

**CITY OF ARKANSAS CITY, KANSAS**

**Financial Statements**

**For the Year Ended December 31, 2020**

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CITY OF ARKANSAS CITY, KANSAS  
 Financial Statements  
 For the Year Ended December 31, 2020  
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners  
City of Arkansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Arkansas City, Kansas, (the City), as of and for the year ended December 31, 2020 and the related notes to the financial statement.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

### *Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 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 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 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

#### *Other Matter*

The 2019 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) for the year ended December 31, 2019, is presented for purposes of additional analysis and is not a required part of the basic financial statement.

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 Arkansas City, Kansas as of and for the year ended December 13, 2019 (not presented herein) and have issued our report thereon dated March 30, 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 <https://admin.ks.gov/offices/oar/municipalservices>. 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.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

April 8, 2021

CITY OF ARKANSAS CITY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2020

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Period Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General Fund	\$ 1,126,588	\$ -	\$ 10,484,759	\$ 9,574,686	\$ 2,036,661	\$ 394,340	\$ 2,431,001
Special Purpose Funds:							
Special Recreation and Parks Fund	25,610	-	10,092	88	35,614	-	35,614
Special Street and Highway Fund	684,792	-	363,066	262,376	785,482	4,388	789,870
Tourism Fund	28,107	-	127,670	127,497	28,280	-	28,280
Special Alcohol Fund	84,816	-	11,542	2,876	93,482	-	93,482
Library Fund	-	-	372,485	372,485	-	-	-
Land Bank Fund	-	-	1,000	14	986	-	986
Hospital Improvements Fund	-	-	-	-	-	-	-
Healthcare Sales Tax Fund	-	-	1,777,503	1,777,503	-	-	-
Unpledged Healthcare Sales Tax Fund	79,091	-	339,850	229,415	189,526	-	189,526
Special Law Enforcement Trust Fund	15,733	-	16,464	21,053	11,144	473	11,617
CID Sales Tax Fund	979	-	51,940	52,919	-	-	-
Equipment Reserve Fund	200,946	-	-	-	200,946	-	200,946
Public Building Commission Fund	-	-	-	-	-	-	-
Capital Improvements Reserve Fund	1,605,297	-	483,410	618,384	1,470,323	287,992	1,758,315
Bond and Interest Funds:							
Bond and Interest Fund	129,681	-	23,781,576	23,657,235	254,022	49,500	303,522
Business Funds:							
Water Utility Fund	4,256,957	-	4,550,847	4,730,510	4,077,294	401,948	4,479,242
Sewer Utility Fund	4,006,160	-	2,015,073	2,101,025	3,920,208	387,180	4,307,388
Sanitation Utility Fund	1,130,301	-	1,531,590	1,575,855	1,086,036	56,048	1,142,084
Stormwater Utility Fund	146,077	-	304,813	159,239	291,651	5,445	297,096
Total reporting entity [excluding agency funds]	<u>\$ 13,521,135</u>	<u>\$ -</u>	<u>\$ 46,223,680</u>	<u>\$ 45,263,160</u>	<u>\$ 14,481,655</u>	<u>\$ 1,587,314</u>	<u>\$ 16,068,969</u>

Composition of Cash:

RCB Bank	
Checking	\$ 15,025,144
Union State Bank	
Checking	58,123
The Stock Exchange Bank	
CD	1,000,000
Petty Cash	<u>1,625</u>
Total Cash	16,084,892
Less: Agency Funds per Schedule 3	<u>[15,923]</u>
Total Reporting Entity [Excluding Agency Funds]	<u>\$ 16,068,969</u>

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies

The City of Arkansas City, Kansas, (the City) is incorporated as a City of the second class, under the provisions of K.S.A. 13-101 et seq. The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Arkansas City, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity

The City of Arkansas City, Kansas (the City) is a municipal corporation governed by an elected five-member commission. This financial statement presents the City of Arkansas City, Kansas.

*Related Municipal Entity.* A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the *Kansas Municipal Audit and Accounting Guide (KMAAG)*. Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Arkansas City Public Library - The City of Arkansas City Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate audited financial statements are available at the Library.

South Central Kansas Regional Medical Center - The Medical Center Board of Trustees operates the City's hospital. The hospital can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Separate audited financial statements are available at the Medical Center.

Arkansas City Public Building Commission - The City of Arkansas City Public Building Commission was created to oversee the construction of the Regional Medical Center project. Acquisition or disposition of real property or bond issuances must be approved by the City. The City is acting as the fiduciary agent for the Commission. Separate financial statements are not prepared by the Commission.

Strother Field Airport and Industrial Park - The City has adopted Ordinance No. 98-11-3793 providing for an interlocal cooperation agreement between the City of Arkansas City, the City of Winfield and Strother Field to provide financing of water systems improvements at Strother Field. The agreement provides for \$500,000 in G.O. bonds to be issued by the City of Winfield to finance the improvements. If Strother Field defaults on the bond issue, the cities of Arkansas City and Winfield would each be responsible for 50% of the remaining liability. The agreement acknowledges that the obligations of Arkansas City are subject to K.S.A. 10-1101 et seq., and as such, Arkansas City is obligated only to the extent that it has funds actually on hand in its treasury at the time for such purpose. The Strother Field Airport and Industrial Park joint venture have had an audit of their financial statements completed separately.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Arkansas City/Winfield Recycling Center - The cities of Arkansas City and Winfield, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. Separate financial information can be obtained from the Center.

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Arkansas City, Kansas, for the year of 2020:

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

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

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.

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.)

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

Basis of Presentation - Regulatory Basis of Accounting

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

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

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Reimbursed Expense

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 of each year, such taxes become a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

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, and business funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. During the year ended December 31, 2020, the City amended the budget for the Water, Sanitation, Library, Debt Service, Healthcare Sales Tax and CID Sales Tax funds.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

A legal operating budget is not required for capital projects funds, trust funds, permanent funds, and the following special purpose funds:

- Special Law Enforcement Trust Fund
- Public Building Commission Fund
- Equipment Reserve Fund
- Capital Improvements Reserve Fund

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.

NOTE 2 - 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 branch 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 bank provides 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 Government 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.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 2 - Deposits and Investments (Continued)

At December 31, 2020, the City's carrying amount of deposits was \$16,068,670 and the bank balance was \$16,264,822. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$558,123 was covered by federal depository insurance, \$750,000 was covered by letters of credit and the balance of \$14,956,699 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name.

NOTE 3 - Long-Term Debt

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
General Obligation Bonds	\$ 2,765,000	\$ 21,840,000	\$ 2,765,000	\$ 21,840,000	\$ 56,010
Revenue Bonds	17,630,000	-	350,000	17,280,000	717,962
KDHE Loans	21,267,469	-	21,267,469	-	685,925
Capital Leases	779,598	-	114,704	664,894	25,313
<b>Total</b>	<b><u>\$ 42,442,067</u></b>	<b><u>\$ 21,840,000</u></b>	<b><u>\$ 24,497,173</u></b>	<b><u>\$ 39,784,894</u></b>	<b><u>\$ 1,485,210</u></b>

*General Obligation Bonds.* General obligation bonds currently outstanding are as follows:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with taxes and utility revenues Series 2020	1.50% - 3.00%	<u>\$ 21,840,000</u>	<u>\$ 21,840,000</u>	10/13/20	08/01/36

On October 13, 2020, the City issued General Obligation Refunding and Improvement Bonds, Series 2020, in the amount of \$21,840,000. The bonds carry an interest rate ranging from 1.50% to 3.00%, with a final maturity of August 1, 2036. Interest on the Series 2020 Bonds is due semi-annually on February 1 and August 1. The net proceeds of the Series 2020 bonds were used to pay in full the remaining outstanding principal for the General Obligation Bonds, Series 2013, and Kansas Department of Health and Environment Revolving Loans.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,635,000	\$ 416,745	\$ 2,051,745
2022	1,595,000	470,925	2,065,925
2023	1,650,000	422,625	2,072,625
2024	1,695,000	372,825	2,067,825
2025	1,170,000	325,800	1,495,800
2026 - 2030	6,320,000	1,127,288	7,447,288
2031-2035	6,980,000	468,800	7,448,800
2036	795,000	8,600	803,600
<b>Total</b>	<b><u>\$ 21,840,000</u></b>	<b><u>\$ 3,613,608</u></b>	<b><u>\$ 25,453,608</u></b>

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 3 - Long-Term Debt (Continued)

*Revenue Bonds.* Revenue bonds currently outstanding are as follows:

<u>Revenue Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with taxes					
Public Building Commission	3.00% - 5.00%	<u>\$ 17,280,000</u>	<u>\$ 17,630,000</u>	07/23/19	09/01/44

On July 23, 2019, the Arkansas City Public Building Commission issued Refunding Revenue Bonds, Series 2019, in the amount of \$17,630,000. The bonds were issued to refund the Commission's outstanding Series 2009 Revenue Bonds. The refunded bonds were originally issued to finance the costs to construct, furnish and equip an acute care hospital known as the South Central Kansas Regional Medical Center. The Public Building Commission will continue to lease the land and the medical center constructed thereon to the City and the City will continue to sublease the project to the Board of Trustees of the Medical Center.

As part of the 2019 revenue bond issue, the City approved a 1% sales tax. The City has pledged to appropriate 95% of the revenues derived from the sales tax to the Bond's Trustee for debt service payments. The City has accounted for these transactions in the Healthcare Sales Tax and Unpledged Healthcare Sales Tax funds. Any amount appropriated to the Trustee in excess of the scheduled debt service is held by the Trustee in an escrow account invested in U.S. Government Securities and reserved for future debt service payments. The City does not have control over this escrow account, and therefore, the City's financial statements do not include the escrow balance. As of December 31, 2020, the balance of this escrow account was \$2,846,098.

Annual debt service requirements to maturity for the revenue bonds are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 425,000	\$ 638,913	\$ 1,063,913
2022	440,000	626,163	1,066,163
2023	460,000	608,563	1,068,563
2024	480,000	585,563	1,065,563
2025	505,000	561,563	1,066,563
2026 - 2030	2,935,000	2,402,313	5,337,313
2031 - 2035	3,675,000	1,698,063	5,373,063
2036 - 2040	4,355,000	1,031,313	5,386,313
2041 - 2044	4,005,000	317,813	4,322,813
Total	<u>\$ 17,280,000</u>	<u>\$ 8,470,263</u>	<u>\$ 25,750,263</u>

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 3 - Long-Term Debt (Continued)

*Capital Leases.* On August 1, 2013, the City entered into a capital lease agreement in order to finance the purchase of a 2013 pumper fire truck. Payments are made semi-annually including interest at 2.82%. Final maturity of the lease is February 1, 2023.

On January 28, 2019, the City entered into a capital lease agreement in order to finance the purchase of a 2019 pumper fire truck. Payments are made semi-annually including interest at 3.55%. Final maturity of the lease is August 1, 2028.

Future minimum lease payments for the capital leases are as follows:

Year ending December 31,	Principal	Interest	Total
2021	118,373	21,643	\$ 140,017
2022	122,162	17,855	140,017
2023	92,619	13,943	106,562
2024	61,781	11,327	73,108
2025	64,010	9,097	73,108
2026 - 2028	205,949	13,098	219,047
Total	<u>\$ 664,894</u>	<u>\$ 86,963</u>	<u>\$ 751,857</u>

NOTE 4 - Economic Development Bonds

The City has entered into various agreements to induce businesses to locate or expand operations in Arkansas City, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2020, there were three industrial revenue bond issues with principal balances due totaling \$16,334,039.

NOTE 5 - 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](http://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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 5 - Defined Benefit Pension Plan (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F 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 KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$284,838 for KPERS and \$578,800 for KP&F 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 \$2,631,357 and \$5,779,935 for KP&F. 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 these financial statements.

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

NOTE 6 - Capital Projects

The following is a summary of capital project authorizations and expenditures to date:

Project Name	Project Authorization	Expenditures	
		Through December 31, 2020	Estimated Completion
2019 Summit St Mill & Overlay CCLIP	\$ 66,841	\$ 62,146	2020
Offset Well #5 (Well #15)	609,274	605,252	2020
Waterline Relocate for Westar Easement	650,000	88,190	2020
Wilson Park Planning - Phase 1 Upgrades	68,500	65,932	2020
Wilson Park Site Improvements	68,651	9,600	2020
Westar Hike/Bike Trail	1,275,745	271,138	2021
2020 Brad Meek/Hillside Waterline Replacement	181,027	100,081	2021
WWTP Upgrades	483,157	239,089	2023

NOTE 7 - Other Long-Term Obligations from Operations

*Compensated Absences.* It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

*Vacation Leave.* All employees shall accrue vacation leave each pay period according to their position and years of service with the City:

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 7 - Other Long-Term Obligations from Operations (Continued)

Full time employees, except fire/EMS personnel:

Months of Continuous Full-time <u>Employment</u>	Vacation Hours Accrued <u>Per year</u>	Maximum Accrual <u>Hours</u>
0-59	80	160
60-119	120	240
120-179	160	320
180+	200	400

Fire/EMS personnel working on a work period:

Months of Continuous Full-time <u>Employment</u>	Vacation Hours Accrued <u>Per year</u>	Maximum Accrual <u>Hours</u>
0-59	112	224
60-119	168	336
120-179	224	448
180+	280	560

*Sick Leave.* All full-time employees, except fire/EMS personnel, shall accrue paid sick leave at a rate of four hours per pay period. Fire/EMS employees working on a work period shall accrue 5.25 hours per pay period.

Employees hired prior to April 1, 2020, may accumulate sick leave to a maximum of 960 hours. Employees hired on or after April 1, 2020, may accumulate sick leave to a maximum of 720 hours.

*Accumulated Leave Payout.* All regular full-time employees separating from City employment that have given and satisfactorily completed an appropriate 14-day notice period will receive payment for all accumulated accrued and unused vacation, and depending upon the employee's length of service with the City, a percentage of their accrued unused sick leave as follows:

Months of Continuous <u>Employment</u>	Sick Leave <u>Payout %</u>
0-47	-
48-95	25%
96-143	50%
144-191	75%
192+	100%

For employees hired prior to April 1, 2020, the maximum sick leave hours any employee can be paid out is 480 hours. For employees hired on or after April 1, 2020, the maximum sick leave hours any employee can be paid out is 360 hours.

*Compensatory Time.* All employees who are eligible, except firefighters, can elect to receive compensatory time off at a rate of not less than one and one-half hours for each overtime hour worked in lieu of cash overtime compensation. All eligible City employees, except police, may accrue up to twenty-four hours of compensatory time. Police personnel may accumulate up to sixty hours of compensatory time.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 7 - Other Long-Term Obligations from Operations (Continued)

*Banked Holiday Time.* All non-exempt police, wastewater treatment plant, water treatment facility, and fire/emergency medical services personnel may accumulate one hour for every hour worked on an official City holiday, up to eight hours (12 hours for fire/EMS). Police, wastewater treatment plant and water treatment facility personnel shall not accumulate in excess of 24 hours. Fire/EMS personnel shall not accumulate in excess of 48 hours.

*Personal Business Day Leave.* All full-time employees after two months of continuous employment will accrue 8 hours of personal business day leave, then each January 1<sup>st</sup> thereafter shall be awarded an additional 8 hours of personal business day leave. Personal business day leave must be used within the calendar year and may not be accumulated.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for annual leave, sick time, compensatory time, and banked holiday time, which has been earned, but not taken, by City employees. The estimated liability at December 31, 2020, was \$370,716 for annual leave, \$436,000 for sick leave, \$5,089 for compensatory time, and \$13,253 for banked holiday time.

*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 these financial statements.

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. There is no cost to the City under this program.

*Death and Disability Other Post-Employment Benefits.* As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

NOTE 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

NOTE 8 - Risk Management (Continued)

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

NOTE 9 - Contingencies

The City is a party to various claims, none of which is expected to have material financial impact on the City.

NOTE 10 - Interfund Transfers

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Water	General	\$ 400,000	K.S.A. 12-825d
Sewer	General	550,000	K.S.A. 12-825d
Sanitation	General	200,000	K.S.A. 12-825d
Sewer	Stormwater	<u>50,000</u>	K.S.A. 12-825d
		<u>\$ 1,200,000</u>	

SCHEDULE 1

CITY OF ARKANSAS CITY, KANSAS

Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2020

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 10,421,915	\$ -	\$ 10,421,915	\$ 9,574,686	\$ [847,229]
Special Purpose Funds:					
Special Recreation and Parks Fund	27,632	-	27,632	88	[27,544]
Special Street and Highway Fund	738,900	-	738,900	262,376	[476,524]
Tourism Fund	158,729	-	158,729	127,497	[31,232]
Special Alcohol Fund	70,000	-	70,000	2,876	[67,124]
Library Fund	423,900	-	423,900	372,485	[51,415]
Land Bank Fund	3,500	-	3,500	14	[3,486]
Healthcare Sales Tax Fund	1,949,600	-	1,949,600	1,777,503	[172,097]
Unpledged Healthcare Sales Tax Fund	327,400	-	327,400	229,415	[97,985]
CID Sales Tax Fund	65,000	-	65,000	52,919	[12,081]
Bond and Interest Funds:					
Bond and Interest Fund	1,321,110	23,094,936	24,416,046	23,657,235	[758,811]
Business Funds:					
Water Utility Fund	5,815,918	-	5,815,918	4,730,510	[1,085,408]
Sewer Utility Fund	14,216,503	-	14,216,503	2,101,025	[12,115,478]
Sanitation Utility Fund	1,799,696	-	1,799,696	1,575,855	[223,841]
Stormwater Utility Fund	272,721	-	272,721	159,239	[113,482]

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,769,038	\$ 2,814,332	\$ 2,984,018	\$ [169,686]
Delinquent tax	129,243	132,773	75,000	57,773
Motor vehicle tax	364,221	408,290	420,978	[12,688]
Recreational vehicle tax	3,159	3,396	4,105	[709]
16/20M truck tax	6,500	6,986	10,405	[3,419]
Neighborhood revitalization	[84,524]	[81,221]	[150,000]	68,779
Compensating use tax	592,403	311,666	303,000	8,666
Sales tax	1,711,887	1,805,442	1,580,000	225,442
Franchise tax	1,152,922	1,154,854	1,184,000	[29,146]
Special assessments	31,522	26,727	30,000	[3,273]
Intergovernmental				
Local alcoholic liquor tax	12,867	10,092	11,998	[1,906]
Federal grant	9,515	14,423	13,600	823
State grant	24,290	22,686	-	22,686
Licenses and permits				
Licenses, permits and fees	223,391	248,152	95,400	152,752
Charges and services				
Cemetery permits/deeds	25,815	28,885	-	28,885
Rural fire contracts	366,360	379,160	350,000	29,160
County ambulance fees	176,497	191,100	176,500	14,600
Other ambulance fees	595,759	560,638	625,000	[64,362]
Fines, forfeitures and penalties				
Fines	423,844	372,131	445,500	[73,369]
Use of money and property				
Interest	46,888	13,080	85,200	[72,120]
Sale of assets	13,819	17,177	-	17,177
Rental income	50,675	28,864	-	28,864
Other receipts				
Donations	10,982	6,951	-	6,951
Reimbursed expense	223,848	397,552	-	397,552
Miscellaneous	681,418	460,623	143,500	317,123
Operating transfers from				
Water Utility Fund	400,000	400,000	400,000	-
Sewer Utility Fund	550,000	550,000	550,000	-
Sanitation Utility Fund	200,000	200,000	200,000	-
<b>Total Receipts</b>	<u>10,712,339</u>	<u>10,484,759</u>	<u>\$ 9,557,704</u>	<u>\$ 927,055</u>

See independent auditor's report on the financial statements.

SCHEDULE 2 - 1 (Continued)

CITY OF ARKANSAS CITY, KANSAS

General Fund - Continued  
 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Expenditures</b>				
<b>General administrative services</b>				
Personal services	\$ 1,129,559	\$ 931,934	\$ 911,110	\$ 20,824
Contractual services	327,836	358,627	332,840	25,787
Commodities	37,470	45,676	30,500	15,176
Capital outlay	17,646	42,076	30,450	11,626
<b>Total general administrative services</b>	<u>1,512,511</u>	<u>1,378,313</u>	<u>1,304,900</u>	<u>73,413</u>
<b>Municipal court/legal</b>				
Personal services	131,343	47,583	143,161	[95,578]
Contractual services	100,778	131,252	52,330	78,922
Commodities	2,293	1,400	1,250	150
Capital outlay	2,955	2,958	3,500	[542]
<b>Total municipal court/legal</b>	<u>237,369</u>	<u>183,193</u>	<u>200,241</u>	<u>[17,048]</u>
<b>Neighborhood services</b>				
Personal services	203,209	202,218	210,685	[8,467]
Contractual services	51,386	45,087	26,400	18,687
Commodities	14,070	15,062	73,050	[57,988]
Capital outlay	29,565	1,812	4,000	[2,188]
<b>Total neighborhood services</b>	<u>298,230</u>	<u>264,179</u>	<u>314,135</u>	<u>[49,956]</u>
<b>Fire/EMT services</b>				
Personal services	1,928,831	2,035,662	2,168,015	[132,353]
Contractual services	93,516	90,341	102,750	[12,409]
Commodities	152,501	219,260	199,550	19,710
Capital outlay	887,216	332,396	301,800	30,596
Debt service	140,292	140,017	140,000	17
<b>Total fire/EMT services</b>	<u>3,202,356</u>	<u>2,817,676</u>	<u>2,912,115</u>	<u>[94,439]</u>
<b>Law enforcement</b>				
Personal services	2,481,991	2,458,488	2,584,215	[125,727]
Contractual services	123,900	117,805	122,200	[4,395]
Commodities	120,742	90,301	133,500	[43,199]
Capital outlay	176,648	206,270	217,900	[11,630]
Debt service	2,189	-	-	-
<b>Total law enforcement</b>	<u>2,905,470</u>	<u>2,872,864</u>	<u>3,057,815</u>	<u>[184,951]</u>
<b>Parks and facilities</b>				
Personal services	496,883	518,908	543,259	[24,351]
Contractual services	180,460	141,939	170,050	[28,111]
Commodities	185,709	163,141	257,450	[94,309]
Capital outlay	41,916	43,730	118,000	[74,270]
<b>Total parks and facilities</b>	<u>904,968</u>	<u>867,718</u>	<u>1,088,759</u>	<u>[221,041]</u>

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, KANSAS

General Fund - Continued  
 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Public works/streets				
Personal services	\$ 384,695	\$ 414,560	\$ 435,236	\$ [20,676]
Contractual services	722,912	428,119	316,200	111,919
Commodities	78,974	58,727	82,100	[23,373]
Capital outlay	1,322	635	2,000	[1,365]
Total public works/streets	<u>1,187,903</u>	<u>902,041</u>	<u>835,536</u>	<u>66,505</u>
Northwest Community Center				
Personal services	46,307	45,248	46,474	[1,226]
Contractual services	8,074	6,430	10,000	[3,570]
Commodities	2,424	2,751	6,250	[3,499]
Capital outlay	349	144	1,050	[906]
Total Northwest Community Center	<u>57,154</u>	<u>54,573</u>	<u>63,774</u>	<u>[9,201]</u>
Senior center				
Personal services	182,988	191,427	200,390	[8,963]
Contractual services	28,104	28,229	33,700	[5,471]
Commodities	13,243	14,473	30,350	[15,877]
Capital outlay	389	-	1,200	[1,200]
Total senior center	<u>224,724</u>	<u>234,129</u>	<u>265,640</u>	<u>[31,511]</u>
Emergency reserve	-	-	300,000	[300,000]
Appropriation to PBC debt	-	-	79,000	[79,000]
Total Expenditures	<u>10,530,685</u>	<u>9,574,686</u>	<u>\$ 10,421,915</u>	<u>\$ [847,229]</u>
Receipts Over [Under] Expenditures	181,654	910,073		
Unencumbered Cash, Beginning	<u>944,934</u>	<u>1,126,588</u>		
Unencumbered Cash, Ending	<u>\$ 1,126,588</u>	<u>\$ 2,036,661</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 2

CITY OF ARKANSAS CITY, KANSAS

Special Recreation and Parks 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Local alcoholic liquor tax	\$ 12,867	\$ 10,092	\$ 11,998	\$ [1,906]
Total Receipts	<u>12,867</u>	<u>10,092</u>	<u>\$ 11,998</u>	<u>\$ [1,906]</u>
Expenditures				
Culture and recreation				
Contractual services	5,248	-	\$ 22,632	\$ [22,632]
Commodities	<u>8,988</u>	<u>88</u>	<u>5,000</u>	<u>[4,912]</u>
Total Expenditures	<u>14,236</u>	<u>88</u>	<u>\$ 27,632</u>	<u>\$ [27,544]</u>
Receipts Over [Under] Expenditures	[1,369]	10,004		
Unencumbered Cash, Beginning	<u>26,979</u>	<u>25,610</u>		
Unencumbered Cash, Ending	<u>\$ 25,610</u>	<u>\$ 35,614</u>		

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, KANSAS

Special Street and Highway 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Highway gas tax	\$ 323,989	\$ 305,269	\$ 323,620	\$ [18,351]
County gas tax	53,393	51,371	49,210	2,161
Intergovernmental				
KDOT federal exchange funds	127,191	282	145,000	[144,718]
Other receipts				
Reimbursed expense	111	6,144	-	6,144
Total Receipts	<u>504,684</u>	<u>363,066</u>	<u>\$ 517,830</u>	<u>\$ [154,764]</u>
Expenditures				
General government				
Contractual services	26,937	49,530	\$ 152,400	\$ [102,870]
Commodities	195,887	157,022	151,500	5,522
Capital outlay	83,082	55,824	150,000	[94,176]
Operating transfers to				
Capital Improvements Reserve Fund	-	-	285,000	[285,000]
Total Expenditures	<u>305,906</u>	<u>262,376</u>	<u>\$ 738,900</u>	<u>\$ [476,524]</u>
Receipts Over [Under] Expenditures	198,778	100,690		
Unencumbered Cash, Beginning	<u>486,014</u>	<u>684,792</u>		
Unencumbered Cash, Ending	<u>\$ 684,792</u>	<u>\$ 785,482</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Tourism 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
State guest tax	\$ 142,909	\$ 127,670	\$ 130,000	\$ [2,330]
Total Receipts	<u>142,909</u>	<u>127,670</u>	<u>\$ 130,000</u>	<u>\$ [2,330]</u>
Expenditures				
Culture and recreation				
Contractual services	134,493	127,497	\$ 158,729	\$ [31,232]
Total Expenditures	<u>134,493</u>	<u>127,497</u>	<u>\$ 158,729</u>	<u>\$ [31,232]</u>
Receipts Over [Under] Expenditures	8,416	173		
Unencumbered Cash, Beginning	<u>19,691</u>	<u>28,107</u>		
Unencumbered Cash, Ending	<u>\$ 28,107</u>	<u>\$ 28,280</u>		

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, KANSAS

Special Alcohol 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Local alcoholic liquor tax	\$ 12,867	\$ 10,092	\$ 11,998	\$ [1,906]
Other receipts				
Donations	<u>4,600</u>	<u>1,450</u>	<u>-</u>	<u>1,450</u>
Total Receipts	<u>17,467</u>	<u>11,542</u>	<u>\$ 11,998</u>	<u>\$ [456]</u>
Expenditures				
Culture and recreation				
Contractual services	1,000	1,000	\$ 1,000	\$ -
Commodities	<u>14,107</u>	<u>1,876</u>	<u>69,000</u>	<u>[67,124]</u>
Total Expenditures	<u>15,107</u>	<u>2,876</u>	<u>\$ 70,000</u>	<u>\$ [67,124]</u>
Receipts Over [Under] Expenditures	2,360	8,666		
Unencumbered Cash, Beginning	<u>82,456</u>	<u>84,816</u>		
Unencumbered Cash, Ending	<u>\$ 84,816</u>	<u>\$ 93,482</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Library 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and shared receipts				
Ad valorem property tax	\$ 312,265	\$ 318,480	\$ 326,249	\$ [7,769]
Delinquent tax	16,138	15,811	10,500	5,311
Motor vehicle tax	44,704	46,200	97,513	[51,313]
Recreational vehicle tax	387	384	463	[79]
Commercial vehicle tax	-	-	802	[802]
16/20M truck tax	822	801	373	428
Neighborhood revitalization	<u>[9,532]</u>	<u>[9,191]</u>	<u>[12,000]</u>	<u>2,809</u>
Total Receipts	<u>364,784</u>	<u>372,485</u>	<u>\$ 423,900</u>	<u>\$ [51,415]</u>
<b>Expenditures</b>				
Culture and recreation				
Appropriation to library board	<u>364,784</u>	<u>372,485</u>	<u>\$ 423,900</u>	<u>\$ [51,415]</u>
Total Expenditures	<u>364,784</u>	<u>372,485</u>	<u>\$ 423,900</u>	<u>\$ [51,415]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Land Bank 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property				
Rental income	\$ -	\$ -	\$ 1,000	\$ [1,000]
Sale of assets	-	1,000	2,500	[1,500]
Total Receipts	-	1,000	\$ 3,500	\$ [2,500]
Expenditures				
General government				
Contractual	-	14	\$ 3,500	\$ 3,486
Total Expenditures	-	14	\$ 3,500	\$ 3,486
Receipts Over [Under] Expenditures	-	986		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 986		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Hospital Improvements 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Sales tax	\$ 145,506	\$ -	\$ -	\$ -
Debt service sales tax	291,012	-	-	-
Use of money and property				
Interest	<u>11,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>447,665</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Appropriations to hospital board	684,523	-	\$ -	\$ -
Operating transfers to				
Healthcare Sales Tax Fund	<u>1,226,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,911,465</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[1,463,800]	-		
Unencumbered Cash, Beginning	<u>1,463,800</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, KANSAS

Healthcare Sales Tax 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Sales tax	\$ 1,349,831	\$ 1,777,503	\$ 1,800,000	\$ [22,497]
Operating transfers from				
Public Building Commission Fund	1,962,753	-	79,000	[79,000]
Hospital Improvements Fund	<u>1,226,942</u>	<u>-</u>	<u>70,600</u>	<u>[70,600]</u>
Total Receipts	<u>4,539,526</u>	<u>1,777,503</u>	<u>\$ 1,949,600</u>	<u>\$ [172,097]</u>
Expenditures				
Debt Service				
Principal	-	350,000	\$ -	\$ 350,000
Interest	-	717,962	-	717,962
Appropriations to trustee	<u>4,539,526</u>	<u>709,541</u>	<u>1,949,600</u>	<u>[1,240,059]</u>
Total Expenditures	<u>4,539,526</u>	<u>1,777,503</u>	<u>\$ 1,949,600</u>	<u>\$ [172,097]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Unpledged Healthcare Sales Tax 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Sales tax	\$ 71,044	\$ 339,605	\$ 85,000	\$ 254,605
Use of money and property				
Interest	<u>8,047</u>	<u>245</u>	<u>242,400</u>	<u>[242,155]</u>
Total Receipts	<u>79,091</u>	<u>339,850</u>	<u>\$ 327,400</u>	<u>\$ 12,450</u>
Expenditures				
Appropriations to hospital	-	136,143	\$ 327,400	\$ [191,257]
Appropriations to trustee	-	90,272	-	90,272
Miscellaneous	-	<u>3,000</u>	-	<u>3,000</u>
Total Expenditures	-	<u>229,415</u>	<u>\$ 327,400</u>	<u>\$ [97,985]</u>
Receipts Over [Under] Expenditures	79,091	110,435		
Unencumbered Cash, Beginning	<u>-</u>	<u>79,091</u>		
Unencumbered Cash, Ending	<u>\$ 79,091</u>	<u>\$ 189,526</u>		

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, KANSAS

Special Law Enforcement Trust Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Years Ended December 31, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Other receipts		
Donations	\$ 18,321	\$ 16,464
Total Receipts	<u>18,321</u>	<u>16,464</u>
Expenditures		
Capital improvements		
Contractual services	3,351	705
Capital outlay	<u>15,172</u>	<u>20,348</u>
Total Expenditures	<u>18,523</u>	<u>21,053</u>
Receipts Over [Under] Expenditures	[202]	[4,589]
Unencumbered Cash, Beginning	<u>15,935</u>	<u>15,733</u>
Unencumbered Cash, Ending	<u>\$ 15,733</u>	<u>\$ 11,144</u>

\* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS

CID Sales Tax 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Sales tax	\$ 50,979	\$ 51,940	\$ 65,000	\$ [13,060]
Total Receipts	<u>50,979</u>	<u>51,940</u>	<u>\$ 65,000</u>	<u>\$ [13,060]</u>
Expenditures				
Capital improvements				
Contractual services	<u>50,000</u>	<u>52,919</u>	<u>\$ 65,000</u>	<u>\$ [12,081]</u>
Total Expenditures	<u>50,000</u>	<u>52,919</u>	<u>\$ 65,000</u>	<u>\$ [12,081]</u>
Receipts Over [Under] Expenditures	979	[979]		
Unencumbered Cash, Beginning	<u>-</u>	<u>979</u>		
Unencumbered Cash, Ending	<u>\$ 979</u>	<u>\$ -</u>		

CITY OF ARKANSAS CITY, KANSAS  
 Equipment Reserve Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Years Ended December 31, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Operating transfers from		
General Fund	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Capital improvements		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>200,946</u>	<u>200,946</u>
Unencumbered Cash, Ending	<u>\$ 200,946</u>	<u>\$ 200,946</u>

\* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS

Public Building Commission Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Years Ended December 31, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Use of money and property		
Interest	\$ 16,560	\$ -
Other receipts		
Bond proceeds	18,653,484	-
Reimbursed expense	<u>684,523</u>	<u>-</u>
Total Receipts	<u>19,354,567</u>	<u>-</u>
Expenditures		
Debt service		
Principal	18,336,559	-
Interest	684,523	-
Bond issuance costs	316,925	-
Operating transfers to		
Healthcare Sales Tax Fund	<u>1,962,753</u>	<u>-</u>
Total Expenditures	<u>21,300,760</u>	<u>-</u>
Receipts Over [Under] Expenditures	[1,946,193]	-
Unencumbered Cash, Beginning	<u>1,946,193</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

\* - This fund is not required to be budgeted.

## CITY OF ARKANSAS CITY, KANSAS

Capital Improvements Reserve Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Years Ended December 31, 2020 and 2019

	<u>2019</u>	<u>2020</u>
Receipts		
Use of money and property		
Interest	\$ 24,258	\$ 5,378
Other receipts		
Donations	68,651	271,558
Reimbursed expense	622,697	206,474
Operating transfers from		
General Fund	[2,594,391]	-
Special Street and Highway Fund	192,312	-
Water Utility Fund	2,394,516	-
Sanitation Utility Fund	7,564	-
Total Receipts	<u>715,607</u>	<u>483,410</u>
Expenditures		
General government		
Commodities	-	19,910
Contractual services	13,176	-
Capital outlay	288,217	598,474
Total Expenditures	<u>301,393</u>	<u>618,384</u>
Receipts Over [Under] Expenditures	414,214	[134,974]
Unencumbered Cash, Beginning	<u>1,191,083</u>	<u>1,605,297</u>
Unencumbered Cash, Ending	<u>\$ 1,605,297</u>	<u>\$ 1,470,323</u>

\* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS

Bond and Interest 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)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and shared receipts				
Ad valorem property tax	\$ 560,349	\$ 581,310	\$ 616,237	\$ [34,927]
Delinquent tax	42,141	35,572	28,000	7,572
Motor vehicle tax	112,464	84,286	85,185	[899]
Recreational vehicle tax	972	693	831	[138]
Commercial vehicle tax	-	-	1,437	[1,437]
16/20M truck tax	2,135	1,553	668	885
Neighborhood revitalization	[17,104]	[16,774]	[22,000]	5,226
Operating transfers from				
Water Utility Fund	75,000	-	-	-
Sewer Utility Fund	75,000	-	-	-
Debt proceeds				
Sale of bonds	-	21,840,000	-	21,840,000
Bond premium	-	1,254,936	-	1,254,936
<b>Total Receipts</b>	<u>850,957</u>	<u>23,781,576</u>	<u>\$ 710,358</u>	<u>\$ 23,071,218</u>
<b>Expenditures</b>				
Debt service				
Principal	730,000	23,114,128	\$ 915,000	\$ 22,199,128
Interest	72,130	169,746	56,010	113,736
Cost of issuance	-	373,361	100,000	273,361
Miscellaneous	-	-	100	[100]
Cash basis reserve	-	-	250,000	[250,000]
Adjustment for Qualifying Budget Credits	-	-	23,094,936	[23,094,936]
<b>Total Expenditures</b>	<u>802,130</u>	<u>23,657,235</u>	<u>\$ 24,416,046</u>	<u>\$ [758,811]</u>
Receipts Over [Under] Expenditures	48,827	124,341		
Unencumbered Cash, Beginning	<u>80,854</u>	<u>129,681</u>		
Unencumbered Cash, Ending	<u>\$ 129,681</u>	<u>\$ 254,022</u>		

See independent auditor's report on the financial statements.

## CITY OF ARKANSAS CITY, KANSAS

Water Utility 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Charges for services				
Water receipts	\$ 4,038,692	\$ 4,264,988	\$ 4,542,000	\$ [277,012]
Connection fees	85,184	67,563	80,000	[12,437]
Use of money and property				
Interest	61,117	12,348	13,500	[1,152]
Sale of assets	9,192	-	6,000	[6,000]
Other receipts				
Bad debt collection	273	178	-	178
Penalties	28,354	24,752	-	24,752
Reimbursed expense	3,486	137,651	-	137,651
Miscellaneous	43,674	43,367	20,000	23,367
<b>Total Receipts</b>	<u>4,269,972</u>	<u>4,550,847</u>	<u>\$ 4,661,500</u>	<u>\$ [110,653]</u>
<b>Expenditures</b>				
Treatment				
Personal services	179,200	195,602	\$ 174,601	\$ 21,001
Contractual services	706,343	1,185,193	1,274,700	[89,507]
Commodities	414,761	543,444	498,000	45,444
Capital outlay	108	1,177	-	1,177
<b>Total treatment</b>	<u>1,300,412</u>	<u>1,925,416</u>	<u>1,947,301</u>	<u>[21,885]</u>
Distribution				
Personal services	298,056	509,746	594,086	[84,340]
Contractual services	208,571	44,928	106,600	[61,672]
Commodities	141,740	129,139	159,200	[30,061]
Capital outlay	14,228	104,261	1,010,000	[905,739]
<b>Total distribution</b>	<u>662,595</u>	<u>788,074</u>	<u>1,869,886</u>	<u>[1,081,812]</u>
Environmental				
Personal services	204,824	-	-	-
Contractual services	19,094	-	-	-
Commodities	3,891	-	-	-
Capital outlay	3,368	-	-	-
<b>Total environmental</b>	<u>231,177</u>	<u>-</u>	<u>-</u>	<u>-</u>

See independent auditor's report on the financial statements.

SCHEDULE 2 - 17 (Continued)

CITY OF ARKANSAS CITY, KANSAS

Water Utility Fund - Continued  
 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Administration				
Personal services	\$ 11,565	\$ 13,337	\$ 8,500	\$ 4,837
Contractual services	50,442	69,311	53,200	16,111
Commodities	15,380	17,985	15,000	2,985
Capital outlay	<u>30,213</u>	<u>25,857</u>	<u>31,500</u>	<u>[5,643]</u>
Total administration	<u>107,600</u>	<u>126,490</u>	<u>108,200</u>	<u>18,290</u>
Debt service				
Revolving loans				
Principal	893,734	918,341	918,341	-
Interest	520,009	498,551	498,551	-
Agency fees	76,788	73,638	73,639	[1]
Operating transfers to				
General Fund	400,000	400,000	400,000	-
Bond and Interest Fund	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,267,315</u>	<u>4,730,510</u>	<u>\$ 5,815,918</u>	<u>\$ [1,085,408]</u>
Receipts Over [Under] Expenditures	2,657	[179,663]		
Unencumbered Cash, Beginning	<u>4,254,300</u>	<u>4,256,957</u>		
Unencumbered Cash, Ending	<u>\$ 4,256,957</u>	<u>\$ 4,077,294</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Sewer Utility 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Charges for services				
Wastewater receipts	\$ 1,948,769	\$ 1,958,039	\$ 2,100,000	\$ [141,961]
Use of money and property				
Interest	62,637	12,202	60,000	[47,798]
Sale of assets	92	-	-	-
Other receipts				
Penalties	19,633	13,020	20,000	[6,980]
Reimbursed expense	-	1,177	-	1,177
Miscellaneous	21,933	30,635	5,000	25,635
Loan proceeds	-	-	12,000,000	[12,000,000]
<b>Total Receipts</b>	<u>2,053,064</u>	<u>2,015,073</u>	<u>\$ 14,185,000</u>	<u>\$ [12,169,927]</u>
<b>Expenditures</b>				
Treatment				
Personal services	204,629	294,314	\$ 440,847	\$ [146,533]
Contractual services	178,790	148,552	256,800	[108,248]
Commodities	69,548	354,733	101,900	252,833
Capital outlay	29,861	357,693	12,002,000	[11,644,307]
<b>Total treatment</b>	<u>482,828</u>	<u>1,155,292</u>	<u>12,801,547</u>	<u>[11,646,255]</u>
Collections				
Personal services	126,454	160,013	152,806	7,207
Contractual services	319,457	80,632	23,600	57,032
Commodities	44,956	53,774	43,050	10,724
Capital outlay	146,839	-	550,000	[550,000]
<b>Total collections</b>	<u>637,706</u>	<u>294,419</u>	<u>769,456</u>	<u>[475,037]</u>
Environmental				
Personal services	169,600	-	-	-
Contractual services	100	-	-	-
<b>Total environmental</b>	<u>169,700</u>	<u>-</u>	<u>-</u>	<u>-</u>

See independent auditor's report on the financial statements.

SCHEDULE 2 - 18 (Continued)

CITY OF ARKANSAS CITY, KANSAS

Sewer Utility Fund - Continued  
 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Administration				
Personal services	\$ 6,939	\$ 8,612	\$ 4,900	\$ 3,712
Contractual services	13,372	16,503	12,600	3,903
Commodities	9,240	10,659	10,500	159
Capital outlay	<u>19,721</u>	<u>15,540</u>	<u>17,500</u>	<u>[1,960]</u>
Total administration	<u>49,272</u>	<u>51,314</u>	<u>45,500</u>	<u>5,814</u>
Operating transfers to				
General Fund	550,000	550,000	550,000	-
Bond and Interest Fund	75,000	-	-	-
Stormwater Utility Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>2,014,506</u>	<u>2,101,025</u>	<u>\$ 14,216,503</u>	<u>\$ [12,115,478]</u>
Receipts Over [Under] Expenditures	38,558	[85,952]		
Unencumbered Cash, Beginning	<u>3,967,602</u>	<u>4,006,160</u>		
Unencumbered Cash, Ending	<u>\$ 4,006,160</u>	<u>\$ 3,920,208</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Sanitation Utility 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Charges for services				
Sanitation fees	\$ 1,412,566	\$ 1,511,146	\$ 1,475,200	\$ 35,946
Service fees	15,941	4,147	10,000	[5,853]
Intergovernmental				
State grant	7,706	-	-	-
Use of money and property				
Interest	17,775	3,410	3,800	[390]
Sale of assets	919	170	-	170
Other receipts				
Penalties	14,405	9,354	14,500	[5,146]
Miscellaneous	46	3,363	1,000	2,363
<b>Total Receipts</b>	<u>1,469,358</u>	<u>1,531,590</u>	<u>\$ 1,504,500</u>	<u>\$ 27,090</u>
<b>Expenditures</b>				
General utility services				
Personal services	433,195	610,213	\$ 618,871	\$ [8,658]
Contractual services	347,382	365,873	457,450	[91,577]
Commodities	154,646	142,746	237,050	[94,304]
Capital outlay	<u>65,425</u>	<u>216,461</u>	<u>251,000</u>	<u>[34,539]</u>
<b>Total general utility services</b>	<u>1,000,648</u>	<u>1,335,293</u>	<u>1,564,371</u>	<u>[229,078]</u>
Administration				
Personal services	100,356	8,250	3,800	4,450
Contractual services	13,116	14,478	12,425	2,053
Commodities	6,189	7,119	5,600	1,519
Capital outlay	<u>12,544</u>	<u>10,715</u>	<u>13,500</u>	<u>[2,785]</u>
<b>Total administration</b>	<u>132,205</u>	<u>40,562</u>	<u>35,325</u>	<u>5,237</u>
Operating transfers to				
General Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,332,853</u>	<u>1,575,855</u>	<u>\$ 1,799,696</u>	<u>\$ [223,841]</u>
Receipts Over [Under] Expenditures	136,505	[44,265]		
Unencumbered Cash, Beginning	<u>993,796</u>	<u>1,130,301</u>		
Unencumbered Cash, Ending	<u>\$ 1,130,301</u>	<u>\$ 1,086,036</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Stormwater Utility 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Stormwater receipts	\$ 185,914	\$ 187,504	\$ 190,100	\$ [2,596]
Intergovernmental				
Federal grant - FEMA	-	53,094	-	53,094
Use of money and property				
Interest	4,453	572	5,500	[4,928]
Other receipts				
Penalties	2,096	1,338	-	1,338
Miscellaneous	11	12,305	-	12,305
Operating transfers from				
Sewer Utility Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Receipts	<u>242,474</u>	<u>304,813</u>	<u>\$ 245,600</u>	<u>\$ 59,213</u>
Expenditures				
General utility services				
Personal services	146,122	142,831	\$ 165,521	\$ [22,690]
Contractual services	28,359	628	22,000	[21,372]
Commodities	15,260	5,859	16,200	[10,341]
Capital outlay	<u>114,173</u>	<u>9,921</u>	<u>69,000</u>	<u>[59,079]</u>
Total Expenditures	<u>303,914</u>	<u>159,239</u>	<u>\$ 272,721</u>	<u>\$ [113,482]</u>
Receipts Over [Under] Expenditures	[61,440]	145,574		
Unencumbered Cash, Beginning	<u>207,517</u>	<u>146,077</u>		
Unencumbered Cash, Ending	<u>\$ 146,077</u>	<u>\$ 291,651</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Agency Funds  
 Summary of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended December 31, 2020

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Municipal Court	\$ 6,175	\$ 74,296	\$ 64,548	\$ 15,923
Drug Task Force	<u>37,808</u>	<u>-</u>	<u>37,808</u>	<u>-</u>
	<u>\$ 43,983</u>	<u>\$ 74,296</u>	<u>\$ 102,356</u>	<u>\$ 15,923</u>

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