

**CITY OF NEODESHA, KANSAS**

Independent Auditors' Report and  
Financial Statement with  
Supplementary Information

For the Year Ended December 31, 2020

**CITY OF NEODESHA, KANSAS**

December 31, 2020

**TABLE OF CONTENTS**

	<u>PAGE NUMBER</u>
Independent Auditors' Report .....	1-3
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis.....	4-5
Notes to Financial Statement .....	6-16
 SUPPLEMENTARY INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget Regulatory Basis - (Budgeted Funds Only) .....	17
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis (with Comparative Actual Amounts for the Prior Year)	
General Fund .....	18-20
Industrial Development Fund.....	21
Library Fund .....	22
Tort Liability Fund .....	23
Employee Benefits Fund .....	24
Special Highway Fund .....	25
Special Parks and Recreation Fund .....	26
Equipment Reserve Fund .....	27
Wilson Medical Center Bond Payment Fund .....	28
Swimming Pool Bond and Interest Fund .....	29
Raw Water Project Fund.....	30
CDBG Gas Project Fund.....	31
Electric Utility Fund .....	32
Electric Utility Reserve Fund .....	33
Gas Utility Fund .....	34
Gas Utility Reserve Fund.....	35
Water Utility Fund .....	36
Water Utility Reserve Fund .....	37
Sewer Utility Fund .....	38
Sewer Utility Reserve Fund .....	39
Solid Waste Utility Fund .....	40
Solid Waste Utility Reserve Fund .....	41
Storm Water Utility Fund .....	42
Storm Water Utility Reserve Fund .....	43

**TABLE OF CONTENTS**  
(Continued)

	<u>PAGE NUMBER</u>
<u>Schedule 3</u>	
Schedule of Cash Receipts and Cash Disbursements- Agency Funds – Regulatory Basis.....	44
Schedule of Expenditures of Federal Awards.....	45-46
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standard</i> .....	47-48
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	49-50
Schedule of Findings and Questioned Costs .....	51
Summary Schedule of Prior Audit Findings .....	52

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Commission  
City of Neodesha, Kansas

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

***Management's Responsibility for the Financial Statement***

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

***Auditors' 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Neodesha 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 of Neodesha as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Neodesha 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, schedule of regulatory basis receipts and expenditures-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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. 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.

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 Neodesha as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated July 1, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to

the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note 1.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2021, on our consideration of the City of Neodesha, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Neodesha, Kansas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Neodesha, Kansas' internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

July 23, 2021  
Chanute, Kansas

**CITY OF NEODESHA, KANSAS**  
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
 For the Year Ended December 31, 2020

Funds	Beginning		Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2020
	Unencumbered Cash Balance	Unencumbered Cash Balance					
General	\$ 2,732.25	\$ 2,454,903.63	\$ 2,366,480.85	\$ 91,155.03	\$ 118,950.81	\$ 210,105.84	
Special Purpose Funds:							
Industrial Development	54,518.87	66,472.22	75,000.00	45,991.09	1,546.00	47,537.09	
Library	8,873.32	90,578.69	90,578.69	8,873.32	-	8,873.32	
Tort Liability	43,815.75	-	-	43,815.75	-	43,815.75	
Employee Benefits	282,914.98	494,873.50	536,005.48	241,783.00	-	241,783.00	
Special Highway	45,165.40	59,501.91	-	104,667.31	-	104,667.31	
Special Parks and Recreation	49,647.47	2,726.19	-	52,373.66	-	52,373.66	
Equipment Reserve	345,192.51	67.42	225,619.19	119,640.74	-	119,640.74	
Bond and Interest Funds:							
Wilson Medical Center Bond Payment	465.50	77,397.50	77,397.50	465.50	-	465.50	
Swimming Pool Bond and Interest	406,466.57	-	118,548.29	287,918.28	60.00	287,978.28	
Capital Projects Fund:							
Raw Water Project	3,372,618.10	7,503,320.81	9,904,187.54	971,751.37	478,818.50	1,450,569.87	
CDBG Gas Project	(107,211.58)	2,056,643.80	1,501,126.96	448,305.26	333,033.37	781,338.63	
Business Funds:							
Electric Utility	13,787.00	3,383,447.52	3,055,718.72	341,515.80	19,904.19	361,419.99	
Electric Utility Reserve	125,000.00	-	-	125,000.00	-	125,000.00	
Gas Utility	48,156.69	1,828,076.95	1,453,160.09	423,073.55	106,119.65	529,193.20	
Gas Utility Reserve	50,000.00	50,000.00	-	100,000.00	-	100,000.00	
Water Utility	42,401.48	693,144.89	575,488.78	160,057.59	13,147.25	173,204.84	
Water Utility Reserve	20,924.00	-	-	20,924.00	-	20,924.00	
Sewer Utility	170,955.18	394,213.73	279,074.01	286,094.90	9,860.46	295,955.36	
Sewer Utility Reserve	45,559.57	-	-	45,559.57	-	45,559.57	
Solid Waste Utility	60,909.03	220,483.73	180,417.12	100,975.64	3,608.68	104,584.32	
Solid Waste Utility Reserve	58,259.00	-	-	58,259.00	-	58,259.00	
Storm Water Utility	62,010.54	44,587.92	21,174.50	85,423.96	-	85,423.96	
Storm Water Utility Reserve	12,891.00	-	-	12,891.00	-	12,891.00	
Total Reporting Entity (Excluding Agency Funds)	\$ 5,216,052.63	\$ 19,420,440.41	\$ 20,459,977.72	\$ 4,176,515.32	\$ 1,085,048.91	\$ 5,261,564.23	

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

**Statement 1 (Continued)**

**CITY OF NEODESHA, KANSAS**

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

Total Cash to be accounted for:	\$	5,261,564.23
<hr/>		
Composition of Cash:		
Cash on Hand .....	\$	500.00
Checking and Savings Accounts		
First Neodesha Bank		
Petty Cash .....		137.48
Flexi-Vest Account .....		1,580,640.04
Operating Checking Account .....		651,998.05
Fire Insurance Proceeds Account .....		18,615.57
Raw Water Project Bond Account .....		1,417,527.37
CDBG Project Account .....		814,381.13
Employee Benefits Account .....		241,783.00
Emergency Equipment Reserve Account .....		100,259.93
Certificates of Deposit		
Equity Bank .....		101,509.10
First Neodesha Bank .....		200,000.00
Community National Bank .....		200,001.10
Total Cash		<hr/> 5,327,352.77
Less: Agency Funds Per Schedule 3 .....		(65,788.54)
		<hr/>
Total Reporting Entity (Excluding Agency Funds) .....	\$	<hr/> 5,261,564.23 <hr/>

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



## CITY OF NEODESHA, KANSAS

Notes to Financial Statement  
For the Year Ended December 31, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Neodesha, 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 accounting principles generally accepted in the United States of America.

#### Financial Reporting Entity

The City of Neodesha, Kansas, is a municipal corporation governed by an elected three-member commission. This financial statement presents the City of Neodesha.

*Related Municipal Entities:* 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:

#### Neodesha Public Library

The City of Neodesha Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Separate financial statements are not prepared.

#### The Housing Authority of the City of Neodesha, Kansas

The Housing Authority of the City of Neodesha, Kansas operates the City's housing projects with a March 31<sup>st</sup> year end. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Housing Authority's financial statements should be included with the City's financial statements. However, the statements are omitted in an apparent departure from generally accepted accounting principles. A copy of the financial statements can be obtained from the Housing Authority.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 Neodesha, 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.

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.

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 (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.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, or the State of Kansas Police and Fire Retirement System, both of which are a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 1 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 the 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 1 of the ensuing year. Consequently, for the 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.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. 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.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following 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 local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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 did not amend their budget.

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 the individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Budgetary Information (Continued)

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, and the following special purpose funds:

- Employee Benefits Fund

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

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in compliance with Kansas cash basis and budget laws.

The City was in apparent violation of K.S.A. 10-130, which requires bond payments to be remitted to the state fiscal agency at least 20 days before the redemption of such bonds and the payment of the interest thereon. One bond payment was received by the Office of the State Treasurer 15 days prior to the redemption date.

The City was in apparent violation of K.S.A. 12-1608 which requires the treasurer of second class cities to publish quarterly statements showing the total amount received into each fund and the total amount expended from each fund and the cash balances of each fund at the beginning and close of each quarter. Such quarterly statements shall show the amount of outstanding registered warrants, temporary notes, bonds and all other obligations and liabilities of the city. The quarterly statements shall be published within 30 days after the quarter ending in March, June, September and December of each year in the official city newspaper. The first and fourth quarterly statements were not published within the 30 day requirement.

**3. DEPOSITS AND INVESTMENTS**

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main 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 banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

*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.

*Deposits:* At year-end, the City's carrying amount of deposits was \$5,326,852.77 and the bank balance was \$5,370,998.99. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$801,510.20 was covered by FDIC insurance and \$4,569,488.79 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**4. OPERATING LEASES**

The City has entered into several operating leases for various equipment. Rent expense for the year ended December 31, 2020, was \$3,030.96. Under the current lease agreement, the future minimum rental payments are as follows:

2021	\$ 3,030.96
2022	3,030.96
2023	1,515.48

## 5. CAPITAL LEASES

The City has entered into a capital lease agreement dated February 27, 2017, to finance the purchase of a 2002 Sutphen Ladder Truck at a cost of \$25,000.00. The City agreed to make annual payments of interest and annual payments of principal, including imputed interest at 1.62%.

2021	\$	5,263.38
2022		<u>5,263.38</u>
Total Net Minimum Lease Payments		10,526.76
Less: Imputed Interest		<u>(246.60)</u>
Net Present Value		10,280.16
Less: Current Maturities		<u>(5,095.53)</u>
Long-Term Capital Lease Obligations	\$	<u>5,184.63</u>

The City has entered into a capital lease agreement dated September 12, 2018 to finance the purchase of a 2018 Street Sweeper at a cost of \$167,070.00. The City agreed to make annual payments of interest and annual payments of principal, including imputed interest at 2.95%.

2021	\$	36,087.48
2022		36,087.48
2023		<u>35,974.81</u>
Total Net Minimum Lease Payments		108,149.77
Less: Imputed Interest		<u>(5,989.85)</u>
Net Present Value		102,159.92
Less: Current Maturities		<u>(33,027.21)</u>
Long-Term Capital Lease Obligations	\$	<u>69,132.71</u>

The City has entered into a capital lease agreement dated January 24, 2020 to finance the purchase of a 2020 Trash Truck at a cost of \$111,035.00. The City agreed to make annual payments of interest and annual payments of principal, including imputed interest at 2.51%.

2021	\$	38,887.61
2022		38,887.61
2023		<u>38,887.60</u>
Total Net Minimum Lease Payments		116,662.82
Less: Imputed Interest		<u>(5,627.82)</u>
Net Present Value		111,035.00
Less: Current Maturities		<u>(36,093.00)</u>
Long-Term Capital Lease Obligations	\$	<u>74,942.00</u>

**6. LONG-TERM DEBT**

Changes in long-term debt for the City for the year ended December 31, 2020, were as follows

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>									
<b>Paid with Tax Levies</b>									
<b>General Improvement</b>									
Bonds, Series 2008 - A	3.00% to 4.35%	September 2, 2008	\$ 870,000.00	October 1, 2023	\$ 285,000.00	\$ -	\$ 65,000.00	\$ 220,000.00	\$ 12,397.50
Bonds, Series 2020	1.50%	September 28, 2020	7,000,000.00	September 28, 2060	-	7,000,000.00	-	7,000,000.00	-
<b>Temporary Notes</b>									
2017B - Water Improvements	1.60%	October 26, 2017	2,250,000.00	November 1, 2019	2,250,000.00	-	2,250,000.00	-	36,203.13
2018B - Water Improvements	2.65%	December 4, 2018	4,750,000.00	December 1, 2020	4,750,000.00	-	4,750,000.00	-	229,721.88
2020A - Gas Improvements	2.73%	March 11, 2020	1,766,000.00	October 1, 2021	-	1,766,000.00	-	1,766,000.00	-
<b>Capital Lease</b>									
2002 Sutphen Ladder Truck	1.62%	February 27, 2017	25,000.00	May 15, 2022	15,293.86	-	5,013.70	10,280.16	249.68
2020 Trash Truck	2.51%	January 24, 2020	111,035.00	January 24, 2023	-	111,035.00	-	111,035.00	-
2018 Street Sweeper	2.95%	September 12, 2018	167,070.00	May 15, 2023	134,340.25	-	32,180.33	102,159.92	3,907.15
					<u>\$ 7,434,634.11</u>	<u>\$ 8,877,035.00</u>	<u>\$ 7,102,194.03</u>	<u>\$ 9,209,475.08</u>	<u>\$ 282,479.34</u>
<b>Total Contractual Indebtedness</b>									

**6. LONG-TERM DEBT (Continued)**

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

Issue	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2040
<b>Principal</b>								
General Obligation Bonds								
Paid with Tax Levies								
General Improvement								
Bonds, Series 2008 - A	\$ 75,000.00	\$ 75,000.00	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds, Series 2020	129,010.00	130,945.15	132,909.33	134,631.44	136,922.44	715,786.49	771,126.64	830,573.82
Temporary Notes								
2020A - Gas Improvements	1,766,000.00	-	-	-	-	-	-	-
Capital Lease								
2002 Surphen Ladder Truck	5,095.53	5,184.63	-	-	-	-	-	-
2020 Trash Truck	36,093.00	37,006.57	37,935.43	-	-	-	-	-
2018 Street Sweeper	33,027.21	34,015.47	35,117.24	-	-	-	-	-
Total Principal Payments	2,044,225.74	282,151.82	275,962.00	134,631.44	136,922.44	715,786.49	771,126.64	830,573.82
<b>Interest</b>								
General Obligation Bonds								
Paid with Tax Levies								
General Improvement								
Bonds, Series 2008 - A	9,570.00	6,525.00	3,262.50	-	-	-	-	-
Bonds, Series 2020	105,000.00	103,064.85	101,100.67	99,378.56	97,087.56	454,263.51	398,923.36	339,476.18
Temporary Notes								
2020A - Gas Improvements	75,893.19	-	-	-	-	-	-	-
Capital Lease								
2002 Surphen Ladder Truck	167.85	78.75	-	-	-	-	-	-
2020 Trash Truck	2,794.61	1,881.04	952.17	-	-	-	-	-
2018 Street Sweeper	3,060.27	2,072.01	857.57	-	-	-	-	-
Total Interest Payments	196,485.92	113,621.65	106,172.91	99,378.56	97,087.56	454,263.51	398,923.36	339,476.18
<b>Total Principal and Interest</b>	<b>\$ 2,240,711.66</b>	<b>\$ 395,773.47</b>	<b>\$ 382,134.91</b>	<b>\$ 234,010.00</b>	<b>\$ 234,010.00</b>	<b>\$ 1,170,050.00</b>	<b>\$ 1,170,050.00</b>	<b>\$ 1,170,050.00</b>
<b>Issue</b>	<b>2041-2045</b>	<b>2046-2050</b>	<b>2051-2055</b>	<b>2056-2060</b>	<b>Total</b>			
<b>Principal</b>								
General Obligation Bonds								
Paid with Tax Levies								
General Improvement								
Bonds, Series 2008 - A	\$ -	\$ -	\$ -	\$ -	\$ 220,000.00			
Bonds, Series 2020	895,002.01	964,200.62	1,038,750.05	1,120,142.01	7,000,000.00			
Temporary Notes								
2020A - Gas Improvements	-	-	-	-	1,766,000.00			
Capital Lease								
2002 Surphen Ladder Truck	-	-	-	-	10,280.16			
2020 Trash Truck	-	-	-	-	111,035.00			
2018 Street Sweeper	-	-	-	-	102,159.92			
Total Principal Payments	895,002.01	964,200.62	1,038,750.05	1,120,142.01	9,209,475.08			
<b>Interest</b>								
General Obligation Bonds								
Paid with Tax Levies								
General Improvement								
Bonds, Series 2008 - A	-	-	-	-	19,357.50			
Bonds, Series 2020	275,047.99	205,849.38	131,299.95	50,995.44	2,361,487.45			
Temporary Notes								
2020A - Gas Improvements	-	-	-	-	75,893.19			
Capital Lease								
2002 Surphen Ladder Truck	-	-	-	-	246.60			
2020 Trash Truck	-	-	-	-	5,627.82			
2018 Street Sweeper	-	-	-	-	5,989.85			
Total Interest Payments	275,047.99	205,849.38	131,299.95	50,995.44	2,468,602.41			
<b>Total Principal and Interest</b>	<b>\$ 1,170,050.00</b>	<b>\$ 1,170,050.00</b>	<b>\$ 1,170,050.00</b>	<b>\$ 1,171,137.45</b>	<b>\$ 11,678,077.49</b>			



## **7. DEFINED BENEFIT PENSION PLAN**

### General Information about the 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 publically 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, 2017. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate (for the Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$213,756.66 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 \$2,016,482.00. 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 nonemployer 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.

**8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*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, 2020.

*Compensated Absences:*

Regular employees earn and accumulate vacation leave as follows:

After 1 full year of employment	- 10 Days
After 5 full years of employment	- 12 Days
After 10 full years of employment	- 15 Days
After 15 full years of employment	- 20 Days
After 20 full years of employment	- 25 Days
After 25 full years of employment	- 30 Days

Vacation is not earned for partial years worked. Vacation days may be carried over at the discretion of the City Administrator if not used during the year earned.

Regular employees earn and accumulate sick leave from the beginning of employment at the rate of one day per month worked. Sick leave may be accumulated to a maximum without limit. Any unused sick leave at date of termination is lost. Employees employed prior to October 1985 will be paid for their unused sick leave upon retirement from the City only.

The City accrues a liability for compensated absences which meet the following criteria:

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 and, is material.

In accordance with the above criteria, the City has estimated a liability for annual leave which has been earned, but not taken, by City employees. The estimated liability for accrued annual leave at December 31, 2020, was \$131,707.05. The City has not estimated a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated.

*Other Post Employment Benefits:*

As provided by K.S.A. 12-5040, the local government 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 the level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The Premium is paid in full by the insured. There is no cost the City under this program.

**9. CAPITAL PROJECTS**

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

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/20</u>	<u>ESTIMATED COMPLETION</u>
Raw Water Treatment Plant	\$ 8,244,000.00	\$ 7,574,341.21	2021
CDBG Gas Project	2,366,719.00	1,568,965.74	2021

**10. 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.

**11. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Electric Utility	General	K.S.A. 12-825d	\$ 150,000.00
Sewer Utility	General	K.S.A. 12-825d	50,000.00
Gas Utility	General	K.S.A. 12-825d	270,000.00
Gas Utility	Gas Utility Reserve	K.S.A. 12-825d	50,000.00

**12. CONTINGENCIES**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2020. Future potential impacts include a decline in sales tax collections and utility collections. Our results of operations for full year 2021 may be materially adversely affected.

**13. SUBSEQUENT EVENTS**

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement.

However, due to a stretch of extreme cold temperatures and an energy shortage causing extreme price spikes, the City received an electric bill for the amount of \$914,929.39 and a gas bill for the amount of \$215,156.80 in 2021 that they paid with using the low interest loan from the state in the amount of \$825,000.00, with the remaining amounts paid for using funds held in reserves.

To build a new Police Building, the City issued \$600,000.00 in Temporary General Obligation Bonds and also received a grant from KDOT for \$75,000.00 for the purpose of preliminary engineering on the Safe Routes to School, Phase two Project.

The City also issued IRB’s in the amount of \$1,600,000.00 to Sicut Enterprises.

## **SUPPLEMENTARY INFORMATION**

**Schedule 1**

**CITY OF NEODESHA, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2020

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General	\$ 2,998,335.00	\$ -	\$ 2,998,335.00	\$ 2,366,480.85	\$ (631,854.15)
Special Purpose Funds:					
Industrial Development	75,000.00	-	75,000.00	75,000.00	-
Library	99,650.00	-	99,650.00	90,578.69	(9,071.31)
Tort	43,816.00	-	43,816.00	-	(43,816.00)
Special Highway	72,000.00	-	72,000.00	-	(72,000.00)
Special Parks and Recreation	35,000.00	-	35,000.00	-	(35,000.00)
Bond and Interest Funds:					
Wilson Medical Center Bond Payment	85,000.00	-	85,000.00	77,397.50	(7,602.50)
Swimming Pool Bond and Interest	228,164.00	-	228,164.00	118,548.29	(109,615.71)
Business Funds:					
Electric Utility	4,238,604.00	-	4,238,604.00	3,055,718.72	(1,182,885.28)
Gas Utility	2,133,601.00	-	2,133,601.00	1,453,160.09	(680,440.91)
Water Utility	711,869.00	-	711,869.00	575,488.78	(136,380.22)
Sewer Utility	437,775.00	-	437,775.00	279,074.01	(158,700.99)
Solid Waste Utility	247,574.00	-	247,574.00	180,417.12	(67,156.88)
Storm Water Utility	69,050.00	-	69,050.00	21,174.50	(47,875.50)

**CITY OF NEODESHA, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
<b>Taxes and Shared Receipt</b>				
Ad Valorem Property Tax	\$ 491,650.09	\$ 513,484.55	\$ 564,820.00	\$ (51,335.45)
Delinquent Tax	44,348.53	41,981.64	35,000.00	6,981.64
Motor Vehicle Tax	77,648.63	87,825.51	78,262.00	9,563.51
Recreational Vehicle Tax	981.23	1,491.05	1,224.00	267.05
16/20M Vehicle Tax	369.51	362.62	314.00	48.62
Commercial Vehicle Tax	2,710.77	2,865.53	3,752.00	(886.47)
Neighborhood Revitalization Rebate	-	(2,538.84)	-	(2,538.84)
Sales Tax	277,868.23	279,833.62	240,000.00	39,833.62
911 Tax	1,320.00	1,118.84	1,500.00	(381.16)
Sales Tax-Wilson Co. Hospital	277,868.17	279,833.59	240,000.00	39,833.59
Weeds & Demolition Tax	7,286.90	5,915.31	4,000.00	1,915.31
Local Alcoholic Liquor Tax	2,321.01	2,726.22	3,505.00	(778.78)
Ambulance Tax Levy	137,799.96	166,300.03	163,000.00	3,300.03
<b>Intergovernmental</b>				
CRF Grant	-	55,216.31	-	55,216.31
CARES Grant	-	13,158.48	-	13,158.48
Click-It or Ticket Grant	-	954.76	-	954.76
State KRAF Grant	-	17,626.70	-	17,626.70
Fines, Forfeitures, and Penalties	45,344.06	43,811.58	40,000.00	3,811.58
<b>Charges for Services</b>				
Ambulance Fees	240,449.23	257,400.63	250,000.00	7,400.63
Fire Department Fees	15,529.23	16,471.86	16,000.00	471.86
Cemetery Fees	7,979.39	6,500.00	10,000.00	(3,500.00)
Utility Transfer Fees	2,000.00	1,605.00	2,000.00	(395.00)
Swimming Pool	38,150.08	36,006.99	36,000.00	6.99
<b>Licenses and Permits</b>				
Dog Tags	2,635.00	1,135.00	2,500.00	(1,365.00)
Franchises & Licenses	21,140.31	21,955.27	20,000.00	1,955.27
<b>Use of Money and Property</b>				
Interest Income	1,114.28	1,815.64	1,000.00	815.64
Oil Royalties	6,282.54	5,182.98	7,000.00	(1,817.02)
Rental Income	40,846.50	58,272.25	46,600.00	11,672.25
Sale of Property	26,700.00	11,835.00	20,000.00	(8,165.00)
<b>Other Receipts</b>				
Miscellaneous	42,044.94	37,818.86	-	37,818.86
Reimbursed Expense	8,420.93	16,936.65	-	16,936.65
<b>Operating Transfers from:</b>				
Electric Utility Fund	540,000.00	150,000.00	500,000.00	(350,000.00)
Sewer Utility Fund	50,000.00	50,000.00	100,000.00	(50,000.00)
Gas Utility Fund	215,000.00	270,000.00	550,000.00	(280,000.00)
Storm Water Utility Fund	-	-	20,000.00	(20,000.00)
<b>Total Receipts</b>	<b>2,625,809.52</b>	<b>2,454,903.63</b>	<b>\$ 2,956,477.00</b>	<b>\$ (501,573.37)</b>

**CITY OF NEODESHA, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Expenditures</b>				
<b>General Administration</b>				
Personal Services	\$ 33,838.05	\$ 34,655.44	\$ 60,390.00	\$ (25,734.56)
Contractual Services	25,690.19	35,354.91	39,275.00	(3,920.09)
Commodities	13,058.20	3,600.20	13,000.00	(9,399.80)
Capital Outlay	17,271.72	21,195.58	30,000.00	(8,804.42)
<b>Police</b>				
Personal Services	479,461.08	506,354.86	626,949.00	(120,594.14)
Contractual Services	35,785.67	42,452.90	39,100.00	3,352.90
Commodities	42,525.96	21,569.20	52,500.00	(30,930.80)
Capital Outlay	55,768.12	21,948.03	19,000.00	2,948.03
<b>Swimming Pool</b>				
Personal Services	60,292.54	-	-	-
Contractual Services	3,911.32	551.18	-	551.18
Commodities	23,168.53	364.00	-	364.00
<b>Fire</b>				
Personal Services	296,040.29	262,279.93	245,444.00	16,835.93
Contractual Services	37,732.41	29,879.80	41,600.00	(11,720.20)
Commodities	23,510.82	18,255.99	36,700.00	(18,444.01)
Capital Outlay	29,379.43	5,969.87	56,384.00	(50,414.13)
<b>Street</b>				
Personal Services	251,943.43	226,636.58	226,883.00	(246.42)
Contractual Services	19,960.61	24,191.08	44,900.00	(20,708.92)
Commodities	43,909.70	23,575.79	48,950.00	(25,374.21)
Capital Outlay	-	-	31,500.00	(31,500.00)
<b>Airport</b>				
Contractual Services	4,060.30	5,526.37	4,150.00	1,376.37
Commodities	5,669.58	5,993.53	16,500.00	(10,506.47)
<b>Ambulance</b>				
Personal Services	406,398.03	413,142.72	569,483.00	(156,340.28)
Contractual Services	31,656.98	32,411.28	35,400.00	(2,988.72)
Commodities	29,033.74	28,721.35	33,000.00	(4,278.65)
Capital Outlay	26,415.51	38,010.49	109,576.00	(71,565.51)
<b>Municipal Court</b>				
Personal Services	10,909.69	11,626.20	6,900.00	4,726.20
Commodities	500.00	152.29	5,000.00	(4,847.71)
<b>Parks &amp; Facilities</b>				
Personal Services	109,642.60	113,492.34	132,382.00	(18,889.66)
Contractual Services	96,097.65	65,497.90	100,400.00	(34,902.10)
Commodities	27,632.04	19,022.59	47,050.00	(28,027.41)
Capital Outlay	74,404.55	29,893.87	22,500.00	7,393.87
<b>Norman #1 Museum</b>				
Personal Services	6,026.26	-	7,519.00	(7,519.00)
Contractual Services	270.00	455.00	3,500.00	(3,045.00)
Commodities	870.96	347.45	1,000.00	(652.55)
Capital Outlay	-	-	5,400.00	(5,400.00)

**CITY OF NEODESHA, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Service Improvements				
Contractual Services	\$ 6,247.37	\$ 15,346.30	\$ 36,000.00	\$ (20,653.70)
Wilson Medical Center				
Contractual Services	244,319.35	300,978.34	240,000.00	60,978.34
Economic Development				
Personal Services	-	1,764.11	-	1,764.11
Ambulance				
Capital Lease Payments	44,576.52	-	-	-
Ladder Truck				
Capital Lease Payments	5,263.38	5,263.38	10,000.00	(4,736.62)
Total Expenditures	<u>2,623,242.58</u>	<u>2,366,480.85</u>	<u>\$ 2,998,335.00</u>	<u>\$ (631,854.15)</u>
Receipts Over(Under) Expenditures	2,566.94	88,422.78		
Unencumbered Cash, Beginning	<u>165.31</u>	<u>2,732.25</u>		
Unencumbered Cash, Ending	<u>\$ 2,732.25</u>	<u>\$ 91,155.03</u>		



**CITY OF NEODESHA, KANSAS**  
**INDUSTRIAL DEVELOPMENT FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 40,374.60	\$ 57,191.81	\$ 62,847.00	\$ (5,655.19)
Delinquent Tax	1,899.84	2,518.25	1,000.00	1,518.25
Motor Vehicle Tax	3,117.82	6,658.17	6,423.00	235.17
Recreational Vehicle Tax	39.39	115.96	100.00	15.96
16/20M Vehicle Tax	17.50	14.55	26.00	(11.45)
Commercial Vehicle Tax	108.85	235.00	308.00	(73.00)
Neighborhood Revitalization Rebate	-	(282.52)	-	(282.52)
Other Receipts				
Miscellaneous	(50.00)	21.00	-	21.00
<b>Total Receipts</b>	<b>45,508.00</b>	<b>66,472.22</b>	<b>\$ 70,704.00</b>	<b>\$ (4,231.78)</b>
<b>Expenditures</b>				
General Government				
Personal Services	-	12,499.93	\$ 40,000.00	\$ (27,500.07)
Contractual Services	991.10	881.31	20,000.00	(19,118.69)
Commodities	-	-	15,000.00	(15,000.00)
Economic Development	5,407.47	61,618.76	-	61,618.76
<b>Total Expenditures</b>	<b>6,398.57</b>	<b>75,000.00</b>	<b>\$ 75,000.00</b>	<b>\$ -</b>
Receipts Over(Under) Expenditures	39,109.43	(8,527.78)		
Unencumbered Cash, Beginning	15,409.44	54,518.87		
Unencumbered Cash, Ending	\$ 54,518.87	\$ 45,991.09		

**CITY OF NEODESHA, KANSAS  
LIBRARY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 71,291.87	\$ 71,290.84	\$ 78,431.00	\$ (7,140.16)
Delinquent Tax	6,720.84	6,311.81	-	6,311.81
Motor Vehicle Tax	10,735.91	12,647.72	11,350.00	1,297.72
Recreational Vehicle Tax	135.68	215.20	178.00	37.20
16/20M Vehicle Tax	57.23	50.12	46.00	4.12
Commercial Vehicle Tax	374.81	415.55	544.00	(128.45)
Neighborhood Revitalization Rebate	-	(352.55)	-	(352.55)
Total Receipts	<u>89,316.34</u>	<u>90,578.69</u>	<u>\$ 90,549.00</u>	<u>\$ 29.69</u>
Expenditures				
Subject to Budget				
Appropriation to Library Board	<u>89,316.34</u>	<u>90,578.69</u>	<u>\$ 99,650.00</u>	<u>\$ (9,071.31)</u>
Total Expenditures	<u>89,316.34</u>	<u>90,578.69</u>	<u>\$ 99,650.00</u>	<u>\$ (9,071.31)</u>
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>8,873.32</u>	<u>8,873.32</u>		
Unencumbered Cash, Ending	<u>\$ 8,873.32</u>	<u>\$ 8,873.32</u>		

**CITY OF NEODESHA, KANSAS**  
**TORT LIABILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Other Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	\$ -	\$ -
Expenditures				
General Government				
Contractual Services	-	-	\$ 43,816.00	\$ (43,816.00)
Total Expenditures	-	-	\$ 43,816.00	\$ (43,816.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	43,815.75	43,815.75		
Unencumbered Cash, Ending	\$ 43,815.75	\$ 43,815.75		

**CITY OF NEODESHA, KANSAS**  
**EMPLOYEE BENEFITS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Revenues		
Internal Service Charges	\$ 467,797.52	\$ 494,873.50
Total Cash Receipts	467,797.52	494,873.50
Expenditures		
General Government		
Personal Services	485,809.91	535,971.59
Commodities	-	33.89
Total Expenditures	485,809.91	536,005.48
Receipts Over(Under) Expenditures	(18,012.39)	(41,131.98)
Unencumbered Cash, Beginning	300,927.37	282,914.98
Unencumbered Cash, Ending	\$ 282,914.98	\$ 241,783.00

**CITY OF NEODESHA, KANSAS**  
**SPECIAL HIGHWAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Special Highway Tax	\$ 63,338.55	\$ 59,501.91	\$ 63,140.00	\$ (3,638.09)
Total Receipts	63,338.55	59,501.91	\$ 63,140.00	\$ (3,638.09)
Expenditures				
Highways and Streets				
Contractual Services	30,226.40	-	\$ 72,000.00	\$ (72,000.00)
Total Expenditures	30,226.40	-	\$ 72,000.00	\$ (72,000.00)
Receipts Over(Under) Expenditures	33,112.15	59,501.91		
Unencumbered Cash, Beginning	12,053.25	45,165.40		
Unencumbered Cash, Ending	\$ 45,165.40	\$ 104,667.31		

**CITY OF NEODESHA, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Local Alcoholic Liquor Tax	\$ 2,321.00	\$ 2,726.19	\$ 3,505.00	\$ (778.81)
Total Receipts	2,321.00	2,726.19	\$ 3,505.00	\$ (778.81)
Expenditures				
Culture and Recreation				
Capital Outlay	-	-	\$ 35,000.00	\$ (35,000.00)
Total Expenditures	-	-	\$ 35,000.00	\$ (35,000.00)
Receipts Over(Under) Expenditures	2,321.00	2,726.19		
Unencumbered Cash, Beginning	47,326.47	49,647.47		
Unencumbered Cash, Ending	\$ 49,647.47	\$ 52,373.66		

**CITY OF NEODESHA, KANSAS**  
**EQUIPMENT RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 100.13	\$ 67.42
Operating Transfer from:		
Electric Utility Fund	50,000.00	-
Gas Utility Fund	150,000.00	-
Total Receipts	200,100.13	67.42
Expenditures		
General Government		
Capital Outlay	-	225,619.19
Total Expenditures	-	225,619.19
Receipts Over(Under) Expenditures	200,100.13	(225,551.77)
Unencumbered Cash, Beginning	145,092.38	345,192.51
Unencumbered Cash, Ending	\$ 345,192.51	\$ 119,640.74

**CITY OF NEODESHA, KANSAS**  
**WILSON MEDICAL CENTER BOND PAYMENT FUND**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Special Assessment	\$ 80,225.00	\$ 77,397.50	\$ 85,000.00	\$ (7,602.50)
Total Receipts	80,225.00	77,397.50	\$ 85,000.00	\$ (7,602.50)
Expenditures				
Debt Service				
Principal	65,000.00	65,000.00	\$ 65,000.00	\$ -
Interest	15,225.00	12,397.50	20,000.00	(7,602.50)
Total Expenditures	80,225.00	77,397.50	\$ 85,000.00	\$ (7,602.50)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	465.50	465.50		
Unencumbered Cash, Ending	\$ 465.50	\$ 465.50		



**CITY OF NEODESHA, KANSAS**  
**SWIMMING POOL BOND AND INTEREST FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Receipts				
Sales Tax	\$ 219,511.12	\$ -	\$ -	\$ -
Bond Credit Payment	6,582.41	-	-	-
<b>Total Receipts</b>	<u>226,093.53</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures</b>				
Capital Improvements				
Personal Services	-	55,570.78	\$ 77,736.00	\$ (22,165.22)
Contractual Services	43,709.00	47,000.88	124,928.00	(77,927.12)
Commodities	-	15,976.63	25,500.00	(9,523.37)
Debt Service				
Principal	200,000.00	-	-	-
Interest	10,200.00	-	-	-
<b>Total Expenditures</b>	<u>253,909.00</u>	<u>118,548.29</u>	<u>\$ 228,164.00</u>	<u>\$ (109,615.71)</u>
Receipts Over(Under) Expenditures	(27,815.47)	(118,548.29)		
Unencumbered Cash, Beginning	<u>434,282.04</u>	<u>406,466.57</u>		
Unencumbered Cash, Ending	<u>\$ 406,466.57</u>	<u>\$ 287,918.28</u>		

**CITY OF NEODESHA, KANSAS**  
**RAW WATER PROJECT FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants	\$ 502,197.14	\$ 497,802.86
Use of Money and Property		
Bond Proceeds	2,250,000.00	7,000,000.00
Interest Income	27,614.42	5,517.95
Total Receipts	<u>2,779,811.56</u>	<u>7,503,320.81</u>
Expenditures		
Capital Improvements		
Capital Outlay	2,612,500.81	2,638,257.53
Debt Service		
Principal	2,250,000.00	7,000,000.00
Interest	72,502.50	265,930.01
Total Expenditures	<u>4,935,003.31</u>	<u>9,904,187.54</u>
Receipts Over(Under) Expenditures	(2,155,191.75)	(2,400,866.73)
Unencumbered Cash, Beginning	<u>5,527,809.85</u>	<u>3,372,618.10</u>
Unencumbered Cash, Ending	<u>\$ 3,372,618.10</u>	<u>\$ 971,751.37</u>

**CITY OF NEODESHA, KANSAS**  
**CDBG GAS PROJECT FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
CDBG Grant	\$ -	\$ 290,000.00
Use of Money and Property		
Bond Proceeds	-	1,766,000.00
Interest Income	20.92	643.80
Total Receipts	20.92	2,056,643.80
Expenditures		
Capital Improvements		
Contractual Services	107,232.50	574,153.38
Commodities	-	17.55
Capital Outlay	-	926,956.03
Total Expenditures	107,232.50	1,501,126.96
Receipts Over(Under) Expenditures	(107,211.58)	555,516.84
Unencumbered Cash, Beginning	-	(107,211.58)
Unencumbered Cash, Ending	\$ (107,211.58)	\$ 448,305.26

**CITY OF NEODESHA, KANSAS**  
**ELECTRIC UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental				
CRF Grant	\$ -	\$ 4,469.76	\$ -	\$ 4,469.76
Charges for Services				
Electric Sales	3,487,452.76	3,333,955.08	4,000,000.00	(666,044.92)
Connection Fees	8,580.00	8,333.01	11,000.00	(2,666.99)
Service Fees	7,984.82	5,598.01	7,500.00	(1,901.99)
Penalties	39,578.05	30,125.81	43,000.00	(12,874.19)
Use of Money and Property				
Interest Income	1,008.50	289.96	500.00	(210.04)
Other Receipts				
Miscellaneous	8,058.28	675.89	-	675.89
<b>Total Receipts</b>	<u>3,552,662.41</u>	<u>3,383,447.52</u>	<u>\$ 4,062,000.00</u>	<u>\$ (678,552.48)</u>
<b>Expenditures</b>				
Administration				
Personal Services	179,625.66	193,701.87	\$ 204,829.00	\$ (11,127.13)
Contractual Services	65,505.86	88,866.37	75,800.00	13,066.37
Commodities	18,467.20	28,303.38	36,000.00	(7,696.62)
Capital Outlay	-	340.35	12,000.00	(11,659.65)
Distribution				
Personal Services	326,920.78	311,887.30	367,725.00	(55,837.70)
Contractual Services	69,525.06	90,478.05	287,000.00	(196,521.95)
Commodities	59,146.62	28,484.55	43,000.00	(14,515.45)
Capital Outlay	81,188.59	146,050.03	197,000.00	(50,949.97)
Production				
Contractual Services	2,146,252.70	2,017,606.82	2,515,250.00	(497,643.18)
Debt Service				
Capital Lease Payments	35,501.01	-	-	-
Operating Transfers to:				
General Fund	540,000.00	150,000.00	500,000.00	(350,000.00)
Equipment Reserve Fund	50,000.00	-	-	-
Electric Utility Reserve Fund	32,045.00	-	-	-
<b>Total Expenditures</b>	<u>3,604,178.48</u>	<u>3,055,718.72</u>	<u>\$ 4,238,604.00</u>	<u>\$ (1,182,885.28)</u>
Receipts Over(Under) Expenditures	(51,516.07)	327,728.80		
Unencumbered Cash, Beginning	65,303.07	13,787.00		
Unencumbered Cash, Ending	<u>\$ 13,787.00</u>	<u>\$ 341,515.80</u>		

**CITY OF NEODESHA, KANSAS**  
**ELECTRIC UTILITY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Electric Utility Fund	\$ 32,045.00	\$ -
Total Receipts	32,045.00	-
Expenditures		
Operating Transfers to General Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	32,045.00	-
Unencumbered Cash, Beginning	92,955.00	125,000.00
Unencumbered Cash, Ending	\$ 125,000.00	\$ 125,000.00

**CITY OF NEODESHA, KANSAS**  
**GAS UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
Customer Sales	\$ 1,726,538.79	\$ 1,806,473.30	\$ 2,000,000.00	\$ (193,526.70)
Connection Fees	7,180.00	6,978.50	10,000.00	(3,021.50)
Penalties	19,075.05	12,328.38	15,000.00	(2,671.62)
Use of Money and Property				
Interest Income	7,563.61	2,174.77	5,000.00	(2,825.23)
Other Receipts				
Miscellaneous	-	122.00	-	122.00
<b>Total Receipts</b>	<u>1,760,357.45</u>	<u>1,828,076.95</u>	<u>\$ 2,030,000.00</u>	<u>\$ (201,923.05)</u>
<b>Expenditures</b>				
Administration				
Personal Services	155,358.18	170,058.58	\$ 179,223.00	\$ (9,164.42)
Contractual Services	40,108.69	76,128.24	66,325.00	9,803.24
Commodities	14,239.73	26,721.59	15,750.00	10,971.59
Capital Outlay	4,304.91	-	26,250.00	(26,250.00)
Distribution				
Personal Services	159,875.68	169,892.23	210,478.00	(40,585.77)
Contractual Services	24,219.62	25,086.79	42,100.00	(17,013.21)
Commodities	46,473.30	39,690.95	39,450.00	240.95
Capital Outlay	51,494.31	25,945.14	69,025.00	(43,079.86)
Production				
Commodities	783,098.87	581,549.09	865,000.00	(283,450.91)
Debt Services				
Capital Lease Payments	18,087.48	18,087.48	20,000.00	(1,912.52)
Operating Transfers to:				
General Fund	215,000.00	270,000.00	550,000.00	(280,000.00)
Gas Utility Reserve Fund	50,000.00	50,000.00	50,000.00	-
Equipment Reserve Fund	150,000.00	-	-	-
<b>Total Expenditures</b>	<u>1,712,260.77</u>	<u>1,453,160.09</u>	<u>\$ 2,133,601.00</u>	<u>\$ (680,440.91)</u>
Receipts Over(Under) Expenditures	48,096.68	374,916.86		
Unencumbered Cash, Beginning	60.01	48,156.69		
Unencumbered Cash, Ending	<u>\$ 48,156.69</u>	<u>\$ 423,073.55</u>		

**CITY OF NEODESHA, KANSAS**  
**GAS UTILITY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Operating Transfers from Gas Utility Fund	\$ 50,000.00	\$ 50,000.00
Total Receipts	<u>50,000.00</u>	<u>50,000.00</u>
Expenditures		
Operating Transfers to Gas Utility Fund	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over(Under) Expenditures	50,000.00	50,000.00
Unencumbered Cash, Beginning	<u>-</u>	<u>50,000.00</u>
Unencumbered Cash, Ending	<u>\$ 50,000.00</u>	<u>\$ 100,000.00</u>

**CITY OF NEODESHA, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental				
CRF Grant	\$ -	\$ 3,462.56	\$ -	\$ 3,462.56
Charges for Services				
Customer Sales	625,816.78	673,649.41	632,500.00	41,149.41
Connection Fee	7,230.00	7,228.49	10,000.00	(2,771.51)
Penalties	10,691.95	8,210.41	12,000.00	(3,789.59)
Use of Money and Property				
Interest Income	1,008.50	289.96	600.00	(310.04)
Other Receipts				
Miscellaneous	659.42	304.06	500.00	(195.94)
<b>Total Receipts</b>	<b>645,406.65</b>	<b>693,144.89</b>	<b>\$ 655,600.00</b>	<b>\$ 37,544.89</b>
<b>Expenditures</b>				
Administration				
Personal Services	44,538.99	22,676.32	\$ 25,603.00	\$ (2,926.68)
Contractual Services	20,507.49	14,368.02	9,475.00	4,893.02
Commodities	1,498.16	2,128.80	2,250.00	(121.20)
Capital Outlay	-	-	3,750.00	(3,750.00)
Distribution				
Personal Services	158,224.30	166,590.80	204,537.00	(37,946.20)
Contractual Services	17,672.23	10,548.42	15,100.00	(4,551.58)
Commodities	41,702.75	32,730.09	28,550.00	4,180.09
Capital Outlay	-	440.44	51,025.00	(50,584.56)
Production				
Personal Services	191,278.07	196,997.08	223,429.00	(26,431.92)
Contractual Services	79,491.49	81,486.36	79,650.00	1,836.36
Commodities	57,849.59	44,811.75	61,500.00	(16,688.25)
Capital Outlay	14,411.85	2,710.70	7,000.00	(4,289.30)
Operating Transfers to:				
Water Utility Reserve Fund	5,000.00	-	-	-
<b>Total Expenditures</b>	<b>632,174.92</b>	<b>575,488.78</b>	<b>\$ 711,869.00</b>	<b>\$ (136,380.22)</b>
Receipts Over(Under) Expenditures	13,231.73	117,656.11		
Unencumbered Cash, Beginning	29,169.75	42,401.48		
Unencumbered Cash, Ending	\$ 42,401.48	\$ 160,057.59		



**CITY OF NEODESHA, KANSAS**  
**WATER UTILITY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Water Utility Fund	\$ 5,000.00	\$ -
Total Receipts	5,000.00	-
Expenditures		
Capital Improvements Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	5,000.00	-
Unencumbered Cash, Beginning	15,924.00	20,924.00
Unencumbered Cash, Ending	\$ 20,924.00	\$ 20,924.00

**CITY OF NEODESHA, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
User Fees	\$ 390,120.74	\$ 388,498.21	\$ 350,000.00	\$ 38,498.21
Penalties	-	5,628.52	7,500.00	(1,871.48)
Use of Money and Property				
Interest Income	302.55	87.00	150.00	(63.00)
<b>Total Receipts</b>	<b>390,423.29</b>	<b>394,213.73</b>	<b>\$ 357,650.00</b>	<b>\$ 36,563.73</b>
<b>Expenditures</b>				
Sewer System				
Personal Services	46,400.16	48,457.63	\$ 44,910.00	\$ 3,547.63
Contractual Services	3,447.23	4,490.43	9,300.00	(4,809.57)
Commodities	17,960.58	3,035.82	19,700.00	(16,664.18)
Capital Outlay	4,809.16	5,285.27	28,525.00	(23,239.73)
Lagoons				
Personal Services	22,659.98	22,511.10	24,826.00	(2,314.90)
Contractual Services	16,127.66	21,788.42	18,550.00	3,238.42
Commodities	1,109.76	589.45	1,650.00	(1,060.55)
Capital Outlay	80.73	3,189.64	1,000.00	2,189.64
Administration				
Personal Services	67,254.83	81,571.70	102,414.00	(20,842.30)
Contractual Services	32,352.47	23,128.17	37,900.00	(14,771.83)
Commodities	9,592.99	14,725.05	9,000.00	5,725.05
Capital Outlay	-	301.33	15,000.00	(14,698.67)
Operating Transfers to:				
General Fund	50,000.00	50,000.00	100,000.00	(50,000.00)
Sewer Utility Reserve Fund	-	-	25,000.00	(25,000.00)
<b>Total Expenditures</b>	<b>271,795.55</b>	<b>279,074.01</b>	<b>\$ 437,775.00</b>	<b>\$ (158,700.99)</b>
Receipts Over(Under) Expenditures	118,627.74	115,139.72		
Unencumbered Cash, Beginning	52,327.44	170,955.18		
Unencumbered Cash, Ending	<u>\$ 170,955.18</u>	<u>\$ 286,094.90</u>		

**CITY OF NEODESHA, KANSAS**  
**SEWER UTILITY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Sewer Utility Fund	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Capital Improvements Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	45,559.57	45,559.57
Unencumbered Cash, Ending	\$ 45,559.57	\$ 45,559.57

**CITY OF NEODESHA, KANSAS**  
**SOLID WASTE UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
User Fees	\$ 219,841.49	\$ 217,723.61	\$ 210,000.00	\$ 7,723.61
Penalties	-	2,760.12	-	2,760.12
Other Receipts				
Miscellaneous	3,594.90	-	3,500.00	(3,500.00)
<b>Total Receipts</b>	<u>223,436.39</u>	<u>220,483.73</u>	<u>\$ 213,500.00</u>	<u>\$ 6,983.73</u>
<b>Expenditures</b>				
Collections				
Personal Services	110,510.41	132,605.75	\$ 118,249.00	\$ 14,356.75
Contractual Services	44,936.54	31,811.04	41,850.00	(10,038.96)
Commodities	21,351.78	13,913.83	20,450.00	(6,536.17)
Capital Outlay	5,958.99	2,086.50	57,025.00	(54,938.50)
Operating Transfers to:				
General Fund	-	-	10,000.00	(10,000.00)
Solid Waste Utility Reserve Fund	30,000.00	-	-	-
<b>Total Expenditures</b>	<u>212,757.72</u>	<u>180,417.12</u>	<u>\$ 247,574.00</u>	<u>\$ (67,156.88)</u>
Receipts Over(Under) Expenditures	10,678.67	40,066.61		
Unencumbered Cash, Beginning	<u>50,230.36</u>	<u>60,909.03</u>		
Unencumbered Cash, Ending	<u>\$ 60,909.03</u>	<u>\$ 100,975.64</u>		

**CITY OF NEODESHA, KANSAS**  
**SOLID WASTE UTILITY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Solid Waste Utility Fund	\$ 30,000.00	\$ -
Total Receipts	30,000.00	-
Expenditures		
Capital Improvements Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	30,000.00	-
Unencumbered Cash, Beginning	28,259.00	58,259.00
Unencumbered Cash, Ending	\$ 58,259.00	\$ 58,259.00

**CITY OF NEODESHA, KANSAS**  
**STORM WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
User Fees	\$ 45,118.71	\$ 43,983.64	\$ 35,000.00	\$ 8,983.64
Penalties	-	604.28	-	604.28
<b>Total Receipts</b>	<u>45,118.71</u>	<u>44,587.92</u>	<u>\$ 35,000.00</u>	<u>\$ 9,587.92</u>
<b>Expenditures</b>				
Collections				
Personal Services	-	-	\$ 300.00	\$ (300.00)
Contractual Services	333.00	378.45	3,000.00	(2,621.55)
Commodities	2,480.21	2,796.05	5,350.00	(2,553.95)
Capital Outlay	-	-	400.00	(400.00)
Debt Service				
Capital Lease Payments	-	18,000.00	20,000.00	(2,000.00)
Operating Transfers to:				
General Fund	-	-	20,000.00	(20,000.00)
Storm Water Utility Reserve Fund	10,000.00	-	20,000.00	(20,000.00)
<b>Total Expenditures</b>	<u>12,813.21</u>	<u>21,174.50</u>	<u>\$ 69,050.00</u>	<u>\$ (47,875.50)</u>
Receipts Over(Under) Expenditures	32,305.50	23,413.42		
Unencumbered Cash, Beginning	<u>29,705.04</u>	<u>62,010.54</u>		
Unencumbered Cash, Ending	<u>\$ 62,010.54</u>	<u>\$ 85,423.96</u>		

**CITY OF NEODESHA, KANSAS**  
**STORM WATER UTILITY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2020  
(With Comparative Actual Amounts for the Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Storm Water Utility Fund	\$ 10,000.00	\$ -
Total Receipts	10,000.00	-
Expenditures		
Debt Services		
Capital Lease Payments	18,000.00	-
Total Expenditures	18,000.00	-
Receipts Over(Under) Expenditures	(8,000.00)	-
Unencumbered Cash, Beginning	20,891.00	12,891.00
Unencumbered Cash, Ending	\$ 12,891.00	\$ 12,891.00

**CITY OF NEODESHA, KANSAS**  
**AGENCY FUNDS**  
 Schedule of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended December 31, 2020

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Fire Insurance Proceeds	\$ 15.67	\$ 18,617.45	\$ 17.55	\$ 18,615.57
Drug Seizure	6,646.32	(3,120.39)	-	3,525.93
Tax Seizure	-	3,362.25	-	3,362.25
Petty Cash	720.97	-	83.49	637.48
Police Substation	30,937.40	8,377.83	3,474.68	35,840.55
Sales Tax Fund	5,895.53	135,474.97	137,563.74	3,806.76
Total Agency Funds	<u>\$ 44,215.89</u>	<u>\$ 162,712.11</u>	<u>\$ 141,139.46</u>	<u>\$ 65,788.54</u>



**CITY OF NEODESHA, KANSAS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL CFDA NUMBER	PROVIDED TO SUBRECIPIENTS	CASH RECEIPTS	DISBURSE- MENTS/ EXPENDITURES
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
Direct Grant					
Water and Waste Disposal Systems for Rural Communities	N/A	10.760	\$ -	\$ -	\$ 2,597,378.30
Emergency Community Water Assistance Grants	N/A	10.763	-	497,802.86	301,273.74
Community Facilities Loans and Grants Cluster					
Community Facilities Loans and Grants	N/A	10.766	-	-	1,081,089.44
Total U.S. Department of Agriculture			-	497,802.86	3,979,741.48
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>					
Passed through the State of Kansas Department of Commerce					
Community Development Block Grants/State's Program	19-PF-007	14.228	-	290,000.00	380,000.00
And Non-Entitlement Grants in Hawaii					
Total U.S. Department of Housing and Urban Development			-	290,000.00	380,000.00
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>					
Passed through the State of Kansas Department of Transportation					
Highway Safety Cluster					
State and Community Highway Safety	SP130020	20.600	-	954.76	954.76
Total U.S. Department of Transportation			-	954.76	954.76
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
Direct Grant					
Provider Relief Fund	Not Assigned	93.498	-	13,158.48	13,158.48
Total U.S. Department of Health and Human Services			-	13,158.48	13,158.48

**CITY OF NEODESHA, KANSAS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2020

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL CFDA NUMBER	PROVIDED TO SUBRECIPIENTS	CASH RECEIPTS	DISBURSEMENTS/ EXPENDITURES
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>					
Passed through Wilson County, Kansas Coronavirus Relief Fund (CRF Funds)	Not Assigned	21.019	\$ -	\$ 63,148.63	\$ 63,148.63
Total U.S. Department of the Treasury			-	63,148.63	63,148.63
<b>TOTAL ALL PROGRAMS</b>			\$ -	\$ 865,064.73	\$ 4,437,003.35

**NOTE A -- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Neodesha, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

**NOTE B -- INDIRECT COSTS**

The City of Neodesha, Kansas did not elect to use the 10% de minimis cost rate.

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Commission  
City of Neodesha, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the City of Neodesha, as of and for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the City of Neodesha's basic financial statement, and have issued our report thereon dated July 23, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City of Neodesha's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Neodesha's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Neodesha's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Neodesha's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
July 23, 2021

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

Honorable Mayor and City Commission  
City of Neodesha, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited the City of Neodesha's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Neodesha's major federal programs for the year ended December 31, 2020. City of Neodesha's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Neodesha's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Neodesha's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Neodesha's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Neodesha, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

**Report on Internal Control over Compliance**

Management of the City of Neodesha, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Neodesha's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Neodesha's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
July 23, 2021

**CITY OF NEODESHA, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2020

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statement:**

The auditors' report expresses an adverse opinion on the basic financial statement of City of Neodesha, Kansas on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified?	_____	Yes	<u>  X  </u>	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u>  X  </u>	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified?	_____	Yes	<u>  X  </u>	None Reported

The auditors' report on compliance for the major federal award programs for City of Neodesha, Kansas expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	_____	Yes	<u>  X  </u>	No
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Identification of major programs:

**U.S. DEPARTMENT OF AGRICULTURE**

Water and Waste Disposal Systems for Rural Communities – CFDA No. 10.760

Community Facilities Loans and Grants – CFDA 10.766

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	<u>  X  </u>	No
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**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**CITY OF NEODESHA, KANSAS**

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2020

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Period Year Ended/Findings:

None