

CITY OF LEON, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

December 31, 2018

CITY OF LEON, KANSAS
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May 11, 2019

Mayor and Council Members
City of Leon, Kansas

Independent Auditor's Report

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Leon, Kansas (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes examining, on a test basis, evidence supporting 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 to 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.

Independent Auditor's Report

May 11, 2019
City of Leon, Kansas
(Continued)

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, 2018, or changes in financial position and cash flows thereof for the year then ended.

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, 2018, 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.

Report on Regulatory-Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2018 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 (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2018 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 2018 basic financial statement. The 2018 information has been subjected to the auditing procedures applied in the audit of the 2018 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 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. In our opinion, the information is fairly stated in all material respects in relation to the 2018 basic financial statement as a whole, on the basis of accounting described in Note 1.

Vannoy & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

CITY OF LEON, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2018

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Funds							
General Fund	\$ 211,180	\$ -	\$ 255,936	\$ 200,251	\$ 266,865	\$ -	\$ 266,865
Special Purpose Funds							
Library Fund	491	-	4,259	4,259	491	-	491
Employee Benefits Fund	2,345	-	33,607	35,856	96	-	96
Law Enforcement Fund	81,429	-	79,512	105,583	55,358	-	55,358
Special Street and Highway Fund	12,033	-	23,914	31,750	4,197	-	4,197
Senior Housing Fund	3,537	-	32,595	29,687	6,445	-	6,445
Capital Improvement Fund	1,698	-	-	-	1,698	-	1,698
Municipal Equipment Fund	82,500	-	28,572	59,500	51,572	-	51,572
Condemnation and Demolition Fund	-	-	29,505	933	28,572	-	28,572
Business Funds							
Waterworks Fund	16,733	-	128,027	108,225	36,535	-	36,535
Sewer Fund	147,140	-	150,959	169,914	128,185	-	128,185
Sewer Reserve Fund	50,000	-	30,000	-	80,000	-	80,000
Refuse Fund	5,661	-	42,471	42,440	5,692	-	5,692
Total Financial Reporting Entity	\$ 614,747	\$ -	\$ 839,357	\$ 788,398	\$ 665,706	\$ -	\$ 665,706

Composition of Cash

Cash on Hand	\$ 300
Cash in Checking and Money Market Accounts	665,406
Total Cash for Financial Reporting Entity	\$ 665,706

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

Financial Statement

CITY OF LEON, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2018

Note 1: Summary of Significant Accounting Policies

The City of Leon, Kansas (the City) is a municipal corporation incorporated under the laws of the State of Kansas. The City operates under a Mayor-Council form of government consisting of an elected Mayor and five council members. This financial statement presents only the City as the primary government.

Related Municipal Entities

The Leon Public Library, a related municipal entity of the City, is not included in the financial statement.

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

General Fund - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

Business Funds - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

Basis of Accounting

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 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 revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

CITY OF LEON, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2018

Note 1: Summary of Significant Accounting Policies (Continued)

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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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 revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: capital improvement fund and municipal equipment fund.

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

CITY OF LEON, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2018

Note 2: Deposits and Investments

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

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

As of December 31, 2018, the City held no such investments.

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 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 coverage is 50%. The City does not utilize "peak periods".

As of December 31, 2018, the City's carrying amount of the deposits was \$665,406 and the bank balance was \$665,695. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$415,695 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

CITY OF LEON, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2018

Note 3: Changes in Long-Term Debt

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 1998	4.65-5.00%	10/01/98	\$ 345,000	09/01/18	\$ 25,000	\$ -	\$ 25,000	\$ (25,000)	\$ -	\$ 1,250
Series 2010	2.75-4.5%	11/01/10	138,000	09/01/26	90,000	-	10,000	(10,000)	80,000	3,725
Series 2011	1.78-4.57%	07/01/11	22,350	09/01/28	16,100	-	1,200	(1,200)	14,900	632
Revolving Loans										
Sewer improvements 2012	2.32%	03/01/12	775,248	03/01/33	629,064	-	34,153	(34,153)	594,911	14,397
Water Connection Contract										
RWD #6	5.00%	11/04/85	87,153	06/01/25	31,806	-	3,570	(3,570)	28,236	1,509
TOTAL LONG-TERM DEBT					<u>\$ 791,970</u>	<u>\$ -</u>	<u>\$ 73,923</u>	<u>\$ (73,923)</u>	<u>\$ 718,047</u>	<u>\$ 21,513</u>

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

	2019	2020	2021	2022	2023	2024-2028	2029-2033	Total
PRINCIPAL								
General obligation bonds	\$ 11,200	\$ 11,300	\$ 11,300	\$ 11,400	\$ 11,500	\$ 38,200	\$ -	\$ 94,900
Sewer revolving loan	34,983	35,798	36,633	37,488	38,363	205,667	205,979	594,911
RWD #6 water connection	3,753	3,945	4,146	4,359	4,582	7,451	-	28,236
Total Principal	<u>\$ 49,936</u>	<u>\$ 51,043</u>	<u>\$ 52,079</u>	<u>\$ 53,247</u>	<u>\$ 54,445</u>	<u>\$ 251,318</u>	<u>\$ 205,979</u>	<u>\$ 718,047</u>
INTEREST								
General Obligation Bonds	\$ 5,607	\$ 5,233	\$ 3,583	\$ 3,157	\$ 2,711	\$ 5,930	\$ 82	\$ 26,303
Sewer revolving loan	14,411	13,613	12,797	11,961	11,106	41,992	17,423	123,303
RWD #6 water connection	1,509	1,327	1,135	933	721	800	-	6,425
Total Interest	<u>\$ 21,527</u>	<u>\$ 20,173</u>	<u>\$ 17,515</u>	<u>\$ 16,051</u>	<u>\$ 14,538</u>	<u>\$ 48,722</u>	<u>\$ 17,505</u>	<u>\$ 156,031</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 71,463</u>	<u>\$ 71,216</u>	<u>\$ 69,594</u>	<u>\$ 69,298</u>	<u>\$ 68,983</u>	<u>\$ 300,040</u>	<u>\$ 223,484</u>	<u>\$ 874,078</u>

CITY OF LEON, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2018

Notes to Financial Statement

Note 4: Stewardship, Compliance and Accountability

There were no statute violations noted for 2018.

Note 5: Defined Benefit Pension Plan

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503) or by calling 1-888-275-5737.

Contributions

KSA 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) is 8.39% for fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$10.281 for the year ended December 31, 2018.

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$107,503. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. 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 this financial statement.

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

CITY OF LEON, KANSAS
NOTES TO FINANCIAL STATEMENT (CONTINUED)
December 31, 2018

Note 6: Interfund Transfers

Transfers for the year ended December 31, 2018 were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Municipal Equip Fund	K.S.A. 12-1, 117	\$ 5,000
General Fund	Employee Benefits	K.S.A. 12-16, 102	3,000
Waterworks Fund	Employee Benefits	K.S.A. 12-825d	1,000
Law Enforcement Fund	Municipal Equip Fund	K.S.A. 12-1, 117	5,000
Refuse Fund	Municipal Equip Fund	K.S.A. 12-1, 117	5,000
Sewer Fund	Sewer Reserve Fund	K.S.A. 12-825d	30,000
Sewer Fund	Employee Benefits	K.S.A. 12-825d	2,000
Sewer Fund	Municipal Equip Fund	K.S.A. 12-1, 117	11,000
			<u>\$ 62,000</u>

Note 7: Capital Projects

As of December 31, 2018, there were no significant city-funded capital project authorizations outstanding.

Note 8: Subsequent Events

Subsequent events have been evaluated through May 11, 2019, which is the date the financial statement was available to be issued. Events requiring disclosure were identified and disclosed.

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

CITY OF LEON, KANSAS
SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Funds					
General Fund	\$ 372,351	\$ -	\$ 372,351	\$ 200,251	\$ (172,100)
Special Purpose Funds					
Library	4,325	-	4,325	4,259	(66)
Employee Benefits	40,000	-	40,000	35,856	(4,144)
Law Enforcement	263,750	-	263,750	105,583	(158,167)
Special Street and Highway	21,713	-	21,713	31,750	10,037
Senior Housing	39,000	-	39,000	29,687	(9,313)
Business Funds					
Waterworks	188,891	-	188,891	108,225	(80,666)
Sewer	211,548	-	211,548	169,914	(41,634)
Refuse	45,485	-	45,485	42,440	(3,045)
Expenditures Subject to Current Budget	\$1,187,063	\$ -	\$ 1,187,063	\$ 727,965	

CITY OF LEON, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
County tax	\$ 104,062	\$ 103,474	\$ 588
Franchise tax	46,968	45,000	1,968
Sales tax	41,373	40,400	973
Fines, fees, and permits	6,029	2,500	3,529
Interest	3,057	-	3,057
Other revenue	54,447	-	54,447
Total Receipts	<u>\$ 255,936</u>	<u>\$ 191,374</u>	<u>\$ 64,562</u>
EXPENDITURES			
Salaries and benefits	\$ 15,558	\$ 78,000	\$ (62,442)
Contractual services	49,959	30,000	19,959
Commodities	126,725	21,000	105,725
Street improvements	-	233,351	(233,351)
Capital outlay	9	10,000	(9,991)
Transfers out	8,000	-	8,000
Total Expenditures	<u>\$ 200,251</u>	<u>\$ 372,351</u>	<u>\$ (172,100)</u>
Receipts over (under) expenditures	\$ 55,685		
UNENCUMBERED CASH - BEGINNING	<u>211,180</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 266,865</u>		

CITY OF LEON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
LIBRARY FUND			
RECEIPTS			
Property tax	\$ 4,259	\$ 4,215	\$ 44
EXPENDITURES			
Appropriation to the Library Board	\$ 4,259	\$ 4,325	\$ (66)
Receipts over (under) expenditures	\$ -		
UNENCUMBERED CASH - BEGINNING	491		
UNENCUMBERED CASH - ENDING	\$ 491		
 EMPLOYEE BENEFITS FUND			
RECEIPTS			
Property tax	\$ 26,607	\$ 26,250	\$ 357
Transfer from other funds	7,000	13,750	(6,750)
Total Receipts	\$ 33,607	\$ 40,000	\$ (6,393)
EXPENDITURES			
Payroll taxes and benefits	\$ 35,856	\$ 40,000	\$ (4,144)
Receipts over (under) expenditures	\$ (2,249)		
UNENCUMBERED CASH - BEGINNING	2,345		
UNENCUMBERED CASH - ENDING	\$ 96		

CITY OF LEON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
LAW ENFORCEMENT FUND			
RECEIPTS			
Fines and fees	\$ 79,512	\$ 200,000	\$ (120,488)
EXPENDITURES			
Salary and benefits	\$ 34,762	\$ 70,000	\$ (35,238)
Contractual services	12,615	45,000	(32,385)
Commodities	53,206	135,000	(81,794)
Transfer to other funds	5,000	13,750	(8,750)
Total Expenditures	<u>\$ 105,583</u>	<u>\$ 263,750</u>	<u>\$ (158,167)</u>
Receipts over (under) expenditures	\$ (26,071)		
UNENCUMBERED CASH - BEGINNING	<u>81,429</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 55,358</u>		
SPECIAL STREET AND HIGHWAY FUND			
RECEIPTS			
State and county gas tax payments	\$ 19,510	\$ 18,570	\$ 940
Special assessments	2,917	2,860	57
Other	1,487	-	1,487
Total Receipts	<u>\$ 23,914</u>	<u>\$ 21,430</u>	<u>\$ 2,484</u>
EXPENDITURES			
Personnel	\$ 1,620	\$ -	\$ 1,620
Contractual services	-	20,000	(20,000)
Commodities	30,130	1,713	28,417
Total Expenditures	<u>\$ 31,750</u>	<u>\$ 21,713</u>	<u>\$ 8,417</u>
Receipts over (under) expenditures	\$ (7,836)		
UNENCUMBERED CASH - BEGINNING	<u>12,033</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 4,197</u>		

CITY OF LEON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
SENIOR HOUSING FUND			
RECEIPTS			
Rental payments	\$ 32,553	\$ -	\$ 32,553
Reimbursements	42	-	42
Total Receipts	<u>\$ 32,595</u>	<u>\$ -</u>	<u>\$ 32,595</u>
EXPENDITURES			
Principal	\$ 25,000	\$ 25,000	\$ -
Interest	1,250	1,250	-
Commodities	3,437	12,750	(9,313)
Total Expenditures	<u>\$ 29,687</u>	<u>\$ 39,000</u>	<u>\$ (9,313)</u>
Receipts over (under) expenditures	\$ 2,908		
UNENCUMBERED CASH - BEGINNING	<u>3,537</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 6,445</u>		
CAPITAL IMPROVEMENT FUND			
RECEIPTS	<u>\$ -</u>		
EXPENDITURES	<u>\$ -</u>		
Receipts over (under) expenditures	\$ -		
UNENCUMBERED CASH - BEGINNING	<u>1,698</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 1,698</u>		
MUNICIPAL EQUIPMENT FUND			
RECEIPTS			
Other	\$ 2,572		
Transfer from other funds	26,000		
Total Receipts	<u>\$ 28,572</u>		
EXPENDITURES			
Capital outlay	<u>\$ 59,500</u>		
Receipts over (under) expenditures	\$ (30,928)		
UNENCUMBERED CASH - BEGINNING	<u>82,500</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 51,572</u>		

SCHEDULE 2

CITY OF LEON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>
CONDEMNATION AND DEMOLITION FUND	
RECEIPTS	
Sale of properties	\$ 29,505
EXPENDITURES	
Contractual services	\$ 635
Commodities	298
Total Expenditures	<u>\$ 933</u>
Receipts over (under) expenditures	\$ 28,572
UNENCUMBERED CASH - BEGINNING	<u>-</u>
UNENCUMBERED CASH - ENDING	<u><u>\$ 28,572</u></u>

CITY OF LEON, KANSAS
WATERWORKS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
WATERWORKS FUND			
RECEIPTS			
Sales	\$ 117,112	\$ 150,000	\$ (32,888)
Surcharge	10,915	-	10,915
	<u>\$ 128,027</u>	<u>\$ 150,000</u>	<u>\$ (21,973)</u>
EXPENDITURES			
Salary and benefits	\$ 15,524	\$ 21,000	\$ (5,476)
Capital Outlay	-	5,000	(5,000)
Contractual services	21,468	40,000	(18,532)
Commodities	48,597	94,941	(46,344)
Debt service	20,636	13,725	6,911
Maintenance	-	11,725	(11,725)
Transfer to other funds	2,000	2,500	(500)
Total Expenditures	<u>\$ 108,225</u>	<u>\$ 188,891</u>	<u>\$ (80,666)</u>
Receipts over (under) expenditures	\$ 19,802		
UNENCUMBERED CASH - BEGINNING	<u>16,733</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 36,535</u>		

CITY OF LEON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
SEWER FUND			
RECEIPTS			
User fees	\$ 150,959	\$ 148,000	\$ 2,959
Special assessments	-	2,500	(2,500)
Total Receipts	<u>\$ 150,959</u>	<u>\$ 150,500</u>	<u>\$ 459</u>
EXPENDITURES			
Salary and benefits	\$ 59,874	\$ 28,000	\$ 31,874
Contractual services	4,309	20,000	(15,691)
Commodities	14,181	4,000	10,181
Capital outlay	-	79,245	(79,245)
Debt service	48,550	47,803	747
Transfer to other funds	43,000	32,500	10,500
Total Expenditures	<u>\$ 169,914</u>	<u>\$ 211,548</u>	<u>\$ (41,634)</u>
Receipts over (under) expenditures	\$ (18,955)		
UNENCUMBERED CASH - BEGINNING	<u>147,140</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 128,185</u>		
SEWER RESERVE FUND			
RECEIPTS			
Transfer from other funds	<u>\$ 30,000</u>		
EXPENDITURES	<u>-</u>		
Receipts over (under) expenditures	\$ 30,000		
UNENCUMBERED CASH - BEGINNING	<u>50,000</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 80,000</u>		

CITY OF LEON, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
REFUSE FUND			
RECEIPTS			
Refuse collection fees	\$ 42,471	\$ 45,000	\$ (2,529)
EXPENDITURES			
Contractual services	\$ 37,440	\$ 40,000	\$ (2,560)
Commodities	-	485	(485)
Transfers out	5,000	5,000	-
Total Expenditures	<u>\$ 42,440</u>	<u>\$ 45,485</u>	<u>\$ (3,045)</u>
Receipts over (under) expenditures	\$ 31		
UNENCUMBERED CASH - BEGINNING	<u>5,661</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 5,692</u>		