS

BUSINESS FUNDELECTRIC EQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2020

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

	<u>2019 Actual</u>	<u>2020 Actual</u>
Receipts	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>148,460</u>	<u>148,460</u>
Unencumbered Cash, Ending	<u>\$ 148,460</u>	<u>\$ 148,460</u>

CITY OF STERLING, KANSAS

BUSINESS FUNDSEWER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

		<u>2020</u>		<u>Variance -</u>
	<u>2019</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Sale to customers	\$ 370,755	\$ 383,483	\$ 360,000	\$ 23,483
Temporary note proceeds	171,000	-	-	-
Bond proceeds	-	-	384,000	(384,000)
Miscellaneous	5,063	4,309	500	3,809
Total Receipts	546,818	387,792	\$ 744,500	\$ (356,708)
Expenditures				
Collection -				
Contractual services	12,967	22,260	\$ 18,000	\$ 4,260
Commodities	1,755	3,320	3,750	(430)
Total Collection	14,722	25,580	21,750	3,830
Treatment -				
Personal services	98,064	97,090	96,813	277
Contractual services	14,951	10,296	9,600	696
Commodities	6,688	2,232	3,300	(1,068)
Total Treatment	119,703	109,618	109,713	(95)
General and Administration -				
Personal services	86,771	92,198	92,536	(338)
Contractual services	33,316	36,526	11,500	25,026
Commodities	2,783	2,726	1,500	1,226
Capital outlay	52,726	-	380,000	(380,000)
Catalytic convertors lease payment	30,123	-	-	-
Revolving loan payment	77,817	77,073	78,744	(1,671)
Transfer to General Fund	18,275	18,275	-	18,275
Transfer to Electric Utility Fund	166,000	-	-	-
Cash basis carryover	-	-	341,969	(341,969)
Total General and Administrative	467,811	226,798	906,249	(679,451)
Total Expenditures	602,236	361,996	\$ 1,037,712	\$ (675,716)
Receipts Over (Under) Expenditures	(55,418)	25,797		
Unencumbered Cash, Beginning	279,846	224,428		
Unencumbered Cash, Ending	\$ 224,428	\$ 250,225		

CITY OF STERLING, KANSAS

BUSINESS FUNDMEDICAL SERVICES FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2020

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

	2019 Actual	2020		Variance - Over (Under)
		Actual	Budget	
Receipts				
Rent	\$ 31,596	\$ 31,896	\$ -	\$ 31,896
Expenditures				
Contractual services	3,684	8,846	\$ 44,505	\$ (35,659)
Receipts Over (Under) Expenditures	27,912	23,050		
Unencumbered Cash, Beginning	44,505	72,417		
Unencumbered Cash, Ending	\$ 72,417	\$ 95,467		

CITY OF STERLING, KANSAS

AGENCY FUNDSSCHEDULE OF RECEIPTS AND DISBURSEMENTSRegulatory Basis

For the Year Ended December 31, 2020

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
State cost analysis	\$ 3,714	\$ -	\$ -	\$ 3,714
Water utility deposits	5,651	2,000	2,171	5,480
Electric utility deposits	18,359	11,300	11,119	18,540
Police forfeiture	<u>297</u>	<u>-</u>	<u>-</u>	<u>297</u>
Total	<u>\$ 28,021</u>	<u>\$ 13,300</u>	<u>\$ 13,290</u>	<u>\$ 28,031</u>