

**CITY OF HORTON, KANSAS**  
**Financial Statements**  
**For the Year Ended December 31, 2019**

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CITY OF HORTON, KANSAS  
Financial Statements  
For the Year Ended December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Horton, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the municipal financial reporting entity of the City of Horton, Kansas (the City), as of and for the year ended December 31, 2019 and the related notes to the financial statement.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

## *Unmodified Opinion on Regulatory Basis of Accounting*

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

### *Other Matters*

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget, the schedule of regulatory basis receipts, expenditures, and unencumbered cash-private purpose trust funds, and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

### *Other Matter*

The 2018 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) for the year ended December 31, 2018, is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The City of Horton, Kansas's basic financial statement for the year ended December 31, 2018 (not presented herein), was audited by other auditors whose report dated July 29, 2019, expressed an unmodified opinion on the basic financial statement. The 2018 basic financial statement and the other auditor's report are available in electronic form from the website of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated July 29, 2019, stated that the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2018, was subjected to auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.

**Gordon CPA LLC**

Certified Public Accountant  
Lawrence, Kansas

August 12, 2020

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

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Adjustment</u>	<u>Unencumbered Cash Balance Restated</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:								
General Fund	\$ 53,139	\$ -	\$ 53,139	\$ 1,351,194	\$ 1,347,422	\$ 56,911	\$ 11,046	\$ 67,957
Special Purpose Funds:								
Employee Benefit Fund	29,871	-	29,871	269,691	325,976	[26,414]	-	[26,414]
Industrial Fund	1,568	-	1,568	27	-	1,595	-	1,595
Library Fund	[2,070]	-	[2,070]	54,798	57,750	[5,022]	-	[5,022]
Special Highway Fund	171,984	-	171,984	46,343	67,961	150,366	-	150,366
Equipment Reserve Fund	4,385	-	4,385	2,000	-	6,385	-	6,385
Public Building Reserve Fund	7,796	-	7,796	800	-	8,596	-	8,596
State Grant Fund	304,350	-	304,350	3,410,693	392,344	3,322,699	-	3,322,699
Court Diversion Fund	16,098	-	16,098	3,111	385	18,824	-	18,824
Energy Efficiency Fund	2,775	-	2,775	-	-	2,775	-	2,775
911 Wireless Fund	17,335	-	17,335	3,481	338	20,478	-	20,478
Sales Tax Revenue Fund	273,268	-	273,268	160,363	131,000	302,631	-	302,631
Capital Project Funds:								
Pool Project Fund	[710]	-	[710]	-	-	[710]	-	[710]
Capital Improvement - Crime Prevention Fund	1,911	-	1,911	6,987	970	7,928	-	7,928
Bond and Interest Fund:								
Bond and Interest Fund	1,800	-	1,800	19,342	18,708	2,434	-	2,434
Business Funds:								
Water Fund	257,171	-	257,171	402,846	390,516	269,501	-	269,501
Sewer Fund	151,458	-	151,458	462,074	444,402	169,130	-	169,130
Electric Fund	1,298,534	-	1,298,534	1,563,447	1,743,327	1,118,654	81,000	1,199,654
Solid Waste Fund	32,048	-	32,048	109,976	105,198	36,826	-	36,826
Private-Purpose Trust Funds	10,117	-	10,117	32,547	31,034	11,630	-	11,630
Total Primary Government	2,632,828	-	2,632,828	7,899,720	5,057,331	5,475,217	92,046	5,567,263
Related Municipal Entity:								
Horton Free Public Library	63,892	-	63,892	77,908	83,642	58,158	-	58,158
Total Reporting Entity	\$ 2,696,720	\$ -	\$ 2,696,720	\$ 7,977,628	\$ 5,140,973	\$ 5,533,375	\$ 92,046	\$ 5,625,421

COMPOSITION OF CASH:

Horton National Bank:	
Checking	\$ 5,232,726
Certificates of Deposit	2,428
Savings	1,440
Checking - Library	16,067
Savings - Library	9,716
Union State Bank:	
Certificates of Deposit	100,572
Savings - Library	32,926
Pony Express Community Bank:	
Checking	29,546
Certificates of Deposit	200,000
Total Cash	<u>\$ 5,625,421</u>

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

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Horton (the City) is a municipal corporation governed by an elected five-member commission. These financial statements present the City of Horton (the municipality) and its related municipal entity. The related municipal entity is included in the city's reporting entity because they were established to benefit the city and its constituents.

The Horton Free Public Library (Library) serves the citizens within the City's jurisdiction. Acquisition or disposition of real property by the Library must be approved by the City. Bond issues must be approved by the City.

*Related Municipal Entity not included:*

The Housing Authority of the City of Horton (Housing Authority) operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Financial statements for the Housing Authority may be obtained at the Housing Authority of the City of Horton, 1701 Euclid Avenue, Horton, Kansas.

Basis of Accounting

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

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

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2019:

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

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

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the City (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the City).

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. The budget for the year ended December 31, 2019 was amended for the Sewer Fund.

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

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

A legal operating budget is not required for capital project funds, trust funds and the following special purpose funds: State Grant and Energy Efficiency.

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

NOTE 2 – Deposits

*Deposits.* K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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



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

**NOTE 2 - Deposits (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.

*Custodial credit risk – deposits.* Custodial credit 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 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%. The City has no designated peak periods and all deposits were adequately secured at December 31, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$5,568,262 and the bank balance was \$5,597,779. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$580,118 was covered by federal depository insurance and the balance of \$5,017,661 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2019, the Library's carrying amount of deposits was \$58,707 and the bank balance was \$60,238. The bank balance was held by two banks resulting in a concentration of credit risk. The Library's entire bank balance was covered by federal depository insurance.

*Custodial credit risk – investment.* For an investment, this is the risk that, in 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 investment to be adequately secured.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

**NOTE 3 - Retirement Plans**

*Plan Description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* 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 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$69,991 for the year ended December 31, 2019. Contributions to the pension plan from the Library were \$2,302 for the year ended December 31, 2019.

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

NOTE 3 - Retirement Plans (Continued)

*Net Pension Liability.* At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$612,594 and the Library's share was \$22,805. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's and Library's proportion of the net pension liability was based on the ratio of the City's and Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup of 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 KPERS website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

NOTE 4 - Compensated Absences

The City allows certain employees to carryover some of their unused vacation days from one year to the next. These are paid upon termination or retirement if not used. The amount of vacation pay available for use at December 31, 2019, is \$33,018.

NOTE 5 - Related Party Transactions

During the year ended December 31, 2019, the City paid \$480 to a company owned by a city commissioner for mowing services. The City also paid \$26,465 to a company owned by the mayor's family member for hauling and trucking services during the year.

NOTE 6 - Lease Agreement

The City, the lessor, entered into a lease agreement with Tri-County Manor Living Center, Inc. on May 1, 2007 for the lease of the manor facility. The lease termination date is March 1, 2023, and requires monthly lease payments of \$1,400 beginning on May 1, 2008 and continuing thereafter until the aggregate amount paid totals \$250,000. Tri-County Manor Living Center, Inc. has the option to purchase the facility upon payment in full of the lease payments totaling \$250,000.

NOTE 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss with the exception of loss from damage to or destruction of the electrical distribution system, including related lost regulatory receipts. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 - Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2019.

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

**NOTE 9 - Long-Term Debt**

Following is a detailed listing of the City's long-term debt:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>	<u>Amount Outstanding</u>
<b>Paid by Taxes:</b>					
2010 Fire Truck General Obligation Bond	3/25/2010	3/25/2020	4.00%	\$ 151,400	\$ 17,900
2016-A Sales Tax Revenue Bond	11/3/2016	5/1/2037	2.00 to 4.00%	1,765,000	1,660,000
2019-1 Temporary Notes	11/26/2019	5/1/2021	2.35%	3,303,000	3,303,000
2019 Capital Lease	8/8/2019	8/8/2022	2.62%	29,845	29,845
<b>Paid by Utility Fees:</b>					
2005-A Improvements	5/3/2005	12/1/2020	3.00 to 4.25%	300,000	25,000
2009 Electric Utility System Revenue Bond	10/22/2009	10/1/2022	2.25 to 4.20%	1,620,000	425,000
2011 Public Water Supply General Obligation Bond	6/28/2011	6/28/2051	3.25%	4,123,000	2,995,973
2013 Sewer Improvements General Obligation Bond	9/27/2013	7/27/2053	2.13%	2,955,000	2,653,725
2015 Sewer Improvements General Obligation Bond	5/27/2015	5/27/2055	2.13%	3,375,000	3,150,458
2015 Electric Utility System Revenue Bond	7/27/2015	10/1/2030	3.50 to 4.00%	490,000	385,000
<b>Total</b>				<u>\$ 18,112,245</u>	<u>\$ 14,645,901</u>

*General Obligation and Revenue Bonds.* Annual debt service requirements to maturity for the general obligation and revenue bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 322,775	\$ 328,323
2021	559,448	316,333
2022	439,143	286,603
2023	303,962	272,621
2024	308,909	264,574
2025-2029	1,683,517	1,178,550
2030-2034	1,773,655	910,761
2035-2039	1,744,415	640,501
2040-2044	1,573,868	429,048
2045-2049	1,480,897	216,936
2050-2054	998,995	73,104
2055	<u>123,472</u>	<u>2,624</u>
<b>Total</b>	<u>\$ 11,313,056</u>	<u>\$ 4,919,978</u>

*Capital Lease.* On August 8, 2019, the City entered into a capital lease agreement to purchase a skid steer loader for \$29,845. Terms of the lease call for annual principal and interest payments in the amount of \$10,474. The lease carries an interest rate of 2.62% and matures on August 8, 2022.

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

NOTE 9 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the capital lease are as follows:

Year Ending December 31,	Principal	Interest
2020	\$ 9,692	\$ 782
2021	9,946	528
2022	<u>10,207</u>	<u>292</u>
Total	<u>\$29,845</u>	<u>\$ 1,602</u>

*Temporary Notes.* On November 20, 2019, the City issues General Obligation Temporary Notes, Series 2019-1 in the amount of \$3,303,000. Proceeds from the sale of the notes will provide construction period funding for construction of a new treatment plant for the City's sanitary sewer system. The notes carry a 2.35% interest rate and mature on May 1, 2021.

Annual debt service requirements to maturity for the temporary notes are as follows:

Year Ending December 31,	Principal	Interest
2021	<u>\$3,303,000</u>	<u>\$111,040</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2019:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Revenue Bonds	\$ 2,705,000	-	\$ 235,000	\$ 2,470,000	\$ 99,703
General Obligation Bonds	9,060,777	-	217,721	8,843,056	228,696
Temporary Notes	-	3,303,000	-	3,303,000	-
Capital Leases	-	29,845	-	29,845	-
Total	<u>\$ 11,765,777</u>	<u>\$ 3,332,845</u>	<u>\$ 452,721</u>	<u>\$ 14,645,901</u>	<u>\$ 328,398</u>

NOTE 10 - Revenue Bond Requirements

The City's electric revenue bond covenants require certain reservations and rate coverage. The reserved portions are as follows:

Reserved for revenue bond principal and interest	\$ 9,235
Reserved for depreciation and repair	<u>160,000</u>
Total reservation as required by bond covenants	<u>\$ 169,235</u>

Rate coverage met bond covenant requirements during the year ended December 31, 2019.

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

**NOTE 11 - Interfund Transfers**

A reconciliation of operating transfers by fund type for 2019 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Water	Employee Benefit	\$ 5,037	K.S.A. 12-825d
Water	General	2,262	K.S.A. 12-825d
Sewer	Employee Benefit	2,518	K.S.A. 12-825d
Sewer	State Grant	38,404	K.S.A. 12-825d
Electric	Employee Benefit	34,218	K.S.A. 12-825d
Electric	General	160,000	K.S.A. 12-825d
Solid Waste	General	5,000	K.S.A. 12-825d
General	Public Building Reserve	800	K.S.A. 12-1,118
General	Bond and Interest	18,358	Bond covenant
General	Equipment Reserve	2,000	K.S.A. 12-1,117
General	Employee Benefit	72,931	K.S.A. 12-16,102
General	State Grant	<u>66,354</u>	Commission resolution
Total		<u>\$ 407,881</u>	

**NOTE 12 - 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 of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Death and Disability Other Post-Employment Benefits.* As provided by K.S.A. 74-4927, disabled members of the Kansas Public Employees Retirement System (KPERS) received long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

**NOTE 13 - Statutory Violations**

Actual exceeded budgeted expenditures in the 911 Wireless Fund, which is a violation of K.S.A. 79-2935.

The Employee Benefits, Library and Pool Project funds had negative ending unencumbered cash as of December 31, 2019, which is a violation of K.S.A. 10-1113.

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

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:					
General	\$ 1,355,904	\$ -	\$ 1,355,904	\$ 1,347,422	\$ 8,482
Special Purpose Funds:					
Employee Benefit	-	-	-	325,976	[325,976]
Industrial	-	-	-	-	-
Library	61,150	-	61,150	57,750	3,400
Special Highway	90,000	-	90,000	67,961	22,039
Equipment Reserve	-	-	-	-	-
Public Building Reserve	-	-	-	-	-
Court Diversion	2,000	-	2,000	385	1,615
911 Wireless	-	-	-	338	[338]
Sales Tax Revenue	131,000	-	131,000	131,000	-
Bond and Interest Fund:					
Bond and Interest	18,708	-	18,708	18,708	-
Enterprise Funds:					
Water	431,307	-	431,307	390,516	40,791
Sewer	441,844	6,498	448,342	444,402	3,940
Electric	2,003,048	-	2,003,048	1,743,327	259,721
Solid Waste	106,920	-	106,920	105,198	1,722

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 741,300	\$ 743,453	\$ 790,981	\$ [47,528]
Intergovernmental	20,638	26,306	22,000	4,306
Franchise tax	37,682	36,385	40,000	[3,615]
Licenses	13,574	13,091	1,550	11,541
Fines and fees	76,755	71,789	97,100	[25,311]
Interest	5,182	19,413	7,000	12,413
Use of property	33,028	43,429	16,000	27,429
Charges for services	108,354	117,239	167,129	[49,890]
Grants	8,724	-	-	-
Transfer in	146,200	187,262	250,000	[62,738]
Miscellaneous	31,076	92,827	300	92,527
Total Receipts	<u>1,222,513</u>	<u>1,351,194</u>	<u>\$ 1,392,060</u>	<u>\$ [40,866]</u>
Expenditures				
General Government				
Personnel	21,837	12,479	\$ 32,836	\$ 20,357
Contractual services	71,490	55,596	68,848	13,252
Commodities	12,626	7,390	8,787	1,397
Capital outlay	1,474	61,384	61,000	[384]
Miscellaneous	37,400	4,929	12,000	7,071
Law Enforcement				
Personnel	280,663	300,785	288,922	[11,863]
Contractual services	27,499	32,619	57,015	24,396
Commodities	26,757	22,391	35,348	12,957
Capital outlay	6,389	15,108	26,000	10,892
Debt service	-	3,791	-	[3,791]
Parks and Recreation				
Personnel	7,069	13,352	7,613	[5,739]
Contractual services	25,643	31,151	14,900	[16,251]
Commodities	39,232	16,467	34,472	18,005
Capital outlay	29,548	10,529	23,000	12,471
Streets				
Contractual services	24,758	20,872	32,342	11,470
Commodities	36,368	53,022	31,753	[21,269]
Capital outlay	25,757	29,845	16,226	[13,619]
Cemetery	7,936	4,916	9,800	4,884
Airport	3,337	3,127	3,050	[77]

See independent auditor's report on the financial statements.



CITY OF HORTON, KANSAS  
General Fund (Continued)  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Firing Range				
Contractual services	\$ 739	\$ 1,096	\$ 900	\$ [196]
Commodities	479	404	700	296
Pool				
Personnel	39,459	39,243	30,952	[8,291]
Contractual services	5,286	6,419	3,400	[3,019]
Commodities	24,344	18,791	17,100	[1,691]
Capital outlay	3,201	-	18,000	18,000
Communications				
Personnel	151,723	179,934	164,835	[15,099]
Contractual services	6,222	6,392	32,409	26,017
Commodities	12,803	11,852	1,700	[10,152]
Capital outlay	1,079	11	1,100	1,089
Court				
Personnel	26,118	34,316	31,997	[2,319]
Contractual services	23,510	25,287	37,210	11,923
Commodities	12,980	14,490	500	[13,990]
Fire Department				
Personnel	11,830	8,750	10,828	2,078
Contractual services	11,544	8,110	14,000	5,890
Commodities	7,736	4,260	5,800	1,540
Capital outlay	-	-	3,000	3,000
Community Building				
Personnel	6,097	7,038	17,021	9,983
Contractual services	11,501	8,738	-	[8,738]
Commodities	1,632	2,293	-	[2,293]
Capital outlay	-	633	-	[633]
Armory Building				
Contractual services	10,733	6,856	9,780	2,924
Employee benefits	98,899	65,455	138,362	72,907
Building demolition	11,584	13,068	10,000	[3,068]
Transfer out	47,671	180,442	21,158	[159,284]
Debt service	4,529	3,791	21,240	17,449
Total Expenditures	<u>1,217,482</u>	<u>1,347,422</u>	<u>\$ 1,355,904</u>	<u>\$ 8,482</u>
Receipts Over [Under] Expenditures	5,031	3,772		
Unencumbered Cash, Beginning	<u>48,108</u>	<u>53,139</u>		
Unencumbered Cash, Ending	<u>\$ 53,139</u>	<u>\$ 56,911</u>		

See independent auditor's report on the financial statements.

## Schedule 2-2

CITY OF HORTON, KANSAS  
Employee Benefit Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfer in	\$ 49,564	\$ 114,704	\$ -	\$ 114,704
Miscellaneous	-	154,987	-	154,987
Total Receipts	<u>49,564</u>	<u>269,691</u>	<u>\$ -</u>	<u>\$ 269,691</u>
Expenditures				
Personnel	<u>19,693</u>	<u>325,976</u>	<u>\$ -</u>	<u>\$ [325,976]</u>
Total Expenditures	<u>19,693</u>	<u>325,976</u>	<u>\$ -</u>	<u>\$ [325,976]</u>
Receipts Over [Under] Expenditures	29,871	[56,285]		
Unencumbered Cash, Beginning	<u>-</u>	<u>29,871</u>		
Unencumbered Cash, Ending	<u>\$ 29,871</u>	<u>\$ [26,414]</u>		

\* This fund is required to be budgeted by Kansas statutes, however, it was inadvertently presented as a non-budgeted fund. This will be corrected moving forward.

CITY OF HORTON, KANSAS  
Industrial Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 108	\$ 27	\$ -	\$ 27
Intergovernmental	-	-	800	[800]
Total Receipts	<u>108</u>	<u>27</u>	<u>\$ 800</u>	<u>\$ [773]</u>
Expenditures				
Contractual services	<u>2,500</u>	-	\$ -	\$ -
Total Expenditures	<u>2,500</u>	-	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[2,392]	27		
Unencumbered Cash, Beginning	<u>3,960</u>	<u>1,568</u>		
Unencumbered Cash, Ending	<u>\$ 1,568</u>	<u>\$ 1,595</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Library Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 55,030	\$ 54,798	\$ 60,516	\$ [5,718]
Total Receipts	<u>55,030</u>	<u>54,798</u>	<u>\$ 60,516</u>	<u>\$ [5,718]</u>
Expenditures				
Distributions to library board	<u>57,100</u>	<u>57,750</u>	\$ 61,150	\$ 3,400
Total Expenditures	<u>57,100</u>	<u>57,750</u>	<u>\$ 61,150</u>	<u>\$ 3,400</u>
Receipts Over [Under] Expenditures	[2,070]	[2,952]		
Unencumbered Cash, Beginning	<u>-</u>	<u>[2,070]</u>		
Unencumbered Cash, Ending	<u>\$ [2,070]</u>	<u>\$ [5,022]</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Special Highway Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 46,225	\$ 46,343	\$ 46,140	\$ 203
Total Receipts	<u>46,225</u>	<u>46,343</u>	<u>\$ 46,140</u>	<u>\$ 203</u>
Expenditures				
Contractual services	<u>38,807</u>	<u>67,961</u>	<u>\$ 90,000</u>	<u>\$ 22,039</u>
Total Expenditures	<u>38,807</u>	<u>67,961</u>	<u>\$ 90,000</u>	<u>\$ 22,039</u>
Receipts Over [Under] Expenditures	7,418	[21,618]		
Unencumbered Cash, Beginning	<u>164,566</u>	<u>171,984</u>		
Unencumbered Cash, Ending	<u>\$ 171,984</u>	<u>\$ 150,366</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Equipment Reserve Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total Receipts	<u>2,000</u>	<u>2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>
Expenditures				
Capital outlay	<u>22,000</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>22,000</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[20,000]	2,000		
Unencumbered Cash, Beginning	<u>24,385</u>	<u>4,385</u>		
Unencumbered Cash, Ending	<u>\$ 4,385</u>	<u>\$ 6,385</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Public Building Reserve Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 800	\$ 800	\$ 800	\$ -
Total Receipts	<u>800</u>	<u>800</u>	<u>\$ 800</u>	<u>\$ -</u>
Expenditures				
Commodities	-	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	800	800		
Unencumbered Cash, Beginning	<u>6,996</u>	<u>7,796</u>		
Unencumbered Cash, Ending	<u>\$ 7,796</u>	<u>\$ 8,596</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 State Grant Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2019 and 2018

	Year Ended December 31,	
	<u>2018</u>	<u>2019</u>
Receipts		
Grants	\$ 734	\$ 2,936
Repayment of loans	20,592	-
Temporary note proceeds	-	3,303,000
Transfers in	-	104,757
Total Receipts	<u>21,326</u>	<u>3,410,693</u>
Expenditures		
Contractual	32,880	392,344
Commodities	<u>18,304</u>	<u>-</u>
Total Expenditures	<u>51,184</u>	<u>392,344</u>
Receipts Over [Under] Expenditures	[29,858]	3,018,349
Unencumbered Cash, Beginning	<u>334,208</u>	<u>304,350</u>
Unencumbered Cash, Ending	<u>\$ 304,350</u>	<u>\$ 3,322,699</u>

\* This fund is not required to be budgeted.



CITY OF HORTON, KANSAS  
 Court Diversion Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 4,269	\$ 3,111	\$ 2,100	\$ 1,011
Total Receipts	<u>4,269</u>	<u>3,111</u>	<u>\$ 2,100</u>	<u>\$ 1,011</u>
Expenditures				
Contractual	<u>87</u>	<u>385</u>	<u>\$ 2,000</u>	<u>\$ 1,615</u>
Total Expenditures	<u>87</u>	<u>385</u>	<u>\$ 2,000</u>	<u>\$ 1,615</u>
Receipts Over [Under] Expenditures	4,182	2,726		
Unencumbered Cash, Beginning	<u>11,916</u>	<u>16,098</u>		
Unencumbered Cash, Ending	<u>\$ 16,098</u>	<u>\$ 18,824</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 Energy Efficiency Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2019 and 2018

	Year Ended December 31,	
	<u>2018</u>	<u>2019</u>
Receipts		
Grants	\$ 288	\$ -
Total Receipts	<u>288</u>	<u>-</u>
Expenditures		
Contractual	<u>532</u>	<u>-</u>
Total Expenditures	<u>532</u>	<u>-</u>
Receipts Over [Under] Expenditures	[244]	-
Unencumbered Cash, Beginning	<u>3,019</u>	<u>2,775</u>
Unencumbered Cash, Ending	<u>\$ 2,775</u>	<u>\$ 2,775</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 911 Wireless Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
911 Fees	\$ 4,100	\$ 3,481	\$ 4,550	\$ [1,069]
Total Receipts	<u>4,100</u>	<u>3,481</u>	<u>\$ 4,550</u>	<u>\$ [1,069]</u>
Expenditures				
Contractual	-	338	\$ -	\$ [338]
Total Expenditures	<u>-</u>	<u>338</u>	<u>\$ -</u>	<u>\$ [338]</u>
Receipts Over [Under] Expenditures	4,100	3,143		
Unencumbered Cash, Beginning	<u>13,235</u>	<u>17,335</u>		
Unencumbered Cash, Ending	<u>\$ 17,335</u>	<u>\$ 20,478</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Sales Tax Revenue Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes	\$ 174,810	\$ 160,363	\$ 200,000	\$ [39,637]
Total Receipts	<u>174,810</u>	<u>160,363</u>	<u>200,000</u>	<u>[39,637]</u>
Expenditures				
Debt service	<u>97,050</u>	<u>131,000</u>	<u>\$ 131,000</u>	<u>\$ -</u>
Total Expenditures	<u>97,050</u>	<u>131,000</u>	<u>131,000</u>	<u>-</u>
Receipts Over [Under] Expenditures	77,760	29,363		
Unencumbered Cash, Beginning	<u>195,508</u>	<u>273,268</u>		
Unencumbered Cash, Ending	<u>\$ 273,268</u>	<u>\$ 302,631</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 Pool Project Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2019 and 2018

	Year Ended December 31,	
	<u>2018</u>	<u>2019</u>
Receipts		
Transfer in	\$ 8,336	\$ -
Total Receipts	<u>8,336</u>	<u>-</u>
Expenditures		
Capital outlay	<u>603,382</u>	<u>-</u>
Total Expenditures	<u>603,382</u>	<u>-</u>
Receipts Over [Under] Expenditures	[595,046]	-
Unencumbered Cash, Beginning	<u>594,336</u>	<u>[710]</u>
Unencumbered Cash, Ending	<u>\$ [710]</u>	<u>\$ [710]</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 Capital Improvement - Crime Prevention Fund  
 Schedule of Receipts and Expenditures - Actual\*  
 Regulatory Basis  
 For the Year Ended December 31, 2019 and 2018

	Year Ended December 31,	
	<u>2018</u>	<u>2019</u>
Receipts		
Donations	\$ 1,000	\$ 6,987
Total Receipts	<u>1,000</u>	<u>6,987</u>
Expenditures		
Contractual	-	970
Total Expenditures	<u>-</u>	<u>970</u>
Receipts Over [Under] Expenditures	1,000	6,017
Unencumbered Cash, Beginning	<u>911</u>	<u>1,911</u>
Unencumbered Cash, Ending	<u>\$ 1,911</u>	<u>\$ 7,928</u>

\* This fund is not required to be budgeted.

CITY OF HORTON, KANSAS  
 Bond and Interest Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 3,211	\$ 984	\$ -	\$ 984
Transfers in	<u>8,000</u>	<u>18,358</u>	<u>18,358</u>	<u>-</u>
Total Receipts	<u>11,211</u>	<u>19,342</u>	<u>\$ 18,358</u>	<u>\$ 984</u>
Expenditures				
Principal	16,600	17,300	\$ 17,300	\$ -
Interest	<u>2,072</u>	<u>1,408</u>	<u>1,408</u>	<u>-</u>
Total Expenditures	<u>18,672</u>	<u>18,708</u>	<u>\$ 18,708</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[7,461]	634		
Unencumbered Cash, Beginning	<u>9,261</u>	<u>1,800</u>		
Unencumbered Cash, Ending	<u>\$ 1,800</u>	<u>\$ 2,434</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 Water Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges for services	\$ 409,594	\$ 395,003	\$ 440,000	\$ [44,997]
Miscellaneous	4,114	7,843	1,500	6,343
Total Receipts	<u>413,708</u>	<u>402,846</u>	<u>\$ 441,500</u>	<u>\$ [38,654]</u>
Expenditures				
Personnel	129,950	128,408	\$ 157,771	\$ 29,363
Contractual	79,329	72,080	55,905	[16,175]
Commodities	38,644	16,362	41,815	25,453
Capital outlay	7,958	2,285	5,000	2,715
Debt service	144,083	164,083	165,816	1,733
Transfer out	1,918	7,298	5,000	[2,298]
Total Expenditures	<u>401,882</u>	<u>390,516</u>	<u>\$ 431,307</u>	<u>\$ 40,791</u>
Receipts Over [Under] Expenditures	11,826	12,330		
Unencumbered Cash, Beginning	<u>245,345</u>	<u>257,171</u>		
Unencumbered Cash, Ending	<u>\$ 257,171</u>	<u>\$ 269,501</u>		

See independent auditor's report on the financial statements.



CITY OF HORTON, KANSAS  
Sewer Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 447,433	\$ 455,576	\$ 419,000	\$ 36,576
Reimbursements	<u>2,161</u>	<u>6,498</u>	<u>1,000</u>	<u>5,498</u>
Total Receipts	<u>449,594</u>	<u>462,074</u>	<u>\$ 420,000</u>	<u>\$ 42,074</u>
Expenditures				
Personnel	83,453	82,167	\$ 107,883	\$ 25,716
Contractual	39,408	42,522	55,703	13,181
Commodities	12,793	8,729	11,122	2,393
Capital outlay	-	6,436	3,510	[2,926]
Debt service	264,688	263,626	263,626	-
Transfer out	959	40,922	-	[40,922]
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>6,498</u>	<u>6,498</u>
Total Expenditures	<u>401,301</u>	<u>444,402</u>	<u>\$ 448,342</u>	<u>\$ 3,940</u>
Receipts Over [Under] Expenditures	48,293	17,672		
Unencumbered Cash, Beginning	<u>103,165</u>	<u>151,458</u>		
Unencumbered Cash, Ending	<u>\$ 151,458</u>	<u>\$ 169,130</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
 Electric Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2019  
 (With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 1,716,680	\$ 1,563,447	\$ 1,725,000	\$ [161,553]
Total Receipts	<u>1,716,680</u>	<u>1,563,447</u>	<u>\$ 1,725,000</u>	<u>\$ [161,553]</u>
Expenditures				
Personnel	415,638	351,252	\$ 466,246	\$ 114,994
Contractual	136,252	109,024	132,012	22,988
Commodities	926,945	885,130	955,387	70,257
Capital outlay	3,797	-	5,700	5,700
Debt service	199,973	203,703	203,703	-
Transfer out	<u>163,152</u>	<u>194,218</u>	<u>240,000</u>	<u>45,782</u>
Total Expenditures	<u>1,845,757</u>	<u>1,743,327</u>	<u>\$ 2,003,048</u>	<u>\$ 259,721</u>
Receipts Over [Under] Expenditures	[129,077]	[179,880]		
Unencumbered Cash, Beginning	<u>1,427,611</u>	<u>1,298,534</u>		
Unencumbered Cash, Ending	<u>\$ 1,298,534</u>	<u>\$ 1,118,654</u>		

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Solid Waste Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2019  
(With Comparative Actual Amounts For the Year Ended December 31, 2018)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 109,458	\$ 109,976	\$ 115,000	\$ [5,024]
Total Receipts	<u>109,458</u>	<u>109,976</u>	<u>\$ 115,000</u>	<u>\$ [5,024]</u>
Expenditures				
Contractual	100,450	100,198	\$ 101,920	\$ 1,722
Transfer out	<u>1,200</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>101,650</u>	<u>105,198</u>	<u>\$ 106,920</u>	<u>\$ 1,722</u>
Receipts Over [Under] Expenditures	7,808	4,778		
Unencumbered Cash, Beginning	<u>24,240</u>	<u>32,048</u>		
Unencumbered Cash, Ending	<u>\$ 32,048</u>	<u>\$ 36,826</u>		

See independent auditor's report on the financial statements.

## Schedule 3

CITY OF HORTON, KANSAS  
Private-Purpose Trust Funds  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2019

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Schneider Poor	\$ 2,428	\$ -	\$ -	\$ 2,428	\$ -	\$ 2,428
Heart of Horton	1,380	591	161	1,810	-	1,810
Restricted Donation (Cemetery Trees)	4,881	31,944	30,873	5,952	-	5,952
Cemetery Memorial	<u>1,428</u>	<u>12</u>	<u>-</u>	<u>1,440</u>	<u>-</u>	<u>1,440</u>
Total Private-Purpose Trust Fund	<u>\$ 10,117</u>	<u>\$ 32,547</u>	<u>\$ 31,034</u>	<u>\$ 11,630</u>	<u>\$ -</u>	<u>\$ 11,630</u>

See independent auditor's report on the financial statements.

CITY OF HORTON, KANSAS  
Horton Free Public Library - Related Municipal Entity  
Schedule of Receipts and Expenditures - Actual\*  
Regulatory Basis  
For the Year Ended December 31, 2019

Receipts	
State of Kansas	\$ 694
Northeast Kansas Library System	16,892
City appropriation	57,500
Interest	208
Fines and fees	997
Donations	909
Miscellaneous	<u>708</u>
Total Receipts	<u>77,908</u>
Expenditures	
Personal service	52,120
Contractual	9,547
Capital outlay	5,627
Commodities	14,731
Miscellaneous	<u>1,617</u>
Total Expenditures	<u>83,642</u>
Receipts Over [Under] Expenditures	[5,734]
Unencumbered Cash, Beginning	<u>63,892</u>
Unencumbered Cash, Ending	<u>\$ 58,158</u>

\* This fund is not required to be budgeted.

