

CITY OF POMONA, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2019

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CITY OF POMONA, KANSAS
FINANCIAL STATEMENTS
Year ending December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Pomona, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Pomona, 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 presentation of the financial statements 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.

Emphasis of Matter

Prior Period Restatement

As discussed in Note 8 to the financial statements, certain errors in amounts previously recorded as of December 31, 2018, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2019, financial statements now presented, and adjustments have been made to beginning unencumbered cash to correct the errors. Our opinion is not modified with respect to these errors.

The financial statements of the City of Pomona, Kansas, as of December 31, 2018, were audited by other auditors whose report dated June 14, 2019, expressed an unmodified opinion on those statements.

Other Matters

Supplementary Information

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 30, 2020

CITY OF POMONA, 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>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ 532,984	\$ 4,500	\$ 332,706	\$ 281,062	\$ 589,128	\$ -	\$ 589,128
Special Purpose Funds:							
Employee Benefits Fund	5,416	-	52,736	50,605	7,547	-	7,547
Fire Protection Fund	10,481	-	3,256	13,313	424	-	424
Pomona Community Library Fund	1,232	-	43,050	42,503	1,779	-	1,779
Special Highway Fund	51,482	-	23,450	2,308	72,624	-	72,624
Special Parks and Recreation Fund	8,600	-	5,044	1,366	12,278	-	12,278
Community Building Fund	6,528	-	1,260	6,009	1,779	-	1,779
Sales Tax - Street Project Fund	212,807	-	92,652	225,143	80,316	-	80,316
Capital Projects Funds:							
Capital Improvement Fund	470,021	-	501	2,385	468,137	-	468,137
Street Capital Improvement Fund	143,896	-	-	9,645	134,251	-	134,251
Business Funds:							
Electric Utility Fund	454,631	4,500	910,625	727,572	642,184	39,721	681,905
Water Utility Fund	90,700	[13,500]	163,020	182,030	58,190	7,250	65,440
Sewer Utility Fund	57,919	4,500	1,396,201	673,504	785,116	7,250	792,366
Sewer Reserve Fund	144	-	-	-	144	-	144
Water Construction Reserve Fund	61,631	-	47,630	48,000	61,261	-	61,261
Electric Savings Reserve Fund	38,513	-	59	-	38,572	-	38,572
Water Savings Reserve Fund	47,817	-	73	-	47,890	-	47,890
Sewer Savings Reserve Fund	25,140	-	38	-	25,178	-	25,178
Total	<u>\$ 2,219,942</u>	<u>\$ -</u>	<u>\$ 3,072,301</u>	<u>\$ 2,265,445</u>	<u>\$ 3,026,798</u>	<u>\$ 54,221</u>	<u>\$ 3,081,019</u>

Composition of Cash:

Goppert State Savings Bank	
Checking	\$ 2,970,091
Money Market	<u>111,645</u>
Total Cash	3,081,736
Less: Agency Funds per Schedule 3	<u>[717]</u>
Total Reporting Entity (excluding Agency Funds)	<u>\$ 3,081,019</u>

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Pomona, Kansas, (the City) is a municipal corporation governed by a mayor and a five member council. These financial statements present the City and any related municipal entities for which the City is considered to be financially accountable. The City has no related municipal entities.

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 regulatory 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.

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.

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

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

CITY OF POMONA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the 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 receipt 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 2019 budget was amended for the Water Construction and Fire Protection funds.

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 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 the capital project funds, the business savings reserve funds, and the agency funds.

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. As of December 31, 2019, 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 required coverage is 50%. The City has no designated "peak periods." All deposits were legally secured at December 31, 2019.

CITY OF POMONA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 2 - Deposits (Continued)

At December 31, 2019, the City's carrying amount of deposits was \$3,081,736 and the bank balance was \$3,088,168. 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, \$2,702,957 was collateralized with securities held by the pledging financial institutions' agents in the City's name and \$135,211 was unsecured at December 31, 2019, which is a violation of K.S.A. 9-1402 and 9-1405.

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.

NOTE 3 - Retirement 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 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 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$16,234 for the year ended December 31, 2019.

Net Pension Liability. At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$127,329. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup 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 or can be obtained as described above.

CITY OF POMONA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 4 - Long-Term Debt

During the year ended December 31, 2019, the following changes occurred in long term liabilities:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid by Utility Revenues					
General Obligation bonds	\$ 860,757	\$ -	\$ 105,366	\$ 755,391	\$ 21,402
Revolving loans	186,545	1,154,644	37,216	1,303,972	4,414
	<u>186,545</u>	<u>1,154,644</u>	<u>37,216</u>	<u>1,303,972</u>	<u>4,414</u>
Total	<u>\$ 1,047,302</u>	<u>\$ 1,154,644</u>	<u>\$ 142,582</u>	<u>\$ 2,059,364</u>	<u>\$ 25,815</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for the proprietary funds if they are expected to be repaid from proprietary fund regulatory receipts. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance December 31, 2019</u>
Paid by Tax Revenues					
Series 2016 GO Bonds	5/24/2016	7/15/2026	.75-2.0%	\$ 715,000	\$ 510,000
Paid by Utility Revenues					
Series 2004					
Water Distribution					
Improvement Bonds	10/1/2004	10/1/2037	4.50%	<u>642,300</u>	<u>245,391</u>
Total GO Bonds				<u>\$ 1,357,300</u>	<u>\$ 755,391</u>

CITY OF POMONA, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 4 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest
2020	81,614	27,715
2021	82,136	26,317
2022	82,683	24,826
2023	88,253	23,205
2024	88,850	21,372
2025 - 2029	229,177	79,979
2030 - 2034	98,670	56,062
2035 - 2036	4,008	180
	<u>\$ 755,391</u>	<u>\$ 259,657</u>

Revolving Loan. On March 5, 2018, the City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for a Water Pollution Control Revolving Loan up to the amount of \$3,471,220, with an interest rate of 1.88% and service fee rate of .25%. As of December 31, 2019, the City has drawn \$1,341,189 on the loan and repaid \$37,216 in principal on the loan. An amortization schedule for the loan is not yet available since the loan has not been finalized. The purpose of the loan is to fund sanitary sewer system improvements throughout the City.

NOTE 5 - 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, including related lost regulatory receipts. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

NOTE 6 - Compensated Absences

It is the City's policy to grant employees annual vacation and sick leave in varying amounts depending on length of service. Annual vacation leave is accumulated at the rate of one half day per month for year one; 1 day per month for years 2 through 5; 1.25 days per month for years 6 through 10; and 1.5 days per month for each year after 10. Vacation days can accumulate up to 30 days.

The liability for compensated absences at December 31, 2019, was \$5,547.

Under City policy, a maximum of 10 days of vacation leave per year can be sold back to the City by the employee's anniversary date. Upon resignation or termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay. The cost of this policy for 2019 was \$1,120.

NOTE 7 - Other Long-Term Obligations from Operations

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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.

CITY OF POMONA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employers 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, 2018.

NOTE 8 - Prior Period Restatement

During the year ended December 31, 2019, management discovered certain errors in the prior year. The effects of these items caused a restatement to beginning unencumbered cash as follows:

	General Fund	Electric Utility Fund	Water Utility Fund	Sewer Utility Fund
Unencumbered cash, beginning	\$ 532,984	\$ 454,631	\$ 90,700	\$ 57,919
Prior period adjustment	4,500	4,500	[13,500]	4,500
Unencumbered cash, beginning, restated	<u>\$ 537,484</u>	<u>\$ 459,131</u>	<u>\$ 77,200</u>	<u>\$ 62,419</u>

NOTE 9 - Statutory Violations

Actual exceeded budgeted expenditures in the Sales Tax-Street Project Fund, which is a violation of K.S.A. 79-2935.

CITY OF POMONA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
General Funds:					
General Fund	\$ 623,256	\$ -	\$ 623,256	\$ 281,062	\$ 342,194
Special Purpose Funds:					
Employee Benefits Fund	64,195	-	64,195	50,605	13,590
Fire Protection Fund	15,533	-	15,533	13,313	2,220
Pomona Community Library Fund	61,190	-	61,190	42,503	18,687
Special Highway Fund	76,647	-	76,647	2,308	74,339
Special Parks and Recreation Fund	10,047	-	10,047	1,366	8,681
Community Building Fund	8,636	-	8,636	6,009	2,627
Sales Tax-Street Project Fund	89,153	-	89,153	225,143	[135,990]
Business Funds:					
Electric Utility Fund	1,360,575	-	1,360,575	727,572	633,003
Water Utility Fund	264,597	-	264,597	182,030	82,567
Sewer Utility Fund	305,018	1,227,264	1,532,282	673,504	858,778
Sewer Reserve Fund	-	-	-	-	-
Water Construction Reserve Fund	109,631	-	109,631	48,000	61,631

See independent auditor's report on the financial statements.

SCHEDULE 2 - 1

CITY OF POMONA, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes	\$ 245,838	\$ 218,654	\$ 27,184
Licenses and permits	13,522	6,175	7,347
Fines and fees	56,074	49,500	6,574
Use of money and property	2,642	1,125	1,517
Reimbursements	10,979	3,500	7,479
Miscellaneous	3,651	-	3,651
Transfers in	-	11,260	[11,260]
Total Receipts	<u>332,706</u>	<u>\$ 290,214</u>	<u>\$ 42,492</u>
Expenditures			
General administration	113,522	\$ 207,266	\$ 93,744
Highways and streets	116	-	[116]
Public safety	72,316	67,500	[4,816]
Zoning and building	8,837	10,500	1,663
Parks and cemetery	20,933	9,000	[11,933]
Refuse	48,824	45,000	[3,824]
Community building	7,613	5,150	[2,463]
Capital outlay	-	278,760	278,760
Miscellaneous	8,901	80	[8,821]
Total Expenditures	<u>281,062</u>	<u>\$ 623,256</u>	<u>\$ 342,194</u>
Receipts Over [Under] Expenditures	<u>51,644</u>		
Unencumbered Cash, Beginning	532,984		
Prior Period Adjustment	<u>4,500</u>		
Unencumbered Cash, Beginning, Restated	<u>537,484</u>		
Unencumbered Cash, Ending	<u>\$ 589,128</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes	\$ 47,018	\$ 43,530	\$ 3,488
Reimbursements	5,718	4,686	1,032
Transfers in	-	8,000	[8,000]
Total Receipts	<u>52,736</u>	<u>\$ 56,216</u>	<u>\$ [3,480]</u>
Expenditures			
Health insurance	10,607	\$ 25,000	\$ 14,393
Payroll taxes	20,317	22,650	2,333
Retirement	18,076	16,545	[1,531]
Miscellaneous	1,605	-	[1,605]
Total Expenditures	<u>50,605</u>	<u>\$ 64,195</u>	<u>\$ 13,590</u>
Receipts Over [Under] Expenditures	2,131		
Unencumbered Cash, Beginning	<u>5,416</u>		
Unencumbered Cash, Ending	<u>\$ 7,547</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 3

CITY OF POMONA, KANSAS

FIRE PROTECTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes	\$ 3,256	\$ 5,052	\$ [1,796]
Total Receipts	<u>3,256</u>	<u>\$ 5,052</u>	<u>\$ [1,796]</u>
Expenditures			
Contractual	<u>13,313</u>	\$ 15,533	\$ 2,220
Total Expenditures	<u>13,313</u>	<u>\$ 15,533</u>	<u>\$ 2,220</u>
Receipts Over [Under] Expenditures	[10,057]		
Unencumbered Cash, Beginning	<u>10,481</u>		
Unencumbered Cash, Ending	<u>\$ 424</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

POMONA COMMUNITY LIBRARY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes	\$ 43,050	\$ 42,177	\$ 873
Intergovernmental	-	17,550	[17,550]
Total Receipts	<u>43,050</u>	<u>\$ 59,727</u>	<u>\$ [16,677]</u>
Expenditures			
Appropriation	<u>42,503</u>	<u>\$ 61,190</u>	<u>\$ 18,687</u>
Total Expenditures	<u>42,503</u>	<u>\$ 61,190</u>	<u>\$ 18,687</u>
Receipts Over [Under] Expenditures	547		
Unencumbered Cash, Beginning	<u>1,232</u>		
Unencumbered Cash, Ending	<u>\$ 1,779</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

SPECIAL HIGHWAY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Intergovernmental	\$ 22,567	\$ 21,660	\$ 907
Miscellaneous	<u>883</u>	<u>1,500</u>	<u>[617]</u>
Total Receipts	<u>23,450</u>	<u>\$ 23,160</u>	<u>\$ 290</u>
Expenditures			
Contractual	400	\$ 1,800	\$ 1,400
Capital outlay	<u>1,908</u>	<u>74,847</u>	<u>72,939</u>
Total Expenditures	<u>2,308</u>	<u>\$ 76,647</u>	<u>\$ 74,339</u>
Receipts Over [Under] Expenditures	21,142		
Unencumbered Cash, Beginning	<u>51,482</u>		
Unencumbered Cash, Ending	<u>\$ 72,624</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

SPECIAL PARKS AND RECREATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes	\$ 4,161	\$ 3,791	\$ 370
Miscellaneous	<u>883</u>	<u>-</u>	<u>883</u>
Total Receipts	<u>5,044</u>	<u>\$ 3,791</u>	<u>\$ 1,253</u>
Expenditures			
Contractual	<u>1,366</u>	<u>\$ 10,047</u>	<u>\$ 8,681</u>
Total Expenditures	<u>1,366</u>	<u>\$ 10,047</u>	<u>\$ 8,681</u>
Receipts Over [Under] Expenditures	3,678		
Unencumbered Cash, Beginning	<u>8,600</u>		
Unencumbered Cash, Ending	<u>\$ 12,278</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 7

CITY OF POMONA, KANSAS

COMMUNITY BUILDING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Use of money and property	\$ 1,260	\$ 4,500	\$ [3,240]
Total Receipts	<u>1,260</u>	<u>\$ 4,500</u>	<u>\$ [3,240]</u>
Expenditures			
Contractual	<u>6,009</u>	\$ 8,636	\$ 2,627
Total Expenditures	<u>6,009</u>	<u>\$ 8,636</u>	<u>\$ 2,627</u>
Receipts Over [Under] Expenditures	[4,749]		
Unencumbered Cash, Beginning	<u>6,528</u>		
Unencumbered Cash, Ending	<u>\$ 1,779</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

SALES TAX - STREET PROJECT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Taxes	\$ 92,652	\$ 79,000	\$ 13,652
Total Receipts	<u>92,652</u>	<u>\$ 79,000</u>	<u>\$ 13,652</u>
Expenditures			
Capital outlay	146,375	\$ 10,000	\$ [136,375]
Debt service			
Principal	70,000	70,000	-
Interest	<u>8,768</u>	<u>9,153</u>	<u>385</u>
Total Expenditures	<u>225,143</u>	<u>\$ 89,153</u>	<u>\$ [135,990]</u>
Receipts Over [Under] Expenditures	[132,491]		
Unencumbered Cash, Beginning	<u>212,807</u>		
Unencumbered Cash, Ending	<u>\$ 80,316</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2 - 9

CITY OF POMONA, KANSAS
CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL *
Regulatory Basis
For the Year Ended December 31, 2019

Receipts	
Use of money and property	\$ 501
Total Receipts	<u>501</u>
Expenditures	
Capital outlay	<u>2,385</u>
Total Expenditures	<u>2,385</u>
Receipts Over [Under] Expenditures	[1,884]
Unencumbered Cash, Beginning	<u>470,021</u>
Unencumbered Cash, Ending	<u>\$ 468,137</u>

* This fund is not required to be budgeted.

CITY OF POMONA, KANSAS
 STREET CAPITAL IMPROVEMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL *
 Regulatory Basis
 For the Year Ended December 31, 2019

Receipts	
Transfers in	\$ -
Total Receipts	<u>-</u>
Expenditures	
Capital outlay	<u>9,645</u>
Total Expenditures	<u>9,645</u>
Receipts Over [Under] Expenditures	[9,645]
Unencumbered Cash, Beginning	<u>143,896</u>
Unencumbered Cash, Ending	<u>\$ 134,251</u>

* This fund is not required to be budgeted.

CITY OF POMONA, KANSAS

ELECTRIC UTILITY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges to customers	\$ 839,759	\$ 822,333	\$ 17,426
Sales tax	26,891	31,000	[4,109]
Miscellaneous	<u>43,975</u>	<u>8,000</u>	<u>35,975</u>
Total Receipts	<u>910,625</u>	<u>\$ 861,333</u>	<u>\$ 49,292</u>
Expenditures			
Personal services	157,100	\$ 158,000	\$ 900
Contractual	132,818	238,500	105,682
Commodities	436,557	500,000	63,443
Capital outlay	130	363,075	362,945
Miscellaneous	967	1,000	33
Transfer out	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total Expenditures	<u>727,572</u>	<u>\$ 1,360,575</u>	<u>\$ 633,003</u>
Receipts Over [Under] Expenditures	<u>183,053</u>		
Unencumbered Cash, Beginning	454,631		
Prior Period Adjustment	<u>4,500</u>		
Unencumbered Cash, Beginning, Restated	<u>459,131</u>		
Unencumbered Cash, Ending	<u>\$ 642,184</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

WATER UTILITY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges to customers	\$ 161,054	\$ 162,630	\$ [1,576]
Miscellaneous	<u>1,966</u>	<u>4,333</u>	<u>[2,367]</u>
Total Receipts	<u>163,020</u>	<u>\$ 166,963</u>	<u>\$ [3,943]</u>
Expenditures			
Personal services	13,609	\$ 50,480	\$ 36,871
Contractual	47,471	105,617	58,146
Commodities	120,701	108,000	[12,701]
Miscellaneous	137	500	363
Capital Outlay	<u>112</u>	<u>-</u>	<u>[112]</u>
Total Expenditures	<u>182,030</u>	<u>264,597</u>	<u>82,567</u>
Receipts Over [Under] Expenditures	<u>[19,010]</u>		
Unencumbered Cash, Beginning	90,700		
Prior Period Adjustment	<u>[13,500]</u>		
Unencumbered Cash, Beginning, Restated	<u>77,200</u>		
Unencumbered Cash, Ending	<u>\$ 58,190</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

SEWER UTILITY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges to customers	\$ 166,554	\$ 152,000	\$ 14,554
Loan proceeds	1,227,264	-	1,227,264
Miscellaneous	<u>2,383</u>	<u>4,333</u>	<u>[1,950]</u>
Total Receipts	<u>1,396,201</u>	<u>\$ 156,333</u>	<u>\$ 1,239,868</u>
Expenditures			
Personal services	\$ 3	\$ 9,000	\$ 8,997
Contractual	624,997	304,518	[320,479]
Miscellaneous	8,013	500	[7,513]
Debt service			
Principal	37,216	-	-
Interest	3,278	-	[37,216]
Adjustment for qualifying budget credits	<u>-</u>	<u>1,227,264</u>	<u>1,227,264</u>
Total Expenditures	<u>673,504</u>	<u>\$ 1,532,282</u>	<u>\$ 862,056</u>
Receipts Over [Under] Expenditures	<u>722,697</u>		
Unencumbered Cash, Beginning	57,919		
Prior Period Adjustment	<u>4,500</u>		
Unencumbered Cash, Beginning, Restated	<u>62,419</u>		
Unencumbered Cash, Ending	<u><u>\$ 785,116</u></u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS
 SEWER RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges to customers	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Miscellaneous	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>144</u>		
Unencumbered Cash, Ending	<u>\$ 144</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS

WATER CONSTRUCTION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Receipts			
Charges to customers	\$ 47,630	\$ 48,000	\$ [370]
Total Receipts	<u>47,630</u>	<u>\$ 48,000</u>	<u>\$ [370]</u>
Expenditures			
Debt service			
Principal	35,366	35,000	[366]
Interest	12,634	17,000	4,366
Cash reserve	-	57,631	57,631
Total Expenditures	<u>48,000</u>	<u>\$ 109,631</u>	<u>\$ 61,631</u>
Receipts Over [Under] Expenditures	[370]		
Unencumbered Cash, Beginning	<u>61,631</u>		
Unencumbered Cash, Ending	<u>\$ 61,261</u>		

See independent auditor's report on the financial statements.

CITY OF POMONA, KANSAS
 ELECTRIC SAVINGS RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL *
 Regulatory Basis
 For the Year Ended December 31, 2019

Receipts	
Use of money and property	\$ 59
Total Receipts	<u>59</u>
Expenditures	
Electric expenses	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	59
Unencumbered Cash, Beginning	<u>38,513</u>
Unencumbered Cash, Ending	<u>\$ 38,572</u>

* This fund is not required to be budgeted.

CITY OF POMONA, KANSAS
 WATER SAVINGS RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL *
 Regulatory Basis
 For the Year Ended December 31, 2019

Receipts	
Use of money and property	\$ 73
Total Receipts	<u>73</u>
Expenditures	
Water expenses	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	73
Unencumbered Cash, Beginning	<u>47,817</u>
Unencumbered Cash, Ending	<u>\$ 47,890</u>

* This fund is not required to be budgeted.

CITY OF POMONA, KANSAS
 SEWER SAVINGS RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL *
 Regulatory Basis
 For the Year Ended December 31, 2019

Receipts	
Use of money and property	\$ 38
Total Receipts	<u>38</u>
Expenditures	
Sewer expenses	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	38
Unencumbered Cash, Beginning	<u>25,140</u>
Unencumbered Cash, Ending	<u>\$ 25,178</u>

* This fund is not required to be budgeted.

SCHEDULE 3

CITY OF POMONA, KANSAS

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended December 31, 2019

	Balance December 31, <u>2018</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2019</u>
CDBG Rehabilitation Grant	\$ 107	\$ 142,923	\$ 142,923	\$ 107
Pomona Fire Department Scholarship	<u>609</u>	<u>1</u>	<u>-</u>	<u>610</u>
Total	<u>\$ 716</u>	<u>\$ 142,924</u>	<u>\$ 142,923</u>	<u>\$ 717</u>

See independent auditor's report on the financial statements.