

CITY OF RUSSELL, KANSAS

DECEMBER 31, 2020



CITY OF RUSSELL, KANSAS

TABLE OF CONTENTS
December 31, 2020

INDEPENDENT AUDITORS' REPORT.....	1-3
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS.....	4-6
NOTES TO THE FINANCIAL STATEMENT.....	7-17
SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Regulatory Basis (Actual and Budget).....	18
SCHEDULE 2	
Schedule of Receipts and Expenditures - Regulatory Basis (Actual and Budget)	
2-1 General Fund.....	19-20
Special Purpose Funds	
2-2 Airport.....	21
2-3 Industrial.....	22
2-4 Special Highway.....	23
2-5 Library.....	24
2-6 Fire Equipment.....	25
2-7 Recreation.....	26
2-8 Personnel Benefits.....	27
2-9 Special Parks and Recreation.....	28
2-10 Capital Improvement.....	29
2-11 Equipment Reserve.....	30
2-12 Risk Management Reserve.....	31
Bond and Interest Fund	
2-13 Bond and Interest.....	32
Capital Project Funds.....	
2-14 Pfeifer Well Expansion	
2-14 Airport Improvement Project	
Trust Funds	
2-15 Johnson Trust.....	34
2-16 Deines Center Trust.....	35
2-17 Health Insurance Trust.....	36
2-18 Donation.....	37
Business Funds	
2-19 Electric.....	38-40
2-20 Electric Depreciation Reserve.....	41
2-21 Water.....	42-44
2-22 Water Depreciation Reserve.....	45
2-23 Wastewater.....	46
2-24 Wastewater Replacement.....	47
2-25 Sanitation.....	48-49
2-26 Sanitation Reserve.....	50
Related Municipal Entities	
2-27 Russell Recreation Commission.....	51

TABLE OF CONTENTS (Continued)

SCHEDULE 3

Summary of Receipts and Disbursements - Regulatory Basis

Agency Funds.....	52
Drug Task Force Program	
Municipal Court	
Fire Fighter Activity	
Sink or Swim	

REPORT REQUIRED BY GAO

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.....	53-54
---	-------

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	55
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	56
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	57-58
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	59
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	60

Roger W. Field, CPA
Gregory D. Daughhete, CPA
Kenneth D. Hamby, CPA
Michael R. Meisenheimer, CPA
Nick L. Mueting, CPA
Billy J. Klug, CPA
Randall R. Hofmeier, CPA
Brent L. Knoche, CPA
Brian W. Mapel, CPA
Jeffrey D. Reece, CPA
Brady H. Byrnes, CPA
Alex P. Larson, CPA

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Russell, Kansas
Russell, Kansas

Report on the Financial Statement

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

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the regulatory basis reporting provisions permitted in the Kansas Municipal Audit and Accounting Guide (KMAAG), as described in Note 1—Summary of Significant Accounting Policies, 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 preparing 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 KMAAG. Those standards require that 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 the auditors' judgment, including the assessment of the risks of material misstatement, 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 the accounting policies used and the reasonableness of significant 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 reasonable 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 permitted in KMAAG, 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 matters 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 accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2020, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City, as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions permitted in KMAAG described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2020 fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the agency funds schedule of receipts and disbursements – regulatory basis (Schedules 1 through 3, as listed in the table of contents) are presented for analysis and are not a required part of the 2020 basic financial statement; however, they are required to be presented under the provisions in KMAAG. The accompanying 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 financial statement of the City. Such information is the responsibility of management and the supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City, as of and for the year ended December 31, 2019, not presented herein, and have issued our report thereon dated July 14, 2020, which contained an unmodified opinion on the regulatory basis basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the Kansas Department of Administration website at the link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are 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 2019 basic financial statement as a whole, on the basis of accounting described in Note 1—Summary of Significant Accounting Policies.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2021, on our consideration of the City's 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's 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's internal control over financial reporting and compliance.



Certified Public Accountants

Hutchinson, Kansas
May 28, 2021

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2020

Page 1 of 3

Funds	Unencumbered Cash Balance 01/01/20	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Unencumbered Cash Balance 12/31/20	Add Encumbrances and Accounts Payable	Cash Balance 12/31/20
GENERAL FUND	\$ 1,876,765	\$ -	\$ 3,610,765	\$ 3,721,895	\$ 1,765,635	\$ 106,333	\$ 1,871,968
SPECIAL PURPOSE FUNDS							
Airport	37,276	190	75,457	22,939	89,984	-	89,984
Industrial	63,093	-	63,753	48,463	78,383	200	78,583
Special Highway	65,040	-	117,539	67,258	115,321	48,030	163,351
Library	-	-	163,444	160,116	3,328	-	3,328
Fire Equipment	77,308	-	45,965	66,821	56,452	56,225	112,677
Recreation	-	-	136,942	134,048	2,894	-	2,894
Personnel Benefits	663,714	-	1,670,010	1,717,163	616,561	5,182	621,743
Special Parks and Recreation	57,033	-	11,181	81	68,133	-	68,133
Capital Improvements	611,145	45,437	718,726	115,567	1,259,741	29,442	1,289,183
Equipment Reserve	262,943	3,252	388,455	431,068	223,582	212,500	436,082
Risk Management Reserve	20,045	-	131	3,641	16,535	855	17,390
TOTAL SPECIAL PURPOSE FUNDS	1,857,597	48,879	3,391,603	2,767,165	2,530,914	352,434	2,883,348
BOND AND INTEREST FUND							
Bond and Interest	103,787	-	471,208	463,453	111,542	-	111,542
TRUST FUNDS							
Johnson Trust	897,576	-	5,791	-	903,367	-	903,367
Deines Center Trust	24,905	-	161	-	25,066	-	25,066
Health Insurance Trust	243,373	-	1,118,757	1,018,272	343,858	-	343,858
Donation	12,399	-	2,662	4,000	11,061	-	11,061
TOTAL TRUST FUNDS	1,178,253	-	1,127,371	1,022,272	1,283,352	-	1,283,352

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

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2020

Page 2 of 3

Funds	Unencumbered Cash Balance 01/01/20	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Unencumbered Cash Balance 12/31/20	Add Encumbrances and Accounts Payable	Cash Balance 12/31/20
CAPITAL PROJECT FUNDS							
Pfeifer Well Expansion	\$ 8,530	\$ -	\$ 35	\$ 8,565	\$ -	\$ -	\$ -
Airport Improvement Project	(56,101)	-	56,100	596,447	(596,448)	-	(596,448)
TOTAL CAPITAL PROJECT FUNDS	(47,571)	-	56,135	605,012	(596,448)	-	(596,448)
BUSINESS FUNDS							
Electric	6,642,692	-	9,109,258	8,147,933	7,604,017	436,138	8,040,155
Electric Depreciation Reserve	1,923,324	-	421,281	460,451	1,884,154	-	1,884,154
Water	2,335,013	-	2,500,711	2,961,112	1,874,612	66,671	1,941,283
Water Depreciation Reserve	1,854,224	-	1,176,599	3,030,823	-	698,485	698,485
Wastewater	597,099	-	860,504	827,677	629,926	12,615	642,541
Wastewater Replacement	682,760	-	384,552	680,953	386,359	625,938	1,012,297
Sanitation	386,297	-	578,540	612,594	352,243	16,000	368,243
Sanitation Reserve	291,671	-	121,890	155,223	258,338	155,223	413,561
TOTAL BUSINESS FUNDS	14,713,080	-	15,153,335	16,876,766	12,989,649	2,011,070	15,000,719
RELATED MUNICIPAL ENTITIES							
Russell Recreation Commission	67,108	-	219,485	217,498	69,095	1,322	70,417
TOTAL FINANCIAL REPORTING ENTITY (Excluding Agency Funds)							
	<u>\$ 19,749,019</u>	<u>\$ 48,879</u>	<u>\$ 24,029,902</u>	<u>\$ 25,674,061</u>	<u>\$ 18,153,739</u>	<u>\$ 2,471,159</u>	<u>\$ 20,624,898</u>

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

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For Year Ended December 31, 2020

Page 3 of 3

COMPOSITION OF CASH

Cash on hand	\$ 500
Checking account	8,211,848
KMEA deposit	64,428
Money Market and CD's	5,936,051
Treasury Daily Fund	691,811
Kansas Municipal Investment Pool	5,679,590
Total Related Municipal Entities	<u>70,418</u>
 TOTAL CASH	 20,654,646
 AGENCY FUNDS (Schedule 3)	 <u>(29,748)</u>
 TOTAL REPORTING ENTITY	 <u><u>\$ 20,624,898</u></u>

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

CITY OF RUSSELL, KANSAS
 NOTES TO THE FINANCIAL STATEMENT
 December 31, 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Russell, Kansas (the City), a municipal corporation, is the county seat of Russell County, Kansas and was incorporated in 1871. The City is governed by an elected mayor and an elected eight-member Council form of government and provides the following services: public safety and administration of justice, water and electric utility, transportation and environmental services, community development, and recreation activities.

The Russell Recreation Commission (Recreation Commission), a related municipal entity, is authorized by K.S.A. 12-1922 under an agreement with the City of Russell, Kansas to provide a system of public recreation and playgrounds. The governing body of the Recreation Commission consists of five members appointed by the City. The Recreation Commission operates as a separate governing body but the City levies the taxes for the Recreation Commission and the Recreation Commission has only powers granted by statute, K.S.A. 12-1928. The Recreation Commission is controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The City's regulatory financial statement presents only the City's financial information and the Russell Recreation Commission, a related municipal entity. The statement does not include the City's related municipal entities as follows:

- Russell Library
- Russell Housing Authority

B. Regulatory Basis Fund Types

General Fund

The chief operating fund is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund

Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specific 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. Water Fund, Electric Fund, etc.).

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Regulatory Basis Fund Types (Continued)

Trust Fund

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

Agency Fund

Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. Payroll Clearing Fund, county treasurer tax collection accounts, etc.).

C. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

D. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2020.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**D. 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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, agency funds, and the following special purpose funds: Equipment Reserve, Capital Improvement, and Risk Management Reserve, and the following business funds: Electric Depreciation Reserve, Water Depreciation Reserve, Sanitation Reserve, and Wastewater Replacement.

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

E. Reimbursements

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

F. Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specific funds for the payment of debt services and fiscal fees on long-term debt, and for expenditures awarded by federal and state grant contracts. Also, cash is restricted in the trust funds of the City for specific purposes.

The City, as part of the Western Area Power Administration (WAPA) contract with Kansas Municipal Energy Agency (KMEA) is required by section 6(c) of the Hydro Power Pooling Contract, to have on deposit \$64,428 in the KMEA Hydro Power Project trust account. Any investment income on the deposit will be credited annually to the deposit account.

G. Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuation based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes (Continued)

In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The taxes are due one-half on December 20 and one-half the following May 10. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned, or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing State statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance current operation of the City, and therefore, are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period, and further, the amounts thereof are not material to the financial statements taken as a whole.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

K.S.A. 10-113 requires no indebtedness be created for a fund in excess of available monies in that fund.

The City is required to expend money before the Federal Aviation Administration reimburses the City; as a result, the Airport Improvement Project fund has a deficit balance. The reimbursement will be received in 2021.

NOTE 3—DEPOSITS AND INVESTMENTS

As of December 31, 2020, the City had the following investments and maturities:

Investment Type	Fair Value	(in Years)		Rating U.S.
		Less than 1	1-2	
Treasury Fund Daily	\$ 691,811	\$ 691,811	\$ -	N/A
Kansas Municipal Investment Pool	5,679,590	5,679,590	-	N/A
	<u>\$ 6,371,401</u>	<u>\$ 6,371,401</u>	<u>\$ -</u>	

K.S.A. 9-1401 establishes the depositories, which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Deposit Insurance Corporation (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 (KMIP). The City has an investment policy that would further limit its investment choices, which excludes investment in repurchase agreements.

NOTE 3—DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investment policy does provide for an investment limitation of 55% per financial institution. The City's policy states that the KMIP is not to be considered as a financial institution. The City's allocation of investments as of December 31, 2020, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Treasury Fund Daily	11
Kansas Municipal Investment Pool	89

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, except during designated "peak periods" when required, coverage is 50%. In 2020, the City did not enter into any peak depository agreement. All deposits were legally secured at December 31, 2020.

At December 31, 2020, the City's carrying amount of deposits was \$14,147,899 and the bank balance was \$14,280,080. The bank balance was held by four banks, which did not result in a concentration of credit risk. Of the bank balance, \$5,375,821 was covered by FDIC and \$8,902,733 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2020, the Recreation Commission's carrying amount of deposits was \$70,418 and the bank balance was \$71,490. The bank balance was held by two banks, which did not result in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

Custodial Credit Risk - Investments

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

At December 31, 2020, the City had invested \$691,811 in Treasury Fund Daily, through a brokerage account with UMB Financial Services, Inc. This investment is not rated; however, the brokerage account is insured through Securities Investor Protection Corporation, up to \$500,000.

At December 31, 2020, the City had invested \$5,679,590 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligation of, or obligations that are insured as to principal and interest, by the U.S. Government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 4—LONG-TERM DEBT

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

Issue	Interest Rates	Dates of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2011	2.00%-3.10%	12/15/11	\$ 5,165,000	08/01/27	\$ 2,550,000	\$ -	\$ 2,550,000	\$ -	\$ 39,888
Series 2015-A	0.75-3.00%	10/28/15	1,015,000	08/01/30	770,000	-	65,000	705,000	17,860
Series 2020-A	1.55-1.85%	03/10/20	2,601,000	08/01/27	-	2,601,000	331,000	2,270,000	16,957
Revolving Loans									
KPWS Loan Fund - 2791	2.23%	11/08/12	1,223,635	02/01/34	955,231	-	54,276	900,955	21,001
KPWS Loan Fund - 2731	2.42%	01/09/12	350,099	02/01/33	245,788	-	15,597	230,191	5,854
Lease Purchase Agreements									
Community First National Bank	3.174%	12/09/19	385,497	12/09/31	-	385,497	26,896	358,601	12,236
					<u>\$ 4,521,019</u>	<u>\$ 2,986,497</u>	<u>\$ 3,042,769</u>	<u>\$ 4,464,747</u>	<u>\$ 113,796</u>

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

Issue	2021	2022	2023	2024	2025	2026-2030	2031-2034	Total
PRINCIPAL								
General Obligation Bonds								
Series 2015-A	\$ 65,000	\$ 65,000	\$ 65,000	\$ 70,000	\$ 70,000	\$ 370,000	\$ -	\$ 705,000
Series 2020-A	340,000	345,000	350,000	355,000	365,000	515,000	-	2,270,000
Revolving Loans								
KPWS Loan Fund - 2791	55,493	56,737	58,010	59,311	60,641	324,220	286,543	900,955
KPWS Loan Fund - 2731	15,977	16,366	16,764	17,172	17,590	94,587	51,735	230,191
Lease Purchase Agreements								
Community First National Bank	27,749	28,630	29,539	30,476	31,444	172,837	37,926	358,601
TOTAL PRINCIPAL	<u>\$ 504,219</u>	<u>\$ 511,733</u>	<u>\$ 519,313</u>	<u>\$ 531,959</u>	<u>\$ 544,675</u>	<u>\$ 1,476,644</u>	<u>\$ 376,204</u>	<u>\$ 4,464,747</u>

NOTE 4—LONG-TERM DEBT (CONTINUED)

Issue	2021	2022	2023	2024	2025	2026-2030	2031-2034	Total
INTEREST								
General Obligation Bonds								
Series 2015-A	\$ 16,983	\$ 15,910	\$ 14,838	\$ 13,538	\$ 12,138	\$ 32,788	\$ -	\$ 106,195
Series 2020-A	38,330	33,060	27,540	21,765	15,730	12,025	-	148,450
Revolving Loans								
KPWS Loan Fund - 2791	19,784	18,539	17,267	15,966	14,636	52,163	14,563	152,918
KPWS Loan Fund - 2731	5,475	5,086	4,687	4,279	3,861	12,668	1,893	37,949
Lease Purchase Agreements								
Community First National								
Bank	11,382	10,501	9,593	8,655	7,688	22,819	1,204	71,842
TOTAL INTEREST	\$ 91,954	\$ 83,096	\$ 73,925	\$ 64,203	\$ 54,053	\$ 132,463	\$ 17,660	\$ 517,354

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 the Comprehensive Annual Financial Report, which can be found on the KPERS Website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, 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 8.6% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$331,969 for the year ended December 31, 2020.

NOTE 5—DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$3,368,576. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 6—OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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 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.

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 and Other Employee Benefits

Prior to January 1, 1988, the City's policy regarding vacation permitted employees to accumulate and carry over to the following year a maximum of 60 working days of vacation.

Effective January 1, 1988, the City froze all vacation carry over up to 60 days and established a new policy. Effective January 1, 2014, employees may carryover 80 hours of vacation on their anniversary each year.

Upon resignation or retirement, employees are entitled to payment of accumulated current vacation leave, plus all frozen vacation leave.

The City's prior policy regarding sick pay allowed employees to accumulate unlimited sick leave days. Effective January 1, 1988, the City froze all accumulated sick leave over 100 days. Any days accumulated up to 100 days were carried over with the City's new policy. Under the post 1988 policy, employees may accumulate up to 960 hours of sick leave, including frozen sick leave.

Retiring employees are compensated at a rate of 75% of current hourly rates for both frozen and post 1988 accruals. Post 1988 sick leave hours are limited to 160 hours and are only paid for amounts in excess of 80 hours. Sick leave is compensated at a rate of 100% of current hourly rate for deceased employees and 25% for terminated employees, using the same calculations described above to calculate eligible hours.

NOTE 6—OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Compensated Absences and Other Employee Benefits (Continued)

The accumulated vacation, sick leave, and comp time liability at December 31, 2020, is \$156,944, \$80,881, and \$5,991, respectively.

The director of the Recreation Commission has a provision in his contract that states he is to receive 40 hours of vacation and sick leave per year. Any hours remaining at year end are lost. There is no potential liability at December 31, 2020.

NOTE 7—INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund	To Fund	Authority	Amount
General	Industrial Development	K.S.A. 12-197	\$ 28,387
General	Capital Improvement	K.S.A. 12-1,118	607,698
General	Equipment Reserve	K.S.A. 12-1,117	215,000
Electric	General	K.S.A. 12-825d	450,000
Electric	Personnel Benefits	K.S.A. 12-825d	477,000
Water	Personnel Benefits	K.S.A. 12-825d	301,500
Water	Bond and Interest	K.S.A. 12-825d	464,654
Water	General	K.S.A. 12-825d	120,000
Water	Water Depreciation Reserve	K.S.A. 12-825d	825,647
Wastewater	General	K.S.A. 12-825d	110,000
Wastewater	Personnel Benefits	K.S.A. 12-825d	106,200
Wastewater	Wastewater Replacement	K.S.A. 12-631o	380,000
Sanitation	General	K.S.A. 12-825d	90,000
Sanitation	Personnel Benefits	K.S.A. 12-825d	99,500
Electric	Electric Depreciation Reserve	K.S.A. 12-825d	360,000
Sanitation	Sanitation Reserve	K.S.A. 12-825d	120,000
Pfeifer Well Expansion	Bond and Interest	K.S.A. 12-6a16	5,986
General	Airport	K.S.A. 12-197	89

NOTE 8—CLAIMS AND JUDGMENT

The City participates in federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government.

The City is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage for 2020, and settled claims from these risks have not exceeded commercial insurance coverage. The City's electrical distribution system is not insured.

NOTE 9—JOINT VENTURE

In June of 1995, the cities of Hays and Russell entered into an agreement to share in the purchase and management of the Circle K Ranch and attendant water rights. The City paid \$619,440, allocated \$159,444 for land, water rights \$323,410, and \$136,586 for buildings, equipment, and improvements. Subsequent to that agreement, the Public Wholesale Water Supply District No. 15 was created with the City providing for a sharing of expenses and income on an 82% to 18% ratio. The Public Wholesale Water Supply District No. 15 was formed for the development of water supply sources and projects related directly thereto.

The City paid \$407 in February 2020, for their share of the 2019 net expenses. In 2019, the City received \$18,781 for their share of the 2018 net income.

NOTE 10—INDUSTRIAL REVENUE BONDS

K.S.A. 12-1740 authorizes the City to issue Industrial Revenue Bonds (IRB's) to acquire, remodel, improve, and equip certain facilities for commercial and industrial purposes and to enter into leases and lease-purchase agreements with any firm or corporation for such facilities.

IRB Series 2005 and Refunding Series 2006

In December 2005, the Council approved Ordinance No. 1761 authorizing the City to issue IRB's Series 2005 (Main Street Media, Inc.) in the aggregate principal amount of \$1,370,000. The City accepted ownership of the property and will lease it back to Main Street Media, Inc.

In October 2006, the Council authorized the City to issue a new series of \$1,300,000 in IRB's for Main Street Media, Inc. to refund the original 2005 taxable bonds.

The City, as issuer, has no obligation for the debt beyond the resources received from the third party. The principal balance of the bonds at December 31, 2020, was \$109,504.

NOTE 11—CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Airport runway project	<u>\$ 645,785</u>	<u>\$ 652,547</u>
South Fossil sidewalk project	<u>\$ 444,500</u>	<u>\$ 46,327</u>
South Fossil expansion	<u>\$ 2,750,000</u>	<u>\$ 182,095</u>
Maple/St. John waterline improvement project	<u>\$ 1,057,188</u>	<u>\$ 946,828</u>
Lincoln Street improvement project	<u>\$ 1,592,800</u>	<u>\$ 113,250</u>

In January 2019, the council authorized a loan agreement with KDHE to remove sludge from the lagoons and replace headworks in the amount of \$3,348,841. The project is expected to start in 2021.

NOTE 12—SUBSEQUENT EVENTS

In January 2021, the City was awarded \$116,228 from the Kansas Small Cities Community Development Block Grant Program to replace playground equipment at Water Tower Park, Bickerdyke Park, and Fossil Creek Park. The total project cost is estimated to be \$232,456.

In January 2021, council approved amending the water rates increasing them effective on the March 5, 2021, billing.

In February 2021, council approved the purchase of a high-pressure sewer cleaning-vacuum machine and steerable sewer camera in the amount of \$517,528.

In April 2021, council authorized a loan agreement with KDHE to rehab Water Plant A in the amount of \$4,000,000. The project is expected to start in 2021.

CITY OF RUSSELL, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)

For Year Ended December 31, 2020

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Over (Under) Budget
GENERAL FUND	\$ 5,209,964	\$ -	\$ 5,209,964	\$ 3,721,895	\$ (1,488,069)
SPECIAL PURPOSE FUNDS					
Airport	105,690	-	105,690	22,939	(82,751)
Industrial	121,150	-	121,150	48,463	(72,687)
Special Highway	475,445	-	475,445	67,258	(408,187)
Library	160,116	-	160,116	160,116	-
Fire Equipment	92,550	-	92,550	66,821	(25,729)
Recreation	134,048	-	134,048	134,048	-
Personnel Benefits	2,038,340	-	2,038,340	1,717,163	(321,177)
Special Parks and Recreation	57,211	-	57,211	81	(57,130)
BOND AND INTEREST FUND					
Bond and Interest	475,262	-	475,262	463,453	(11,809)
BUSINESS FUNDS					
Electric	9,712,903	-	9,712,903	8,147,933	(1,564,970)
Water	2,914,377	46,807	2,961,184	2,961,112	(72)
Wastewater	912,134	-	912,134	827,677	(84,457)
Sanitation	653,969	-	653,969	612,594	(41,375)
RELATED MUNICIPAL ENTITY					
Russell Recreation Commission	321,400	-	321,400	217,498	(103,902)

CITY OF RUSSELL, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-1
 Page 1 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 756,483	\$ 997,548	\$ 1,049,687	\$ (52,139)
Delinquent	46,443	43,632	-	43,632
Motor vehicle	157,409	145,650	127,786	17,864
Recreational vehicle	4,547	4,254	3,566	688
16/20M vehicle	2,654	2,474	2,312	162
Neighborhood revitalization rebate	(19,466)	(23,680)	(24,533)	853
County sales	262,049	203,437	270,000	(66,563)
Local sales	515,384	405,535	530,000	(124,465)
In lieu of taxes (IRB)	23,758	-	-	-
Total taxes	1,749,261	1,778,850	1,958,818	(179,968)
Intergovernmental				
Liquor tax	12,332	10,775	11,961	(1,186)
State Highway Connecting Links	34,744	43,430	26,000	17,430
State of Kansas KDOT Grant	41,103	56,527	45,000	11,527
County 911 reimbursement	236,076	266,796	273,556	(6,760)
Total intergovernmental	324,255	377,528	356,517	21,011
Licenses and permits				
Franchise tax	179,569	158,344	155,000	3,344
Licenses	21,419	43,972	35,500	8,472
Permits	19,946	41,884	-	41,884
Total licenses and permits	220,934	244,200	190,500	53,700
Fines and forfeitures				
Fines and court fees	49,475	35,407	45,000	(9,593)
Uses of money and property				
Interest earned	34,284	12,592	28,000	(15,408)
Royalties	316	306	250	56
Total uses of money and property	34,600	12,898	28,250	(15,352)
Miscellaneous revenue				
Weed abatement fees	8,536	2,825	850	1,975
General transportation fares	13,398	9,279	12,000	(2,721)
Golf course fees - membership	67,498	69,423	54,150	15,273
Cemetery receipts	10,289	10,007	6,800	3,207
Reimbursed expense	13,578	8,208	5,000	3,208
Impound fees	3,165	1,519	2,000	(481)
Swimming pool	28,320	14,254	26,500	(12,246)
Structure removal fees	-	9,906	-	9,906
Other grants	3,200	242,473	-	242,473
Miscellaneous receipts	27,385	23,988	15,000	8,988
Total miscellaneous revenue	175,369	391,882	122,300	269,582
Operating transfers	770,000	770,000	770,000	-
TOTAL RECEIPTS	3,323,894	3,610,765	\$ 3,471,385	\$ 139,380

CITY OF RUSSELL, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-1
 Page 2 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES				
Mayor/Council	\$ 259,813	\$ 77,711	\$ 77,325	\$ 386
City Manager	153,549	148,402	162,199	(13,797)
City Clerk	202,621	197,107	197,828	(721)
Transportation	60,598	59,712	73,588	(13,876)
Police department	510,626	554,425	581,323	(26,898)
Public works, inspection	85,123	89,401	90,406	(1,005)
Fire department	164,413	189,998	207,985	(17,987)
Municipal Court	55,186	55,675	60,419	(4,744)
911 dispatch	436,273	451,973	455,927	(3,954)
Building, planning, and zoning	162,175	165,331	165,926	(595)
Street department	365,548	348,484	354,504	(6,020)
Golf course	181,143	182,029	198,209	(16,180)
Swimming pool	79,166	52,533	117,950	(65,417)
Park department	225,364	245,466	246,840	(1,374)
Deines Cultural Center	47,352	46,098	48,847	(2,749)
Armory	9,678	6,376	10,800	(4,424)
Capital improvements	-	-	1,300,000	(1,300,000)
Operating transfers	486,713	851,174	859,888	(8,714)
TOTAL EXPENDITURES	<u>3,485,341</u>	<u>3,721,895</u>	<u>\$ 5,209,964</u>	<u>\$ (1,488,069)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(161,447)	(111,130)		
UNENCUMBERED CASH, BEGINNING	<u>2,038,212</u>	<u>1,876,765</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,876,765</u>	<u>\$ 1,765,635</u>		

CITY OF RUSSELL, KANSAS
 AIRPORT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 21,359	\$ 49,584	\$ 52,180	\$ (2,596)
Delinquent	615	1,017	-	1,017
Motor vehicle	1,303	3,741	3,607	134
Recreational vehicle	19	106	101	5
16/20M vehicle	103	(1)	65	(66)
Neighborhood revitalization rebate	(550)	(1,177)	(1,220)	43
Rental	8,490	8,405	8,000	405
Fuel sales	24,116	13,263	20,000	(6,737)
Interest income	513	421	360	61
Grants	-	9	-	9
Operating transfers	136	89	90	(1)
TOTAL RECEIPTS	56,104	75,457	\$ 83,183	\$ (7,726)
EXPENDITURES				
Telephone	393	398	\$ 500	\$ (102)
Insurance	6,832	7,412	7,000	412
Dues and subscriptions	46	152	150	2
Professional services	512	785	2,140	(1,355)
Printing and advertising	-	258	100	158
Operating supplies	336	9	500	(491)
Repairs and maintenance	1,589	797	5,000	(4,203)
Fuel for resale	23,397	9,314	25,000	(15,686)
Sales tax expense	1,799	1,166	2,200	(1,034)
Credit card fees	2,967	2,606	3,000	(394)
Office supplies	-	42	100	(58)
Capital Improvement	-	-	60,000	(60,000)
TOTAL EXPENDITURES	37,871	22,939	\$ 105,690	\$ (82,751)
RECEIPTS OVER (UNDER) EXPENDITURES	18,233	52,518		
UNENCUMBERED CASH, BEGINNING	19,043	37,276		
PRIOR YEAR CANCELLED ENCUMBRANCES	-	190		
UNENCUMBERED CASH, ENDING	<u>\$ 37,276</u>	<u>\$ 89,984</u>		

CITY OF RUSSELL, KANSAS
INDUSTRIAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad Valorem	\$ -	\$ 28,424	\$ 29,914	\$ (1,490)
Delinquent	146	103	-	103
Motor vehicle	20	-	-	-
16/20M vehicle	2	-	-	-
Neighborhood revitalization rebate	-	(675)	(699)	24
Interest income	1,576	514	2,000	(1,486)
Reimbursed expense	16,258	7,000	-	7,000
Operating transfers	36,077	28,387	37,100	(8,713)
TOTAL RECEIPTS	54,079	63,753	\$ 68,315	\$ (4,562)
EXPENDITURES				
Dues, subscriptions, and licenses	-	113	\$ -	\$ 113
Postage	32	-	-	-
Professional fees	5,739	20,950	10,000	10,950
Printing and advertising	5,911	2,400	6,000	(3,600)
Economic development incentive	134,000	-	80,150	(80,150)
Economic development	25,000	25,000	25,000	-
TOTAL EXPENDITURES	170,682	48,463	\$ 121,150	\$ (72,687)
RECEIPTS OVER (UNDER) EXPENDITURES	(116,603)	15,290		
UNENCUMBERED CASH, BEGINNING	179,696	63,093		
UNENCUMBERED CASH, ENDING	\$ 63,093	\$ 78,383		

CITY OF RUSSELL, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-4

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Fuel tax	\$ 122,243	\$ 115,613	\$ 121,720	\$ (6,107)
Interest income	4,981	1,926	4,500	(2,574)
TOTAL RECEIPTS	<u>127,224</u>	<u>117,539</u>	<u>\$ 126,220</u>	<u>\$ (8,681)</u>
EXPENDITURES				
Street materials	1,171	2,858	\$ -	\$ 2,858
Professional services	355,860	64,400	-	64,400
Operating supplies	2,868	-	-	-
Capital outlay	-	-	475,445	(475,445)
TOTAL EXPENDITURES	<u>359,899</u>	<u>67,258</u>	<u>\$ 475,445</u>	<u>\$ (408,187)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(232,675)	50,281		
UNENCUMBERED CASH, BEGINNING	<u>297,715</u>	<u>65,040</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 65,040</u>	<u>\$ 115,321</u>		

CITY OF RUSSELL, KANSAS

LIBRARY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2020

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

Schedule 2-5

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 129,352	\$ 135,245	\$ 142,296	\$ (7,051)
Delinquent	6,328	6,704	-	6,704
Motor vehicle	22,014	23,653	21,851	1,802
Recreational vehicle	632	711	610	101
16/20M vehicle	388	341	395	(54)
Neighborhood revitalization rebate	(3,328)	(3,210)	(3,210)	-
TOTAL RECEIPTS	155,386	163,444	<u>\$ 161,942</u>	<u>\$ 1,502</u>
EXPENDITURES				
Library appropriation	<u>155,386</u>	<u>160,116</u>	<u>\$ 160,116</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-	3,328		
UNENCUMBERED CASH, BEGINNING	<u>-</u>	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>	<u>\$ 3,328</u>		

CITY OF RUSSELL, KANSAS
 FIRE EQUIPMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-6

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 27,772	\$ 28,394	\$ 29,891	\$ (1,497)
Delinquent	1,407	1,362	-	1,362
Motor vehicle	3,420	3,995	4,693	(698)
Recreational vehicle	94	149	131	18
16/20M vehicle	79	48	85	(37)
Neighborhood revitalization rebate	(715)	(674)	(699)	25
Interest income	1,555	700	1,200	(500)
Miscellaneous income	-	4,000	-	4,000
Grants	10,808	7,991	-	7,991
TOTAL RECEIPTS	44,420	45,965	\$ 35,301	\$ 10,664
EXPENDITURES				
Capital expenses - equipment	51,359	66,821	\$ 92,550	\$ (25,729)
RECEIPTS OVER (UNDER) EXPENDITURES	(6,939)	(20,856)		
UNENCUMBERED CASH, BEGINNING	84,247	77,308		
UNENCUMBERED CASH, ENDING	\$ 77,308	\$ 56,452		

CITY OF RUSSELL, KANSAS
 RECREATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-7

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 105,651	\$ 113,669	\$ 119,611	\$ (5,942)
Delinquent	5,421	5,803	-	5,803
Motor vehicle	18,864	19,489	17,849	1,640
Recreational vehicle	539	399	498	(99)
16/20M vehicle	344	280	323	(43)
Neighborhood revitalization rebate	(2,718)	(2,698)	(2,698)	-
TOTAL RECEIPTS	128,101	136,942	<u>\$ 135,583</u>	<u>\$ 1,359</u>
EXPENDITURES				
Recreation appropriation	128,101	134,048	<u>\$ 134,048</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-	2,894		
UNENCUMBERED CASH, BEGINNING	-	-		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>	<u>\$ 2,894</u>		

CITY OF RUSSELL, KANSAS
PERSONNEL BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-8

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 705,484	\$ 426,535	\$ 448,787	\$ (22,252)
Delinquent	28,214	33,370	-	33,370
Motor vehicle	103,436	124,584	119,175	5,409
Recreational vehicle	2,944	3,817	3,327	490
16/20M vehicle	1,943	1,574	2,156	(582)
Neighborhood revitalization rebate	(18,153)	(10,124)	(10,489)	365
Reimbursed expenses	100,898	99,698	125,891	(26,193)
Interest income	11,707	5,018	9,800	(4,782)
Miscellaneous revenue	63	1,338	-	1,338
Operating transfers	1,018,200	984,200	984,200	-
TOTAL RECEIPTS	1,954,736	1,670,010	\$ 1,682,847	\$ (12,837)
EXPENDITURES				
Blue Cross/Blue Shield	1,026,160	964,664	\$ 1,220,000	\$ (255,336)
Social Security - Medicare	274,510	299,428	311,180	(11,752)
KPERS	361,313	370,625	375,200	(4,575)
Workers' compensation	64,262	78,330	115,000	(36,670)
Unemployment insurance	3,485	3,777	15,600	(11,823)
Dues, fees, and subscriptions	816	11	1,000	(989)
Other insurance	330	328	360	(32)
TOTAL EXPENDITURES	1,730,876	1,717,163	\$ 2,038,340	\$ (321,177)
RECEIPTS OVER (UNDER) EXPENDITURES	223,860	(47,153)		
UNENCUMBERED CASH, BEGINNING	439,854	663,714		
UNENCUMBERED CASH, ENDING	<u>\$ 663,714</u>	<u>\$ 616,561</u>		

CITY OF RUSSELL, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-9

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Liquor tax	\$ 12,332	\$ 10,774	\$ 11,961	\$ (1,187)
Grants	4,590	-	-	-
Interest income	1,016	407	800	(393)
TOTAL RECEIPTS	17,938	11,181	<u>\$ 12,761</u>	<u>\$ (1,580)</u>
EXPENDITURES				
Capital outlay	24,249	81	<u>\$ 57,211</u>	<u>\$ (57,130)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(6,311)	11,100		
UNENCUMBERED CASH, BEGINNING	63,344	57,033		
UNENCUMBERED CASH, ENDING	<u>\$ 57,033</u>	<u>\$ 68,133</u>		

CITY OF RUSSELL, KANSAS
 CAPITAL IMPROVEMENTS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-10	
	2020	2019
RECEIPTS		
Interest income	\$ 4,963	\$ 6,774
Grants	61,100	175,780
Reimbursement	34,990	-
Golf course fees	6,975	6,975
Donations	3,000	-
Operating transfers	607,698	300,000
TOTAL RECEIPTS	718,726	489,529
EXPENDITURES		
Administration	65,500	16,758
Police	-	28,580
Fire	9,344	3,806
911 dispatch	1,356	-
Community development	6,500	-
Street department	23,679	39,547
Golf course	9,188	-
Swimming pool	-	50,309
Deines Cultural Center	-	-
Transfer to - Airport Improvement	-	28,900
TOTAL EXPENDITURES	115,567	167,900
RECEIPTS OVER (UNDER) EXPENDITURES	603,159	321,629
UNENCUMBERED CASH, BEGINNING	611,145	289,516
PRIOR YEAR CANCELLED ENCUMBRANCES	45,437	-
UNENCUMBERED CASH, ENDING	\$ 1,259,741	\$ 611,145

CITY OF RUSSELL, KANSAS
EQUIPMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-11	
	2020	2019
RECEIPTS		
Interest income	\$ 2,171	\$ 4,256
Grants	152,434	-
Sale of assets	18,850	10,250
Operating transfers	215,000	150,000
TOTAL RECEIPTS	388,455	164,506
EXPENDITURES		
Police department	86	29,877
Administration	87,365	34,354
Fire	162,091	40,000
Street	113,030	-
Golf course	-	13,925
Park department	-	23,266
Transportation	68,496	-
TOTAL EXPENDITURES	431,068	141,422
RECEIPTS OVER (UNDER) EXPENDITURES	(42,613)	23,084
UNENCUMBERED CASH, BEGINNING	262,943	239,859
PRIOR YEAR CANCELLED ENCUMBRANCES	3,252	-
UNENCUMBERED CASH, ENDING	\$ 223,582	\$ 262,943

CITY OF RUSSELL, KANSAS
RISK MANAGEMENT RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-12	
	2020	2019
RECEIPTS		
Interest income	\$ 131	\$ 250
Operating transfers	-	5,000
TOTAL RECEIPTS	131	5,250
EXPENDITURES		
Parks	-	2,214
Transit	1,081	-
Police	2,560	-
Mowing	-	475
Street	-	1,643
TOTAL EXPENDITURES	3,641	4,332
RECEIPTS OVER (UNDER) EXPENDITURES	(3,510)	918
UNENCUMBERED CASH, BEGINNING	20,045	19,127
UNENCUMBERED CASH, ENDING	\$ 16,535	\$ 20,045

CITY OF RUSSELL, KANSAS
 BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-13

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Delinquent	\$ 44	\$ 1	\$ -	\$ 1
Interest income	5,210	567	4,500	(3,933)
Operating transfers	551,042	470,640	483,725	(13,085)
TOTAL RECEIPTS	<u>556,296</u>	<u>471,208</u>	<u>\$ 488,225</u>	<u>\$ (17,017)</u>
EXPENDITURES				
Bond principal	605,000	396,000	\$ 385,000	\$ 11,000
Interest coupons	97,371	67,453	90,262	(22,809)
TOTAL EXPENDITURES	<u>702,371</u>	<u>463,453</u>	<u>\$ 475,262</u>	<u>\$ (11,809)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(146,075)	7,755		
UNENCUMBERED CASH, BEGINNING	<u>249,862</u>	<u>103,787</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 103,787</u>	<u>\$ 111,542</u>		

CITY OF RUSSELL, KANSAS
 CAPITAL PROJECT FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020

	Schedule 2-14	
	Pfeifer Well Expansion	Airport Improvement Project
RECEIPTS		
Grant	\$ -	\$ 56,100
Interest income	35	-
Operating transfers	-	-
	-	-
TOTAL RECEIPTS	35	56,100
EXPENDITURES		
Professional services	2,579	52,100
Capital expense	-	544,347
Transfer to - Bond and Interest	5,986	-
	5,986	-
TOTAL EXPENDITURES	8,565	596,447
RECEIPTS OVER (UNDER) EXPENDITURES	(8,530)	(540,347)
UNENCUMBERED CASH, BEGINNING	8,530	(56,101)
UNENCUMBERED CASH, ENDING	\$ -	\$ (596,448)

CITY OF RUSSELL, KANSAS
 JOHNSON TRUST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-15	
	2020	2019
RECEIPTS		
Trust distributions	\$ -	\$ 108,286
Interest income	5,791	11,165
TOTAL RECEIPTS	5,791	119,451
EXPENDITURES		
Operating supplies	-	166,000
RECEIPTS OVER (UNDER) EXPENDITURES	5,791	(46,549)
UNENCUMBERED CASH, BEGINNING	897,576	944,125
UNENCUMBERED CASH, ENDING	\$ 903,367	\$ 897,576

CITY OF RUSSELL, KANSAS
 DEINES CENTER TRUST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-16	
	2020	2019
RECEIPTS		
Interest income	\$ 161	\$ 358
EXPENDITURES	-	1,675
RECEIPTS OVER (UNDER) EXPENDITURES	161	(1,317)
UNENCUMBERED CASH, BEGINNING	24,905	26,222
UNENCUMBERED CASH, ENDING	\$ 25,066	\$ 24,905

CITY OF RUSSELL, KANSAS
HEALTH INSURANCE TRUST
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-17	
	2020	2019
RECEIPTS		
Health insurance contribution	\$ 958,768	\$ 1,021,959
Reimbursed expense	159,989	147,814
TOTAL RECEIPTS	1,118,757	1,169,773
EXPENDITURES	1,018,272	936,114
RECEIPTS OVER (UNDER) EXPENDITURES	100,485	233,659
UNENCUMBERED CASH, BEGINNING	243,373	9,714
UNENCUMBERED CASH, ENDING	\$ 343,858	\$ 243,373

CITY OF RUSSELL, KANSAS
DONATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-18	
	2020	2019
RECEIPTS		
Other income	\$ 2,662	\$ 175
EXPENDITURES		
Professional services	3,500	-
Capital expense	500	700
TOTAL EXPEDITURES	4,000	700
RECEIPTS OVER (UNDER) EXPENDITURES	(1,338)	(525)
UNENCUMBERED CASH, BEGINNING	12,399	12,924
UNENCUMBERED CASH, ENDING	\$ 11,061	\$ 12,399

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-19
Page 1 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Sale of electricity	\$ 10,288,743	\$ 8,922,327	\$ 10,200,000	\$ (1,277,673)
Late payment penalty	14,768	8,715	16,000	(7,285)
Reimbursed expense	11,424	10,528	-	10,528
Bad debt collections	-	66	-	66
Rent income	5,457	5,457	5,457	-
Grant	-	3,538	-	3,538
Interest income	79,942	49,142	60,000	(10,858)
Miscellaneous revenue	47,199	109,485	-	109,485
TOTAL RECEIPTS	10,447,533	9,109,258	\$ 10,281,457	\$ (1,172,199)
EXPENDITURES				
General and administrative				
Personnel salaries	141,182	163,562	\$ 149,750	\$ 13,812
Accrued leave buy back	195	125	320	(195)
Telephone	980	1,136	1,200	(64)
Postage	6,226	7,341	6,500	841
Insurance	166	808	250	558
Bad debt	7,041	-	-	-
Fuel and oil	-	-	250	(250)
Professional services	12,306	20,290	35,000	(14,710)
Dues and subscriptions	15,506	19,017	20,000	(983)
Sales tax	3,485	2,433	2,500	(67)
Training and seminars	11,183	9,557	9,000	557
Printing and advertising	460	750	1,000	(250)
Interest on consumer deposits	26	75	100	(25)
Supplies	-	423	250	173
Operating supplies	-	-	500	(500)
Consumer deposits refunded	3,153	5,942	-	5,942
Office supplies	136	8	250	(242)
Repairs and maintenance	28	9	250	(241)
Apparatus and tools	-	-	12,000	(12,000)
Armory utilities	3,150	2,677	4,500	(1,823)
Capital expense - equipment	-	8,465	-	8,465
Total general and administrative	205,223	242,618	243,620	(1,002)

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2020

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

Schedule 2-19
Page 2 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Production				
Personnel salaries	\$ 343,892	\$ 413,808	\$ 350,598	\$ 63,210
Overtime salaries	12,351	12,860	10,000	2,860
Accrued leave buy back	730	1,155	750	405
Telephone	4,740	4,324	5,500	(1,176)
Postage	81	-	100	(100)
Natural gas	1,871	3,034	3,000	34
Insurance	157,709	164,206	170,000	(5,794)
Dues and subscription	1,378	5,331	2,500	2,831
Training and seminars	900	695	5,000	(4,305)
Professional services	35,359	25,056	25,000	56
Printing and advertising	76	15	250	(235)
Compensating use tax	83	257	350	(93)
Operating supplies	2,297	1,586	2,500	(914)
Repairs and maintenance	118,087	131,082	90,000	41,082
General fuel and oil	-	19,467	25,000	(5,533)
Natural gas	33,577	5,751	35,000	(29,249)
Turbine maintenance	13,609	20,734	60,000	(39,266)
Transport natural gas - turbines	25,098	22,461	50,000	(27,539)
Purchased power	4,421,626	4,811,165	6,500,000	(1,688,835)
Chemicals	5,132	15,851	5,000	10,851
Fuel and oil	19,876	1,466	3,000	(1,534)
Apparatus and tools	5,214	2,405	8,000	(5,595)
Office supplies	1,815	2,028	2,000	28
Uniforms	5,761	3,105	5,000	(1,895)
Transport downtown power plant	1,798	171	5,000	(4,829)
Capital expenditures				
Building	3,286	6,743	-	6,743
Equipment	1,083	275	-	275
Total production	5,217,429	5,675,031	7,363,548	(1,688,517)
Transportation and distribution				
Personnel salaries	412,152	473,045	536,195	(63,150)
Overtime salaries	6,600	7,448	13,000	(5,552)
Accrued leave buy back	142	56	350	(294)
Telephone	550	1,535	900	635
Natural gas	3,125	2,536	3,500	(964)
Postage	127	115	90	25
Insurance	14,634	14,548	15,500	(952)

CITY OF RUSSELL, KANSAS
 ELECTRIC FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-19
 Page 3 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Transportation and distribution (continued)				
Dues and subscriptions	\$ 4,907	\$ 15,122	\$ 8,000	\$ 7,122
Training and seminars	7,575	6,691	5,000	1,691
Professional services	101,963	7,141	26,000	(18,859)
Printing and advertising	-	15	150	(135)
Compensating use tax	271	16,782	500	16,282
Operating supplies	17,591	8,686	4,000	4,686
Repairs and maintenance	131,840	337,041	175,000	162,041
Chemicals	-	-	600	(600)
Lease/rent	-	-	700	(700)
Fuel and oil	9,313	19,283	10,000	9,283
Apparatus and tools	3,697	29,151	12,000	17,151
Office supplies	390	12	250	(238)
Uniforms	5,712	3,456	7,000	(3,544)
Capital expenditures				
Building	8,216	-	-	-
Equipment	8,451	621	-	621
Total transportation and distribution	737,256	943,284	818,735	124,549
Operating transfers				
Transfer to:				
Personnel Benefits Fund	532,200	477,000	477,000	-
General Fund	450,000	450,000	450,000	-
Risk Management Reserve Fund	3,500	-	-	-
Electric Depreciation Reserve Fund	250,000	360,000	360,000	-
Total operating transfers	1,235,700	1,287,000	1,287,000	-
TOTAL EXPENDITURES	7,395,608	8,147,933	\$ 9,712,903	\$ (1,564,970)
RECEIPTS OVER (UNDER) EXPENDITURES	3,051,925	961,325		
UNENCUMBERED CASH, BEGINNING	3,590,767	6,642,692		
UNENCUMBERED CASH, ENDING	<u>\$ 6,642,692</u>	<u>\$ 7,604,017</u>		

CITY OF RUSSELL, KANSAS
 ELECTRIC DEPRECIATION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-20	
	2020	2019
RECEIPTS		
Interest income	\$ 12,583	\$ 29,131
Environmental surcharge rider	46,698	53,867
Proceeds from sale of assets	2,000	-
Operating transfers	360,000	250,000
TOTAL RECEIPTS	421,281	332,998
EXPENDITURES		
Capital outlay	460,451	181,595
RECEIPTS OVER (UNDER) EXPENDITURES	(39,170)	151,403
UNENCUMBERED CASH, BEGINNING	1,923,324	1,771,921
UNENCUMBERED CASH, ENDING	\$ 1,884,154	\$ 1,923,324

CITY OF RUSSELL, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-21
 Page 1 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Consumer sales	\$ 2,668,725	\$ 2,386,191	\$ 2,260,000	\$ 126,191
State water fee	8,017	6,727	8,000	(1,273)
Late payment penalty	5,856	3,477	5,000	(1,523)
Water main tap fees	975	3,686	-	3,686
Interest income	35,192	16,388	20,000	(3,612)
Ranch agreement	18,781	-	9,000	(9,000)
Bad debt	-	66	-	66
Bond refinance proceeds	-	43,748	-	43,748
Customer deposits	-	1,669	-	1,669
Grants	-	2,707	-	2,707
Reimbursed expense	-	352	-	352
Miscellaneous revenue	19,352	35,700	13,000	22,700
TOTAL RECEIPTS	2,756,898	2,500,711	\$ 2,315,000	\$ 185,711
EXPENDITURES				
General and administrative				
Postage	3,736	4,405	\$ 4,000	\$ 405
Compensating use tax	50	104	-	104
Professional services	9,709	14,036	7,800	6,236
Training	6,322	6,807	6,000	807
Go bonds cost of issuance	-	40,725	-	40,725
Operating supplies	-	160	-	160
Repairs and maintenance	-	4,600	-	4,600
Printing and advertising	35	-	-	-
Dues and subscriptions	3,123	7,990	3,000	4,990
Interest on consumer deposits	11	30	-	30
Principal payments	68,312	69,873	69,873	-
Interest payments	28,416	26,855	26,856	(1)
Consumer deposits refunded	697	-	-	-
Armory utilities	246	214	280	(66)
Capital expense - equipment	-	1,455	-	1,455
Bad debt expense	3,686	965	4,000	(3,035)
Total general and administrative	124,343	178,219	121,809	56,410

CITY OF RUSSELL, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-21
 Page 2 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Production				
Personnel salaries	\$ 282,407	\$ 294,000	\$ 317,049	\$ (23,049)
Overtime salaries	7,114	6,135	13,000	(6,865)
Accrued leave buy back	125	125	300	(175)
Telephone	1,246	1,278	1,500	(222)
Postage	2,564	8,257	3,000	5,257
Natural gas	6,000	5,909	4,500	1,409
Electric services	20,636	26,112	45,000	(18,888)
Insurance	48,615	54,028	50,000	4,028
Dues and subscription	886	2,363	2,200	163
Training and seminars	1,914	624	2,000	(1,376)
Professional services	26,969	16,469	15,000	1,469
Printing and advertising	-	75	500	(425)
State water fees	8,033	6,731	8,500	(1,769)
Operating supplies	907	8,471	10,000	(1,529)
Clean drinking water fee	7,531	6,310	8,000	(1,690)
Repairs and maintenance	47,707	59,941	55,000	4,941
Chemicals	223,700	164,759	255,000	(90,241)
Fuel and oil	2,428	2,482	4,000	(1,518)
Apparatus and tools	348	6,001	1,500	4,501
Office supplies	747	587	1,000	(413)
Uniforms	2,319	2,487	3,000	(513)
Purchased water	-	-	80,000	(80,000)
Lease and rent	87,549	88,038	90,000	(1,962)
Capital expense - equipment	-	275	-	275
R-9 Ranch expenses	2,950	407	1,000	(593)
Total production	<u>782,695</u>	<u>761,864</u>	<u>971,049</u>	<u>(209,185)</u>

CITY OF RUSSELL, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2020

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

Schedule 2-21
Page 3 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Transportation and distribution				
Personnel salaries	\$ 196,660	\$ 244,808	\$ 224,557	\$ 20,251
Part-time salaries	-	34	-	34
Overtime salaries	6,750	3,745	6,000	(2,255)
Accrued leave buy back	28	-	-	-
Telephone	1,838	2,377	2,100	277
Natural gas	1,727	1,247	2,500	(1,253)
Insurance	8,729	7,106	9,000	(1,894)
Dues and subscriptions	3,300	6,686	6,500	186
Training and seminars	490	1,214	1,500	(286)
Professional services	2,639	2,533	2,900	(367)
Printing and advertising	3	1	100	(99)
Operating supplies	611	405	500	(95)
Repairs and maintenance	13,026	29,146	30,000	(854)
Fuel and oil	7,623	6,288	10,000	(3,712)
Apparatus and tools	-	967	2,000	(1,033)
Office supplies	222	165	100	65
Uniforms	1,476	2,231	2,000	231
Capital expense	10,397	275	-	275
Total transportation and distribution	255,519	309,228	299,757	9,471
Operating transfers	1,585,872	1,711,801	1,521,762	190,039
Legal Water Fund Budget	2,748,429	2,961,112	2,914,377	46,735
Adjustment for qualifying budget credits	-	-	46,807	(46,807)
TOTAL EXPENDITURES	2,748,429	2,961,112	\$ 2,961,184	\$ (72)
RECEIPTS OVER (UNDER) EXPENDITURES	8,469	(460,401)		
UNENCUMBERED CASH, BEGINNING	2,326,544	2,335,013		
UNENCUMBERED CASH, ENDING	<u>\$ 2,335,013</u>	<u>\$ 1,874,612</u>		

CITY OF RUSSELL, KANSAS
 WATER DEPRECIATION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-22	
	2020	2019
RECEIPTS		
Interest income	\$ 10,257	\$ 20,141
Grants	340,695	5,000
Operating transfers	825,647	703,500
TOTAL RECEIPTS	1,176,599	728,641
EXPENDITURES		
Professional services	69,901	134,445
Printing and advertising	148	-
Conservation expenditures	2,445	850
Capital expenditures	2,958,329	280,417
TOTAL EXPENDITURES	3,030,823	415,712
RECEIPTS OVER (UNDER) EXPENDITURES	(1,854,224)	312,929
UNENCUMBERED CASH, BEGINNING	1,854,224	1,541,295
UNENCUMBERED CASH, ENDING	\$ -	\$ 1,854,224

CITY OF RUSSELL, KANSAS
WASTEWATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2020
(With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-23

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Sewer use charge	\$ 862,215	\$ 849,322	\$ 750,000	\$ 99,322
Penalty	2,076	1,190	1,800	(610)
Sewer main tap fees	13,411	2,907	-	2,907
Bad debt	-	66	-	66
Grants	-	11	-	11
Interest income	8,416	4,933	6,700	(1,767)
Miscellaneous revenue	2,883	2,075	2,600	(525)
TOTAL RECEIPTS	889,001	860,504	\$ 761,100	\$ 99,404
EXPENDITURES				
Personnel salaries	111,057	141,771	\$ 142,484	\$ (713)
Overtime salaries	4,168	2,332	5,000	(2,668)
Accrued leave buy back	140	320	250	70
Telephone	807	928	900	28
Postage	1,851	1,968	2,000	(32)
Natural gas	1,189	1,294	1,500	(206)
Insurance	4,447	4,136	5,000	(864)
Bad debt	1,164	596	1,000	(404)
Dues and subscriptions	1,476	4,128	5,000	(872)
Training and seminars	1,218	1,999	2,000	(1)
Professional services	4,421	4,600	6,000	(1,400)
Printing and advertising	-	-	500	(500)
Operating supplies	27	65	750	(685)
Repairs and maintenance	43,686	29,975	30,000	(25)
Chemicals	4,126	3,023	3,500	(477)
Fuel and oil	11,379	6,972	9,000	(2,028)
Apparatus and tools	39	1,021	1,500	(479)
Office supplies	513	79	500	(421)
Armory utilities	278	278	300	(22)
Uniforms	418	637	750	(113)
Principal payments	-	-	98,000	(98,000)
Capital expense	-	25,355	-	25,355
Operating transfers	450,000	596,200	596,200	-
TOTAL EXPENDITURES	642,404	827,677	\$ 912,134	\$ (84,457)
RECEIPTS OVER (UNDER) EXPENDITURES	246,597	32,827		
UNENCUMBERED CASH, BEGINNING	350,502	597,099		
UNENCUMBERED CASH, ENDING	\$ 597,099	\$ 629,926		

CITY OF RUSSELL, KANSAS
 WASTEWATER REPLACEMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-24	
	2020	2019
RECEIPTS		
Interest income	\$ 4,552	\$ 6,749
Operating transfers	380,000	235,000
TOTAL RECEIPTS	384,552	241,749
EXPENDITURES		
Capital outlay	680,953	12,551
RECEIPTS OVER (UNDER) EXPENDITURES	(296,401)	229,198
UNENCUMBERED CASH, BEGINNING	682,760	453,562
UNENCUMBERED CASH, ENDING	\$ 386,359	\$ 682,760

CITY OF RUSSELL, KANSAS

SANITATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2020

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

Schedule 2-25
Page 1 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Consumer sales	\$ 330,168	\$ 356,501	\$ 368,000	\$ (11,499)
Consumer sales - landfill	223,135	201,929	195,000	6,929
Bad debt	5,759	66	-	66
Sales tax	682	685	800	(115)
Polykart sales	7,600	6,687	8,000	(1,313)
Recycling sales	4,914	5,500	4,000	1,500
Penalty	1,820	1,057	2,100	(1,043)
Interest income	6,878	2,863	3,000	(137)
Miscellaneous revenue	6,146	3,252	3,000	252
TOTAL RECEIPTS	587,102	578,540	\$ 583,900	\$ (5,360)
EXPENDITURES				
General and administrative				
Sales tax	526	634	\$ 800	\$ (166)
Professional services	2,521	2,935	3,000	(65)
Postage	1,245	1,468	1,500	(32)
Bad debt	-	-	1,000	(1,000)
Repairs and maintenance	20	-	500	(500)
Supplies	14	-	-	-
Armory utilities	177	166	120	46
Dues, licenses, fees, and subscriptions	1,395	1,759	1,900	(141)
Total general and administrative	5,898	6,962	8,820	(1,858)
Sanitation				
Personnel salaries	125,215	158,421	173,349	(14,928)
Overtime salaries	458	356	1,000	(644)
Accrued leave buy back	140	140	400	(260)
Landfill charges	105,943	100,492	110,000	(9,508)
Training and seminars	1,959	957	2,000	(1,043)

CITY OF RUSSELL, KANSAS

SANITATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-25
 Page 2 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Sanitation (continued)				
Insurance	\$ 2,402	\$ 3,342	\$ 3,000	\$ 342
Professional services	1,387	890	1,600	(710)
Printing and advertising	-	47	500	(453)
Operating supplies	7,016	14,458	19,000	(4,542)
Repairs and maintenance	6,621	5,840	8,000	(2,160)
Fuel and oil	10,057	9,776	15,000	(5,224)
Office supplies	-	150	-	150
Uniforms	68	1,263	1,800	(537)
Capital expense - equipment	1,142	-	-	-
Total sanitation	<u>262,408</u>	<u>296,132</u>	<u>335,649</u>	<u>(39,517)</u>
Operating transfers	<u>332,000</u>	<u>309,500</u>	<u>309,500</u>	<u>-</u>
TOTAL EXPENDITURES	<u>600,306</u>	<u>612,594</u>	<u>\$ 653,969</u>	<u>\$ (41,375)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(13,204)	(34,054)		
UNENCUMBERED CASH, BEGINNING	<u>399,501</u>	<u>386,297</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 386,297</u>	<u>\$ 352,243</u>		

CITY OF RUSSELL, KANSAS
 SANITATION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

	Schedule 2-26	
	2020	2019
RECEIPTS		
Interest income	\$ 1,890	\$ 1,960
Sale of assets	-	4,200
Operating transfers	120,000	150,000
TOTAL RECEIPTS	121,890	156,160
EXPENDITURES		
Capital outlay	155,223	-
RECEIPTS OVER (UNDER) EXPENDITURES	(33,333)	156,160
UNENCUMBERED CASH, BEGINNING	291,671	135,511
UNENCUMBERED CASH, ENDING	\$ 258,338	\$ 291,671

CITY OF RUSSELL, KANSAS

RUSSELL RECREATION COMMISSION
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2020
 (With Comparative Actual Totals For Prior Year Ended December 31, 2019)

Schedule 2-27

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Tax appropriations	\$ 128,101	\$ 134,048	\$ 132,140	\$ 1,908
Program fees	28,336	14,471	30,000	(15,529)
Concessions	5,885	1,113	6,000	(4,887)
Gate revenue	4,352	-	7,000	(7,000)
Tournament entry fees	-	-	10,000	(10,000)
Memberships	68,219	48,036	45,000	3,036
Recreation building - rentals	1,680	325	2,000	(1,675)
Other receipts	850	21,036	-	21,036
Interest on investments	165	456	1,200	(744)
TOTAL RECEIPTS	237,588	219,485	\$ 233,340	\$ (13,855)
EXPENDITURES				
Salaries				
Director	45,162	45,150	\$ 50,000	\$ (4,850)
Other	27,068	26,235	40,000	(13,765)
Concessions	3,116	492	3,000	(2,508)
Building	22,360	20,309	20,000	309
Program salaries	19,086	11,165	25,000	(13,835)
Health insurance	3,715	4,187	3,750	437
KPERS contributions	7,650	7,276	4,920	2,356
Workers' compensation	-	-	530	(530)
Payroll tax	10,289	7,946	10,000	(2,054)
Unemployment tax	176	104	800	(696)
Accounting and reporting	6,086	6,237	6,500	(263)
Automobile expense	1,509	2,669	3,300	(631)
Awards	894	-	1,200	(1,200)
Concession				
Products	4,331	849	4,500	(3,651)
Sales tax	835	49	-	49
Insurance	8,342	8,421	5,200	3,221
Memorial Park				
Maintenance	11,588	6,234	21,000	(14,766)
Improvements	1,128	1,128	35,000	(33,872)
Capital equipment	-	-	15,000	(15,000)
Office expense	15,706	16,691	15,000	1,691
Recreation Center				
Equipment	2,122	12,003	-	12,003
Building				
Supplies	6,866	5,627	3,000	2,627
Utilities	3,775	3,283	6,000	(2,717)
Repairs and maintenance	2,207	619	7,000	(6,381)
Program expense	23,455	27,619	30,000	(2,381)
Tournament				
Expenses	-	-	2,200	(2,200)
Officials	4,571	3,205	8,000	(4,795)
Travel	-	-	500	(500)
Grant				
Salaries	275	-	-	-
Expense	431	-	-	-
TOTAL EXPENDITURES	232,743	217,498	\$ 321,400	\$ (103,902)
RECEIPTS OVER (UNDER) EXPENDITURES	4,845	1,987		
UNENCUMBERED CASH, BEGINNING	62,263	67,108		
UNENCUMBERED CASH, ENDING	<u>\$ 67,108</u>	<u>\$ 69,095</u>		

CITY OF RUSSELL, KANSAS
 AGENCY FUNDS
 SUMMARY OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
 For Year Ended December 31, 2020

Schedule 3

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Drug Task Force Program	\$ 3,694	\$ 25	\$ -	\$ 3,719
Municipal Court	8,947	34,045	37,462	5,530
Fire Fighter Activity	13,901	18,812	13,193	19,520
Sink or Swim	849	330	200	979
Total	<u>\$ 27,391</u>	<u>\$ 53,212</u>	<u>\$ 50,855</u>	<u>\$ 29,748</u>

Roger W. Field, CPA
Gregory D. Daughhete, CPA
Kenneth D. Hamby, CPA
Michael R. Meisenheimer, CPA
Nick L. Muetting, CPA
Billy J. Klug, CPA
Randall R. Hofmeier, CPA
Brent L. Knoche, CPA
Brian W. Mapel, CPA
Jeffrey D. Reece, CPA
Brady H. Byrnes, CPA
Alex P. Larson, CPA

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

The Mayor and City Council
City of Russell, 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, and the Kansas Municipal Audit and Accounting Guide, the regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Russell, Kansas (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the City's basic financial statement, and have issued our report thereon dated May 28, 2021, which was modified because the financial statement is prepared on the regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 entity'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 a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lindburg Vogel Pierce Faris". The signature is written in black ink on a white background.

Certified Public Accountants

Hutchinson, Kansas
May 28, 2021

CITY OF RUSSELL, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2020

Page 1 of 2

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's I.D. Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-through Kansas Department of Commerce Community Development Block Grants	14.228	19-PF-019	340,695
U.S. DEPARTMENT OF THE TREASURY			
Pass-through Russell County COVID-19 - Coronavirus Relief Fund	21.019		393,892
U.S. DEPARTMENT OF TRANSPORTATION			
Direct award			
Airport Improvement Program	20.106	N/A	556,498
COVID-19 Airport Improvement Program	20.106	N/A	64,579
Pass-through Kansas Department of Transportation			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	300901	68,496
Federal Transit Cluster:			
Bus and Bus Facilities Formula Grants	20.526	300901	<u>55,803</u>
TOTAL			<u>\$ 1,479,963</u>

CITY OF RUSSELL, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2020

Page 2 of 2

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2020, and is presented on the regulatory basis of accounting in accordance with the Kansas Municipal Audit and Accounting Guide. Expenditures include disbursements, accounts payable, and encumbrances. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the cash and unencumbered cash balances and its cash receipts, expenditures, and budgetary results for the year then ended on the regulatory basis of accounting.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the basis of accounting as described in Note A. Such expenditures are recognized following the cost principles contained in OMB Uniform Guidance (2 CFR Part 200, Subpart E), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C—INDIRECT COSTS

The City did not elect to use the 10% de minimis cost rate.

NOTE D—FEDERAL AWARDS PASSED-THROUGH TO SUBRECIPIENTS

The City did not pass-through any awards to subrecipients.

Roger W. Field, CPA
Gregory D. Daughhettee, CPA
Kenneth D. Hamby, CPA
Michael R. Meisenheimer, CPA
Nick L. Muetting, CPA
Billy J. Klug, CPA
Randall R. Hofmeier, CPA
Brent L. Knoche, CPA
Brian W. Mapel, CPA
Jeffrey D. Reece, CPA
Brady H. Byrnes, CPA
Alex P. Larson, CPA

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

The Mayor and City Council
City of Russell, Kansas

Report on Compliance for Each Major Federal Program

We have audited City of Russell, Kansas (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City'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'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 (CFR) 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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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 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'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'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.



Certified Public Accountants

Hutchinson, Kansas
May 28, 2021

CITY OF RUSSELL, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For Year Ended December 31, 2020

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statement of the City prepared on the regulatory basis of accounting in accordance with the cash basis and budget laws of the State of Kansas prescribed by the Kansas Municipal Audit and Accounting Guide described in Note 1—Summary of Significant Accounting Policies to the financial statement.
2. No significant deficiencies relating to the audit of the financial statement are reported in the 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*.
3. No instances of noncompliance material to the financial statement of the City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the City expressed an unmodified opinion.
6. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with Section 2 CFR 200.516(a).
7. The programs tested as major programs include:

	CFDA No.
Airport Improvement Program	20.106

8. The threshold for distinguishing between Type A and Type B programs was \$750,000.
9. The City was not determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings.

CITY OF RUSSELL, KANSAS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For Year Ended December 31, 2020

There were no prior year findings required to be reported.