

**CITY OF ARKANSAS CITY, KANSAS**

**Financial Statements**

**For the Year Ended December 31, 2019**

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CITY OF ARKANSAS CITY, KANSAS  
 Financial Statements  
 For the Year Ended December 31, 2019  
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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, 2019 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 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, 2019, or changes in financial position and cash flows thereof for the year then ended.

### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

### *Other Matters*

#### *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 2018 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, 2018, is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The City of Arkansas City, Kansas’s basic financial statement for the year ended December 31, 2018 (not presented herein), was audited by other auditors whose report dated March 22, 2019, expressed an unmodified opinion on the basic financial statement. The 2018 basic financial statement and the other auditor’s report are available in electronic form from the website of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated March 22, 2019, stated that the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2018, was subjected to auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

*Gordon CPA LLC*

Certified Public Accountant  
Lawrence, Kansas

March 30, 2020

CITY OF ARKANSAS CITY, KANSAS

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

<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	\$ 944,934	\$ -	\$ 10,712,339	\$ 10,530,685	\$ 1,126,588	\$ 205,437	\$ 1,332,025
Special Purpose Funds:							
Special Recreation and Parks Fund	26,979	-	12,867	14,236	25,610	4,731	30,341
Special Street and Highway Fund	486,014	-	504,684	305,906	684,792	-	684,792
Tourism Fund	19,691	-	142,909	134,493	28,107	-	28,107
Special Alcohol Fund	82,456	-	17,467	15,107	84,816	-	84,816
Library Fund	-	-	364,784	364,784	-	-	-
Land Bank Fund	-	-	-	-	-	-	-
Hospital Improvements Fund	1,463,800	-	447,665	1,911,465	-	-	-
Healthcare Sales Tax Fund	-	-	4,539,526	4,539,526	-	-	-
Unpledged Healthcare Sales Tax Fund	-	-	79,091	-	79,091	-	79,091
Special Law Enforcement Trust Fund	15,935	-	18,321	18,523	15,733	-	15,733
CID Sales Tax Fund	-	-	50,979	50,000	979	-	979
Equipment Reserve Fund	200,946	-	-	-	200,946	-	200,946
Public Building Commission Fund	1,946,193	-	19,354,567	21,300,760	-	-	-
Capital Improvements Reserve Fund	1,191,083	-	715,607	301,393	1,605,297	-	1,605,297
Bond and Interest Funds:							
Bond and Interest Fund	80,854	-	850,957	802,130	129,681	-	129,681
Business Funds:							
Water Utility Fund	4,254,300	-	4,269,972	4,267,315	4,256,957	99,494	4,356,451
Sewer Utility Fund	3,967,602	-	2,053,064	2,014,506	4,006,160	179,761	4,185,921
Sanitation Utility Fund	993,796	-	1,469,358	1,332,853	1,130,301	23,877	1,154,178
Stormwater Utility Fund	207,517	-	242,474	303,914	146,077	4,260	150,337
Total reporting entity [excluding agency funds]	<u>\$ 15,882,100</u>	<u>\$ -</u>	<u>\$ 45,846,631</u>	<u>\$ 48,207,596</u>	<u>\$ 13,521,135</u>	<u>\$ 517,560</u>	<u>\$ 14,038,695</u>

Composition of Cash:

RCB Bank	
Checking	\$ 12,964,485
Union State Bank	
Checking	78,760
The Stock Exchange Bank	
CD	1,000,000
Petty Cash	<u>1,625</u>
Total Cash	14,044,870
Less: Agency Funds per Schedule 3	<u>[6,175]</u>
Total Reporting Entity [Excluding Agency Funds]	<u>\$ 14,038,695</u>

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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 has 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, 2019

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 2019:

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific 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.

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.)

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 municipality 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 municipality to use the regulatory basis of accounting.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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, such taxes are 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, 2019, the City amended the budget for the Tourism, Healthcare Sales Tax and Unpledged Healthcare Sales Tax funds.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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, 2019.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

NOTE 2 - Deposits and Investments (Continued)

At December 31, 2019, the City's carrying amount of deposits was \$14,044,870 and the bank balance was \$14,961,076. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$578,760 was covered by federal depository insurance and the balance of \$14,382,316 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, 2019, 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	\$ 3,495,000	\$ -	\$ 730,000	\$ 2,765,000	\$ 72,130
Revenue Bonds	20,220,000	17,630,000	20,220,000	17,630,000	1,369,045
KDHE Loans	22,161,202	-	893,734	21,267,468	596,796
Capital Leases	<u>280,916</u>	<u>620,500</u>	<u>121,818</u>	<u>779,598</u>	<u>18,199</u>
Total	<u>\$ 46,157,118</u>	<u>\$ 18,250,500</u>	<u>\$ 21,965,552</u>	<u>\$ 42,442,066</u>	<u>\$ 2,056,170</u>

*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 2013	1.50% - 3.0%	<u>\$ 2,765,000</u>	<u>\$ 6,015,000</u>	04/01/13	12/01/32

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>
2020	\$ 515,000	\$ 56,010	\$ 571,010
2021	525,000	48,285	573,285
2022	540,000	40,410	580,410
2023	100,000	30,960	130,960
2024	105,000	28,810	133,810
2024 - 2028	575,000	106,038	681,038
2029 - 2032	<u>405,000</u>	<u>24,340</u>	<u>429,340</u>
Total	<u>\$ 2,765,000</u>	<u>\$ 334,853</u>	<u>\$ 3,099,853</u>

*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>\$ 17,630,000</u>	<u>\$ 17,630,000</u>	07/23/19	09/01/34

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

NOTE 3 - Long-Term Debt (Continued)

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.

The Series 2019 bonds carry an interest rate ranging from 3.00% to 5.00%, with a final maturity of September 1, 2044. The net proceeds of the Series 2019 bonds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the Series 2009 Revenue Bonds and the interest due on the refunding revenue bonds. As a result, the Series 2009 bonds were considered to be defeased and the liability of the defeased bonds have been removed from the City's financial statements. The transaction resulted in an economic gain of \$6,961,055 and a reduction of \$9,016,826 in future debt payments.

As part of the 2019 revenue bond issue, the City approved a 1% sales tax. The City has pledged 95% of the revenues derived from the sales tax to pay the City's various costs under the lease. The City has accounted for these funds in the Healthcare Sales Tax and Unpledged Healthcare Sales Tax funds.

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

Year ending December 31,	Principal	Interest	Total
2020	\$ 350,000	\$ 717,962	\$ 1,067,962
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 - 2029	2,795,000	2,542,063	5,337,063
2030 - 2034	3,525,000	1,839,063	5,364,063
2035 - 2039	4,225,000	1,158,063	5,383,063
2040 - 2044	4,930,000	471,875	5,401,875
Total	<u>\$ 17,630,000</u>	<u>\$ 9,188,228</u>	<u>\$ 26,818,228</u>

*Revolving Loans.* Revolving loans with the Kansas Department of Health and Environment currently outstanding are as follows:

<u>KDHE Loans</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with utility revenues					
KDHE Loan #2649	3.12%	\$ 545,849	\$ 1,226,071	11/18/09	08/01/30
KDHE Loan #2813	2.35%	20,721,619	22,000,000	01/14/16	02/01/38
		<u>\$ 21,267,468</u>			

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

NOTE 3 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the revolving loans are as follows:

Year ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 918,341	\$ 572,189	\$ 1,490,530
2020	943,628	546,901	1,490,529
2021	969,614	519,296	1,488,910
2022	996,319	494,211	1,490,530
2023	1,023,761	466,769	1,490,530
2024 - 2028	5,557,736	1,894,912	7,452,648
2029 - 2033	6,111,387	1,100,789	7,212,176
2034 - 2038	<u>4,746,682</u>	<u>259,757</u>	<u>5,006,439</u>
Total	<u>\$ 21,267,468</u>	<u>\$ 5,854,824</u>	<u>\$ 27,122,292</u>

*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 March 6, 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 <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 114,704	\$ 25,313	\$ 140,017
2021	118,373	21,643	140,016
2022	122,162	17,855	140,017
2023	92,619	13,943	106,562
2024	61,781	11,327	73,108
2025 - 2028	<u>269,959</u>	<u>22,195</u>	<u>292,154</u>
Total	<u>\$ 779,598</u>	<u>\$ 112,276</u>	<u>\$ 891,874</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, 2019, there were three industrial revenue bond issues with principal balances due totaling \$16,548,482.

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.

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

NOTE 5 - Defined Benefit Pension Plan (Continued)

*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.

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 8.89% for KPERS and 22.13% for KP&F for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$285,599 for KPERS and \$584,577 for KP&F for the year ended December 31, 2019.

*Net Pension Liability.* At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$2,173,557 and \$5,031,049 for KP&F. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup 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, 2019	Estimated Completion
Compass Point Subdivision	\$ 1,021,730	\$ 1,020,619	Completed
Crestwood Bridge Repair	140,000	114,095	Completed
2019 Summit St Mill & Overlay CCLIP	66,481	25,000	2020
Offset Well #5 (Well #15)	179,474	19,483	2020
Waterline Relocate for Westar Easement	650,000	54,152	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	65,573	2021
WWTP Upgrades	108,157	10,862	2023

CITY OF ARKANSAS CITY, KANSAS  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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.

Full time employees, except fire personnel:

<u>Years of service</u>	<u>Hours per year</u>	<u>Maximum accrual</u>
1 - 7 years	80	160
8 - 15 years	120	240
16 - 20 years	160	320
20+ years	200	400

Fire personnel working on a work period:

<u>Years of service</u>	<u>Hours per year</u>	<u>Maximum accrual</u>
1 - 7 years	112	224
8 - 15 years	168	336
16 - 20 years	224	448
20+ years	280	560

*Sick Leave.* All full-time employees, except fire personnel, shall accrue paid sick leave at a rate of at least one eight-hour day per month with a maximum accrual of 960 hours. Fire personnel working on a work period shall accrue 11.2 hours per month with a maximum accrual of 960 hours.

*Accumulated Leave Payout.* All 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:

<u>Continuous Years of Service</u>	<u>Sick Leave Payout %</u>
0 - 4 years	-
5 - 9 years	25%
10 - 14 years	50%
15 - 19 years	75%
20+ years	100%

The maximum leave hours each employee can be paid out is 480 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, 2019

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

*Banked Holiday Time.* Police, fire, wastewater treatment facility and water treatment plant personnel can accumulate holiday premium pay in lieu of payment. Holiday time banked has a maximum accrual of 24 hours and must be earned prior to use, except fire personnel, which receive 26 hours of banked holiday time four times a year regardless of whether the employee works the official holiday. Fire personnel can accumulate a maximum of 104 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, 2019, was \$316,482 for annual leave, \$407,205 for sick leave, \$4,472 for compensatory time, and \$25,590 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, 2019.

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, 2019

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 - 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
Water	Bond and Interest	75,000	K.S.A. 12-825d
Sewer	Stormwater	50,000	K.S.A. 12-825d
Sewer	Bond and Interest	75,000	K.S.A. 12-825d
Public Building Commission	Healthcare Sales Tax	1,962,753	Bond covenant
Hospital Improvements	Healthcare Sales Tax	<u>1,226,942</u>	Bond covenant
		<u>\$ 4,539,695</u>	

SCHEDULE 1

CITY OF ARKANSAS CITY, KANSAS

Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over [Under]</u>
General Funds:					
General Fund	\$ 10,817,432	\$ -	\$ 10,817,432	\$ 10,530,685	\$ [286,747]
Special Purpose Funds:					
Special Recreation and Parks Fund	43,204	-	43,204	14,236	[28,968]
Special Street and Highway Fund	787,506	-	787,506	305,906	[481,600]
Tourism Fund	143,000	-	143,000	134,493	[8,507]
Special Alcohol Fund	20,000	-	20,000	15,107	[4,893]
Library Fund	371,600	-	371,600	364,784	[6,816]
Land Bank Fund	3,500	-	3,500	-	[3,500]
Hospital Improvements Fund	2,160,000	-	2,160,000	1,911,465	[248,535]
Healthcare Sales Tax Fund	4,539,695	-	4,539,695	4,539,526	[169]
Unpledged Healthcare Sales Tax Fund	85,500	-	85,500	-	[85,500]
CID Sales Tax Fund	50,000	-	50,000	50,000	-
Bond and Interest Funds:					
Bond and Interest Fund	1,202,230	-	1,202,230	802,130	[400,100]
Business Funds:					
Water Utility Fund	5,083,836	-	5,083,836	4,267,315	[816,521]
Sewer Utility Fund	3,092,163	-	3,092,163	2,014,506	[1,077,657]
Sanitation Utility Fund	1,657,519	-	1,657,519	1,332,853	[324,666]
Stormwater Utility Fund	479,784	-	479,784	303,914	[175,870]

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

	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	\$ 2,456,927	\$ 2,769,038	\$ 2,930,017	\$ [160,979]
Delinquent tax	76,315	129,243	75,000	54,243
Motor vehicle tax	335,054	364,221	389,181	[24,960]
Recreational vehicle tax	3,111	3,159	3,912	[753]
16/20M truck tax	6,096	6,500	2,914	3,586
In lieu of tax	908	-	-	-
Neighborhood revitalization	[68,972]	[84,524]	[60,000]	[24,524]
Compensating use tax	580,589	592,403	500,000	92,403
Sales tax	1,576,308	1,711,887	1,605,000	106,887
Franchise tax	1,225,236	1,152,922	1,158,000	[5,078]
Special assessments	18,091	31,522	30,000	1,522
Intergovernmental				
Local alcoholic liquor tax	11,908	12,867	12,757	110
Federal grant	12,455	9,515	-	9,515
State grant	31,712	24,290	273,600	[249,310]
Licenses and permits				
Licenses, permits and fees	153,119	223,391	73,800	149,591
Charges and services				
Cemetery permits/deeds	19,960	25,815	19,000	6,815
Rural fire contracts	350,742	366,360	350,000	16,360
County ambulance fees	176,497	176,497	170,000	6,497
Other ambulance fees	651,483	595,759	625,000	[29,241]
Fines, forfeitures and penalties				
Fines	413,472	423,844	427,000	[3,156]
Use of money and property				
Interest	36,296	46,888	28,000	18,888
Sale of assets	11,620	13,819	30,000	[16,181]
Rental income	39,025	50,675	38,000	12,675
Other receipts				
Donations	24,250	10,982	10,000	982
Reimbursed expense	240,571	223,848	99,000	124,848
Miscellaneous	33,424	681,418	338,000	343,418
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>9,566,197</u>	<u>10,712,339</u>	<u>\$ 10,278,181</u>	<u>\$ 434,158</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Expenditures</b>				
General administrative services				
Personal services	\$ 842,247	\$ 1,129,559	\$ 899,644	\$ 229,915
Contractual services	317,517	327,836	291,346	36,490
Commodities	46,565	37,470	36,200	1,270
Capital outlay	27,672	17,646	24,200	[6,554]
Total general administrative services	<u>1,234,001</u>	<u>1,512,511</u>	<u>1,251,390</u>	<u>261,121</u>
Municipal court/legal				
Personal services	134,998	131,343	139,894	[8,551]
Contractual services	64,714	100,778	49,830	50,948
Commodities	1,577	2,293	1,250	1,043
Capital outlay	2,683	2,955	3,512	[557]
Total municipal court/legal	<u>203,972</u>	<u>237,369</u>	<u>194,486</u>	<u>42,883</u>
Neighborhood services				
Personal services	196,698	203,209	223,340	[20,131]
Contractual services	46,799	51,386	50,400	986
Commodities	62,881	14,070	88,050	[73,980]
Capital outlay	31,257	29,565	22,000	7,565
Total neighborhood services	<u>337,635</u>	<u>298,230</u>	<u>383,790</u>	<u>[85,560]</u>
Fire/EMT services				
Personal services	1,913,608	1,928,831	2,151,430	[222,599]
Contractual services	93,895	93,516	100,450	[6,934]
Commodities	144,297	152,501	191,950	[39,449]
Capital outlay	462,770	887,216	224,000	663,216
Debt service	66,909	140,292	140,000	292
Total fire/EMT services	<u>2,681,479</u>	<u>3,202,356</u>	<u>2,807,830</u>	<u>394,526</u>
Law enforcement				
Personal services	2,373,811	2,481,991	2,615,363	[133,372]
Contractual services	117,159	123,900	117,600	6,300
Commodities	107,694	120,742	114,000	6,742
Capital outlay	229,277	176,648	207,700	[31,052]
Debt service	-	2,189	-	2,189
Total law enforcement	<u>2,827,941</u>	<u>2,905,470</u>	<u>3,054,663</u>	<u>[149,193]</u>
Parks and facilities				
Personal services	553,469	496,883	632,482	[135,599]
Contractual services	140,856	180,460	186,950	[6,490]
Commodities	171,977	185,709	232,050	[46,341]
Capital outlay	396,257	41,916	321,000	[279,084]
Total parks and facilities	<u>1,262,559</u>	<u>904,968</u>	<u>1,372,482</u>	<u>[467,514]</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	\$ 347,101	\$ 384,695	\$ 485,122	\$ [100,427]
Contractual services	263,032	722,912	267,500	455,412
Commodities	77,805	78,974	56,800	22,174
Capital outlay	1,254	1,322	2,000	[678]
Total public works/streets	<u>689,192</u>	<u>1,187,903</u>	<u>811,422</u>	<u>376,481</u>
Northwest Community Center				
Personal services	44,084	46,307	46,476	[169]
Contractual services	7,882	8,074	9,250	[1,176]
Commodities	2,757	2,424	36,000	[33,576]
Capital outlay	-	349	1,050	[701]
Total Northwest Community Center	<u>54,723</u>	<u>57,154</u>	<u>92,776</u>	<u>[35,622]</u>
Senior center				
Personal services	182,781	182,988	190,543	[7,555]
Contractual services	23,437	28,104	30,400	[2,296]
Commodities	20,373	13,243	26,450	[13,207]
Capital outlay	223	389	1,200	[811]
Total senior center	<u>226,814</u>	<u>224,724</u>	<u>248,593</u>	<u>[23,869]</u>
Operating transfers to				
Capital Improvement Reserve Fund	7,564	-	300,000	[300,000]
Emergency reserve	-	-	300,000	[300,000]
Total Expenditures	<u>9,525,880</u>	<u>10,530,685</u>	<u>\$ 10,817,432</u>	<u>\$ [286,747]</u>
Receipts Over [Under] Expenditures	40,317	181,654		
Unencumbered Cash, Beginning	<u>904,617</u>	<u>944,934</u>		
Unencumbered Cash, Ending	<u>\$ 944,934</u>	<u>\$ 1,126,588</u>		

See independent auditor's report on the financial statements.

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

	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	\$ 11,908	\$ 12,867	\$ 12,757	\$ 110
Total Receipts	<u>11,908</u>	<u>12,867</u>	<u>\$ 12,757</u>	<u>\$ 110</u>
Expenditures				
Culture and recreation				
Contractual services	14,000	5,248	\$ 19,102	\$ [13,854]
Commodities	-	8,988	5,000	3,988
Total Expenditures	<u>14,000</u>	<u>14,236</u>	<u>\$ 43,204</u>	<u>\$ [28,968]</u>
Receipts Over [Under] Expenditures	[2,092]	[1,369]		
Unencumbered Cash, Beginning	<u>29,071</u>	<u>26,979</u>		
Unencumbered Cash, Ending	<u>\$ 26,979</u>	<u>\$ 25,610</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, 2019

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

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Highway gas tax	\$ 325,451	\$ 323,989	\$ 327,050	\$ [3,061]
County gas tax	54,732	53,393	49,110	4,283
Intergovernmental				
KDOT federal exchange funds	337,196	127,191	150,000	[22,809]
Other receipts				
Reimbursed expense	6	111	-	111
Total Receipts	<u>717,385</u>	<u>504,684</u>	<u>\$ 526,160</u>	<u>\$ [21,476]</u>
Expenditures				
General government				
Contractual services	201,659	26,937	\$ 387,506	\$ [360,569]
Commodities	76,858	195,887	156,000	39,887
Capital outlay	53,822	83,082	244,000	[160,918]
Operating transfers to				
Capital Improvements Reserve Fund	<u>192,312</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>524,651</u>	<u>305,906</u>	<u>\$ 787,506</u>	<u>\$ [481,600]</u>
Receipts Over [Under] Expenditures	192,734	198,778		
Unencumbered Cash, Beginning	<u>293,280</u>	<u>486,014</u>		
Unencumbered Cash, Ending	<u>\$ 486,014</u>	<u>\$ 684,792</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
State guest tax	\$ 120,871	\$ 142,909	\$ 143,000	\$ [91]
Total Receipts	<u>120,871</u>	<u>142,909</u>	<u>\$ 143,000</u>	<u>\$ [91]</u>
Expenditures				
Culture and recreation				
Contractual services	125,642	134,493	\$ 143,000	\$ [8,507]
Total Expenditures	<u>125,642</u>	<u>134,493</u>	<u>\$ 143,000</u>	<u>\$ [8,507]</u>
Receipts Over [Under] Expenditures	[4,771]	8,416		
Unencumbered Cash, Beginning	<u>24,462</u>	<u>19,691</u>		
Unencumbered Cash, Ending	<u>\$ 19,691</u>	<u>\$ 28,107</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	\$ 11,908	\$ 12,867	\$ 12,757	\$ 110
Other receipts				
Donations	<u>10,284</u>	<u>4,600</u>	<u>-</u>	<u>4,600</u>
Total Receipts	<u>22,192</u>	<u>17,467</u>	<u>\$ 12,757</u>	<u>\$ 4,710</u>
Expenditures				
Culture and recreation				
Contractual services	-	1,000	\$ 1,000	\$ -
Commodities	<u>13,979</u>	<u>14,107</u>	<u>19,000</u>	<u>[4,893]</u>
Total Expenditures	<u>13,979</u>	<u>15,107</u>	<u>\$ 20,000</u>	<u>\$ [4,893]</u>
Receipts Over [Under] Expenditures	8,213	2,360		
Unencumbered Cash, Beginning	<u>74,243</u>	<u>82,456</u>		
Unencumbered Cash, Ending	<u>\$ 82,456</u>	<u>\$ 84,816</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	\$ 300,809	\$ 312,265	\$ 330,691	\$ [18,426]
Delinquent tax	9,818	16,138	10,000	6,138
Motor vehicle tax	43,811	44,704	47,268	[2,564]
Recreational vehicle tax	407	387	479	[92]
Commercial vehicle tax	-	-	406	[406]
16/20M truck tax	909	822	357	465
Neighborhood revitalization	[8,461]	[9,532]	[8,000]	[1,532]
<b>Total Receipts</b>	<u>347,293</u>	<u>364,784</u>	<u>\$ 381,201</u>	<u>\$ [16,417]</u>
<b>Expenditures</b>				
Culture and recreation				
Appropriation to library board	347,293	364,784	\$ 371,600	\$ [6,816]
<b>Total Expenditures</b>	<u>347,293</u>	<u>364,784</u>	<u>\$ 371,600</u>	<u>\$ [6,816]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	-	-	2,500	[2,500]
Total Receipts	-	-	<u>\$ 3,500</u>	<u>\$ [3,500]</u>
Expenditures				
General government				
Contractual	-	-	\$ 3,500	\$ 3,500
Total Expenditures	-	-	<u>\$ 3,500</u>	<u>\$ 3,500</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Sales tax	\$ 788,154	\$ 145,506	\$ 268,000	\$ [122,494]
Debt service sales tax	1,576,308	291,012	1,560,000	[1,268,988]
Use of money and property				
Interest	<u>14,527</u>	<u>11,147</u>	<u>6,000</u>	<u>5,147</u>
Total Receipts	<u>2,378,989</u>	<u>447,665</u>	<u>\$ 1,834,000</u>	<u>\$ [1,386,335]</u>
Expenditures				
Appropriations to hospital board	1,952,351	684,523	\$ 600,000	\$ 84,523
Operating transfers to				
Healthcare Sales Tax Fund	<u>-</u>	<u>1,226,942</u>	<u>1,560,000</u>	<u>[333,058]</u>
Total Expenditures	<u>1,952,351</u>	<u>1,911,465</u>	<u>\$ 2,160,000</u>	<u>\$ [248,535]</u>
Receipts Over [Under] Expenditures	426,638	[1,463,800]		
Unencumbered Cash, Beginning	<u>1,037,162</u>	<u>1,463,800</u>		
Unencumbered Cash, Ending	<u>\$ 1,463,800</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	\$ 1,350,000	\$ [169]
Operating transfers from				
Public Building Commission Fund	-	1,962,753	1,226,942	735,811
Hospital Improvements Fund	-	1,226,942	-	1,226,942
Total Receipts	-	<u>4,539,526</u>	<u>\$ 2,576,942</u>	<u>\$ 1,962,584</u>
Expenditures				
Appropriations to trustee	-	4,539,526	\$ 2,576,942	\$ 1,962,584
Adjustment for qualifying budget credits	-	-	1,962,753	[1,962,753]
Total Expenditures	-	<u>4,539,526</u>	<u>\$ 4,539,695</u>	<u>\$ [169]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	\$ 85,000	\$ [13,956]
Use of money and property				
Interest	<u>-</u>	<u>8,047</u>	<u>500</u>	<u>7,547</u>
Total Receipts	<u>-</u>	<u>79,091</u>	<u>\$ 85,500</u>	<u>\$ [6,409]</u>
Expenditures				
Appropriations to hospital	<u>-</u>	<u>-</u>	<u>\$ 85,500</u>	<u>\$ 85,500</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 85,500</u>	<u>\$ 85,500</u>
Receipts Over [Under] Expenditures	-	79,091		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 79,091</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, 2019 and 2018

	<u>2018</u>	<u>2019</u>
Receipts		
Other receipts		
Donations	\$ 7,046	\$ 18,321
Total Receipts	<u>7,046</u>	<u>18,321</u>
Expenditures		
Capital improvements		
Contractual services	2,794	3,351
Capital outlay	-	15,172
Total Expenditures	<u>2,794</u>	<u>18,523</u>
Receipts Over [Under] Expenditures	4,252	[202]
Unencumbered Cash, Beginning	<u>11,683</u>	<u>15,935</u>
Unencumbered Cash, Ending	<u>\$ 15,935</u>	<u>\$ 15,733</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Sales tax	\$ 35,292	\$ 50,979	\$ 50,000	\$ 979
Total Receipts	<u>35,292</u>	<u>50,979</u>	<u>\$ 50,000</u>	<u>\$ 979</u>
Expenditures				
Capital improvements				
Contractual services	<u>36,177</u>	<u>50,000</u>	\$ 50,000	\$ -
Total Expenditures	<u>36,177</u>	<u>50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[885]	979		
Unencumbered Cash, Beginning	<u>885</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 979</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS  
 Equipment Reserve Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Years Ended December 31, 2019 and 2018

	<u>2018</u>	<u>2019</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, 2019 and 2018

	<u>2018</u>	<u>2019</u>
Receipts		
Use of money and property		
Interest	\$ 23,037	\$ 16,560
Other receipts		
Bond proceeds	-	18,653,484
Reimbursed expense	<u>1,885,505</u>	<u>684,523</u>
Total Receipts	<u>1,908,542</u>	<u>19,354,567</u>
Expenditures		
Debt service		
Principal	490,000	18,336,559
Interest	1,395,505	684,523
Bond issuance costs	-	316,925
Operating transfers to		
Healthcare Sales Tax Fund	<u>-</u>	<u>1,962,753</u>
Total Expenditures	<u>1,885,505</u>	<u>21,300,760</u>
Receipts Over [Under] Expenditures	23,037	[1,946,193]
Unencumbered Cash, Beginning	<u>1,923,156</u>	<u>1,946,193</u>
Unencumbered Cash, Ending	<u>\$ 1,946,193</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, 2019 and 2018

	<u>2018</u>	<u>2019</u>
Receipts		
Use of money and property		
Interest	\$ 7,108	\$ 24,258
Other receipts		
Donations	68,500	68,651
Reimbursed expense	643,496	622,697
Operating transfers from		
General Fund	7,564	[2,594,391]
Special Street and Highway Fund	192,312	192,312
Water Utility Fund	2,394,516	2,394,516
Sanitation Utility Fund	7,564	7,564
Total Receipts	<u>3,321,060</u>	<u>715,607</u>
Expenditures		
General government		
Contractual services	-	13,176
Capital outlay	2,438,650	288,217
Total Expenditures	<u>2,438,650</u>	<u>301,393</u>
Receipts Over [Under] Expenditures	882,410	414,214
Unencumbered Cash, Beginning	<u>308,673</u>	<u>1,191,083</u>
Unencumbered Cash, Ending	<u>\$ 1,191,083</u>	<u>\$ 1,605,297</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, 2019

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

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and shared receipts				
Ad valorem property tax	\$ 751,338	\$ 560,349	\$ 592,886	\$ [32,537]
Delinquent tax	27,659	42,141	28,000	14,141
Motor vehicle tax	129,796	112,464	118,308	[5,844]
Recreational vehicle tax	1,203	972	1,199	[227]
Commercial vehicle tax	-	-	1,017	[1,017]
16/20M truck tax	2,645	2,135	894	1,241
In lieu of tax	-	-	215,209	[215,209]
Neighborhood revitalization	[21,176]	[17,104]	[22,000]	4,896
Operating transfers from				
Water Utility Fund	75,000	75,000	75,000	-
Sewer Utility Fund	75,000	75,000	75,000	-
<b>Total Receipts</b>	<u>1,041,465</u>	<u>850,957</u>	<u>\$ 1,085,513</u>	<u>\$ [234,556]</u>
<b>Expenditures</b>				
Debt service				
Principal	1,025,000	730,000	\$ 730,000	\$ -
Interest	100,085	72,130	72,130	-
Miscellaneous	-	-	100	[100]
Cash basis reserve	-	-	400,000	[400,000]
<b>Total Expenditures</b>	<u>1,125,085</u>	<u>802,130</u>	<u>\$ 1,202,230</u>	<u>\$ [400,100]</u>
Receipts Over [Under] Expenditures	[83,620]	48,827		
Unencumbered Cash, Beginning	<u>164,474</u>	<u>80,854</u>		
Unencumbered Cash, Ending	<u>\$ 80,854</u>	<u>\$ 129,681</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	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	\$ 3,976,148	\$ 4,038,692	\$ 4,250,000	\$ [211,308]
Connection fees	84,818	85,184	79,000	6,184
Use of money and property				
Loan proceeds	3,005,802	-	-	-
Interest	56,875	61,117	35,000	26,117
Sale of assets	7,043	9,192	-	9,192
Other receipts				
Bad debt collection	265	273	100	173
Penalties	29,550	28,354	27,000	1,354
Reimbursed expense	3,549	3,486	-	3,486
Miscellaneous	35,543	43,674	15,200	28,474
<b>Total Receipts</b>	<u>7,199,593</u>	<u>4,269,972</u>	<u>\$ 4,406,300</u>	<u>\$ [136,328]</u>
<b>Expenditures</b>				
Treatment				
Personal services	209,694	179,200	\$ 157,860	\$ 21,340
Contractual services	466,478	706,343	321,700	384,643
Commodities	361,790	414,761	350,000	64,761
Capital outlay	53,678	108	250,500	[250,392]
<b>Total treatment</b>	<u>1,091,640</u>	<u>1,300,412</u>	<u>1,080,060</u>	<u>220,352</u>
Distribution				
Personal services	332,610	298,056	375,681	[77,625]
Contractual services	102,975	208,571	96,600	111,971
Commodities	245,917	141,740	159,200	[17,460]
Capital outlay	53,720	14,228	1,000,500	[986,272]
<b>Total distribution</b>	<u>735,222</u>	<u>662,595</u>	<u>1,631,981</u>	<u>[969,386]</u>
Environmental				
Personal services	186,044	204,824	249,542	[44,718]
Contractual services	28,156	19,094	17,500	1,594
Commodities	2,410	3,891	5,700	[1,809]
Capital outlay	5,025	3,368	9,200	[5,832]
<b>Total environmental</b>	<u>221,635</u>	<u>231,177</u>	<u>281,942</u>	<u>[50,765]</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Administration				
Personal services	\$ 8,795	\$ 11,565	\$ 8,500	\$ 3,065
Contractual services	54,064	50,442	53,200	[2,758]
Commodities	13,387	15,380	17,700	[2,320]
Capital outlay	24,460	30,213	24,500	5,713
Total administration	<u>100,706</u>	<u>107,600</u>	<u>103,900</u>	<u>3,700</u>
Debt service				
Revolving loans				
Principal	463,549	893,734	893,986	[252]
Interest	489,157	520,009	520,157	[148]
Agency fees	72,148	76,788	96,810	[20,022]
Operating transfers to				
General Fund	400,000	400,000	400,000	-
Capital Improvements Reserve Fund	2,394,516	-	-	-
Bond and Interest Fund	75,000	75,000	75,000	-
Total Expenditures	<u>6,043,573</u>	<u>4,267,315</u>	<u>\$ 5,083,836</u>	<u>\$ [816,521]</u>
Receipts Over [Under] Expenditures	1,156,020	2,657		
Unencumbered Cash, Beginning	<u>3,098,280</u>	<u>4,254,300</u>		
Unencumbered Cash, Ending	<u>\$ 4,254,300</u>	<u>\$ 4,256,957</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Charges for services				
Wastewater receipts	\$ 1,950,943	\$ 1,948,769	\$ 2,100,000	\$ [151,231]
Use of money and property				
Interest	50,848	62,637	25,000	37,637
Sale of assets	-	92	-	92
Other receipts				
Penalties	20,247	19,633	19,500	133
Miscellaneous	1,564	21,933	10,000	11,933
<b>Total Receipts</b>	<u>2,023,796</u>	<u>2,053,064</u>	<u>\$ 2,154,500</u>	<u>\$ [101,436]</u>
<b>Expenditures</b>				
<b>Treatment</b>				
Personal services	180,196	204,629	\$ 204,543	\$ 86
Contractual services	134,940	178,790	196,700	[17,910]
Commodities	91,382	69,548	107,500	[37,952]
Capital outlay	18,176	29,861	30,000	[139]
<b>Total treatment</b>	<u>424,694</u>	<u>482,828</u>	<u>538,743</u>	<u>[55,915]</u>
<b>Collections</b>				
Personal services	183,657	126,454	168,729	[42,275]
Contractual services	32,059	319,457	22,900	296,557
Commodities	57,553	44,956	45,050	[94]
Capital outlay	-	146,839	1,385,000	[1,238,161]
<b>Total collections</b>	<u>273,269</u>	<u>637,706</u>	<u>1,621,679</u>	<u>[983,973]</u>
<b>Environmental</b>				
Personal services	156,985	169,600	213,241	[43,641]
Contractual services	79	100	100	-
<b>Total environmental</b>	<u>157,064</u>	<u>169,700</u>	<u>213,341</u>	<u>[43,641]</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Administration				
Personal services	\$ 7,527	\$ 6,939	\$ 4,900	\$ 2,039
Contractual services	12,566	13,372	12,100	1,272
Commodities	8,056	9,240	9,900	[660]
Capital outlay	<u>15,586</u>	<u>19,721</u>	<u>16,500</u>	<u>3,221</u>
Total administration	<u>43,735</u>	<u>49,272</u>	<u>43,400</u>	<u>5,872</u>
Operating transfers to				
General Fund	550,000	550,000	550,000	-
Bond and Interest Fund	75,000	75,000	75,000	-
Stormwater Utility Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>1,573,762</u>	<u>2,014,506</u>	<u>\$ 3,092,163</u>	<u>\$ [1,077,657]</u>
Receipts Over [Under] Expenditures	450,034	38,558		
Unencumbered Cash, Beginning	<u>3,517,568</u>	<u>3,967,602</u>		
Unencumbered Cash, Ending	<u>\$ 3,967,602</u>	<u>\$ 4,006,160</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Charges for services				
Sanitation fees	\$ 1,467,511	\$ 1,412,566	\$ 1,500,000	\$ [87,434]
Service fees	17,256	15,941	7,000	8,941
Intergovernmental				
State grant	2,569	7,706	-	7,706
Use of money and property				
Interest	13,196	17,775	6,000	11,775
Sale of assets	-	919	-	919
Other receipts				
Penalties	14,779	14,405	14,500	[95]
Reimbursed expense	-	-	-	-
Miscellaneous	161	46	200	[154]
<b>Total Receipts</b>	<u>1,515,472</u>	<u>1,469,358</u>	<u>\$ 1,527,700</u>	<u>\$ [58,342]</u>
<b>Expenditures</b>				
General utility services				
Personal services	331,714	433,195	\$ 490,536	\$ [57,341]
Contractual services	299,358	347,382	308,550	38,832
Commodities	148,836	154,646	140,550	14,096
Capital outlay	39,400	65,425	330,500	[265,075]
<b>Total general utility services</b>	<u>819,308</u>	<u>1,000,648</u>	<u>1,270,136</u>	<u>[269,488]</u>
Administration				
Personal services	225,906	100,356	156,858	[56,502]
Contractual services	12,388	13,116	11,925	1,191
Commodities	5,391	6,189	6,600	[411]
Capital outlay	10,129	12,544	12,000	544
<b>Total administration</b>	<u>253,814</u>	<u>132,205</u>	<u>187,383</u>	<u>[55,178]</u>
Operating transfers to				
General Fund	200,000	200,000	200,000	-
<b>Total Expenditures</b>	<u>1,280,686</u>	<u>1,332,853</u>	<u>\$ 1,657,519</u>	<u>\$ [324,666]</u>
Receipts Over [Under] Expenditures	234,786	136,505		
Unencumbered Cash, Beginning	<u>759,010</u>	<u>993,796</u>		
Unencumbered Cash, Ending	<u>\$ 993,796</u>	<u>\$ 1,130,301</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, 2019  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Charges for services				
Stormwater receipts	\$ 187,955	\$ 185,914	\$ 190,000	\$ [4,086]
Intergovernmental				
Federal grant - FEMA	38,809	-	-	-
Use of money and property				
Interest	5,203	4,453	3,500	953
Other receipts				
Penalties	2,155	2,096	2,100	[4]
Miscellaneous	92	11	-	11
Operating transfers from				
Sewer Utility Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b>Total Receipts</b>	<u>284,214</u>	<u>242,474</u>	<u>\$ 245,600</u>	<u>\$ [3,126]</u>
<b>Expenditures</b>				
General utility services				
Personal services	165,489	146,122	\$ 191,684	\$ [45,562]
Contractual services	42,800	28,359	22,000	6,359
Commodities	19,210	15,260	14,100	1,160
Capital outlay	<u>231,642</u>	<u>114,173</u>	<u>252,000</u>	<u>[137,827]</u>
<b>Total Expenditures</b>	<u>459,141</u>	<u>303,914</u>	<u>\$ 479,784</u>	<u>\$ [175,870]</u>
Receipts Over [Under] Expenditures	[174,927]	[61,440]		
Unencumbered Cash, Beginning	<u>382,444</u>	<u>207,517</u>		
Unencumbered Cash, Ending	<u>\$ 207,517</u>	<u>\$ 146,077</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, 2019

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Municipal Court	\$ 17,625	\$ 78,379	\$ 89,829	\$ 6,175
Drug Task Force	<u>37,808</u>	<u>1,281</u>	<u>39,089</u>	<u>-</u>
	<u>\$ 55,433</u>	<u>\$ 79,660</u>	<u>\$ 128,918</u>	<u>\$ 6,175</u>

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