

CITY OF STAFFORD, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2018

CITY OF STAFFORD, KANSAS
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For the Year Ended December 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Stafford, Kansas
Stafford, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Stafford, Kansas**, 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from 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, the financial statement is prepared by **City of Stafford, Kansas** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Stafford, Kansas
Stafford, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Stafford, Kansas**, 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from 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, the financial statement is prepared by **City of Stafford, 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 matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **City of Stafford, Kansas** as of December 31, 2018, 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 **City of Stafford, Kansas** 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.

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 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 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of **City of Stafford, Kansas** as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated August 13, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was

derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

July 30, 2019

CITY OF STAFFORD, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types							
General Fund	\$ 154,496	-	853,848	836,668	171,676	13,971	185,647
Special Purpose Funds							
Library Fund	282	-	21,482	21,764	-	832	832
Fire Equipment Reserve Fund	109,500	-	23,876	-	133,376	-	133,376
Airport Fund	53,522	-	8,182	6,808	54,896	342	55,238
Special Parks and Recreation Fund	4,049	-	136	1,966	2,219	-	2,219
Special Highway Fund	35,703	-	26,470	48,001	14,172	-	14,172
Equipment Reserve Fund	30,943	-	10,350	-	41,293	-	41,293
Capital Improvement Fund	67,678	-	20,445	83,372	4,751	-	4,751
Community Education Fund	3,009	-	6,577	2,932	6,654	-	6,654
City Attorney Diversion Fund	2,620	-	503	-	3,123	-	3,123
Swimming Pool Fund	67,441	-	131,608	85,263	113,786	-	113,786
Business Funds							
Electrical Improvement Fund	205,760	-	131,608	14,385	322,983	-	322,983
Equipment Reserve Depreciation Fund	25,000	-	-	-	25,000	-	25,000
Bond Reserve Fund	128,690	-	-	-	128,690	-	128,690
Water Reserve Fund	3,566	-	-	-	3,566	-	3,566
Power Plant Reserve Fund	81,554	-	-	-	81,554	-	81,554
Sewer Reserve Fund	160,000	-	50,000	5,635	204,365	-	204,365
Ritz Theatre Fund	221	-	49,970	50,166	25	3,491	3,516
Water and Light Fund	371,960	-	1,741,412	1,639,119	474,253	74,142	548,395
Sewer Service Fund	111,007	-	100,549	154,676	56,880	-	56,880
Trash Fund	33,853	-	148,063	146,965	34,951	-	34,951
Total Primary Government	1,650,854	-	3,325,079	3,097,720	1,878,213	92,778	1,970,991
Related Municipal Entity							
Stafford Public Building Commission - Swimming Pool	41,772	-	85,263	127,035	-	-	-
Total Primary Government	<u>\$ 1,692,626</u>	<u>-</u>	<u>3,410,342</u>	<u>3,224,755</u>	<u>1,878,213</u>	<u>92,778</u>	<u>1,970,991</u>
Composition of Cash							
					Certificates of Deposit	\$	790,050
					Savings Accounts		3,123
					Checking Accounts		1,177,718
					Cash on Hand		100
					Total Primary Government	\$	<u>1,970,991</u>

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

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Stafford, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City (the municipality) and its related municipal entity, Stafford Public Building Commission, shown below. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entities, Housing Authority and Public Library, shown below.

Stafford Public Building Commission

The Public Building Commission (PBC) is a municipal corporation of the State of Kansas formed under the authority of K.S.A. 12-1757 *et seq.* and City Ordinance No. 1039 of **City of Stafford, Kansas**. The Commission has been organized by the governing body of **City of Stafford, Kansas** (the "City") for the purposes of acquiring a site or sites for constructing, reconstructing, equipping and furnishing, or purchasing or otherwise acquiring, a building or buildings or other facilities of a revenue producing character.

Housing Authority

The City's 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. Unaudited financial statements can be obtained by contacting the housing authority's office.

Public Library

The City's Library Board operates the Nora E. Larabee Memorial Library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The Board's members are appointed by the City Council. The City substantially funds the library's operations by levying tax dollars for the library. Unaudited financial statements can be obtained by contacting the library.

The City is the primary government as defined in GASB #61. The City council is elected by the public. The council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

The following types of funds comprise the financial activities of the City for the year ended December 31, 2018.

Regulatory Basis Fund Types

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

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

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

Basis of Accounting

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

The 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.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts.

Reimbursements

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

NOTE 2 – 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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There was one budget amendment in the General 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Community Education Fund, City Attorney Diversion Fund, and Swimming Pool 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 STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Stafford, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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.

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 K.S.A. 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 does not use "peak periods". All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$1,970,991 and the bank balance was \$1,997,228. 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 \$1,747,228 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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. The City had no investments at December 31, 2018.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Stafford, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2018 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Electrical and Streets Improvement Fund	Resolution 04-12	\$ 131,608
General Fund	Swimming Pool Fund	Ordinance 1042	131,608
General Fund	Fire Equipment Reserve Fund	K.S.A. 12-1,117	17,628
Water and Light Fund	General Fund	K.S.A. 12-825d	45,000
Water and Light Fund	Equipment Reserve Fund	K.S.A. 12-825d	10,000

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

Sewer Service Fund	Sewer Reserve Fund	K.S.A. 12-631o	\$	50,000
Sewer Service Fund	General Fund	K.S.A. 12-825d		75,000
Sewer Service Fund	Ritz Theatre Fund	K.S.A. 12-825d		5,000
Trash Fund	General Fund	K.S.A. 12-825d		5,000
Trash Fund	Ritz Theatre Fund	K.S.A. 12-825d		10,000

NOTE 5 – LITIGATION

City of Stafford, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

NOTE 6 – RISK MANAGEMENT

City of Stafford, Kansas 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 has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other counties in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 160 participating members.

The City pays an annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT's management.

The City carries commercial insurance for all other risks of loss, including property, general liability, inland marine, automobile, umbrella, crime, law enforcement liability, workers' compensation, airport liability, commercial output, linebacker, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 7 – GRANTS AND SHARED REVENUES

City of Stafford, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The City was not properly bonded for the construction of a new pool, which is a violation of K.S.A. 60-1111.

The City did not remit its interest and principal payments to the fiscal agent at least 20 days before their maturity, which is a violation of K.S.A. 10-130.

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

NOTE 9 – DEFERRED COMPENSATION PLAN

City of Stafford, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

City of Stafford, Kansas 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, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$48,255 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 \$455,644. 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 assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

available on the website at www.kpers.org or can be obtained as described above.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Stafford, Kansas** 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.

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

NOTE 12 – COMPENSATED ABSENCES

Vacation

City of Stafford, Kansas' policy regarding vacation is that a full-time employee is entitled to paid vacation according to the following schedule:

Years of Continuous Employment	0-5	5-10	10-15	15-20	20+
Hours Earned Per Month	8	10	12	14	16
Maximum Hours Accumulation	144	180	216	252	288

Upon termination, an employee shall be compensated for all earned but unused vacation at his/her final rate of pay. The potential liability for vacation at December 31, 2018 was \$34,818. This is not reflected in the financial statement.

Sick Leave

The City's policy regarding sick leave is that full-time employees, who work at least 17 days out of the month, accumulate sick leave at 8 hours per month, which is cancelled upon the termination of the employee. There is no limit to the accumulation of sick leave. The potential liability for sick leave at December 31, 2018 was \$54,883. This is not reflected in the financial statement.

NOTE 13 – HEALTH REIMBURSEMENT ARRANGEMENT

City of Stafford, Kansas entered into a Health Reimbursement Arrangement (HRA) during 2015. The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employee, their spouse or their dependents. The maximum allowance per year is \$5,000 for employee only, \$10,000 for employee and spouse, employee and children and employee and family. The amount the City paid in HRA reimbursements was \$37,175 for the year ended December 31, 2018.

NOTE 14 – STAFFORD PUBLIC BUILDING COMMISSION

Lease Receivable

Stafford Public Building Commission entered into a separate lease agreement with **City of Stafford**,

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

Kansas for the lease of the swimming pool. The City is obligated to make payments to the Commission equivalent to the debt that the Commission has assumed and to pay its outstanding revenue bond. Total payments receivable are as follows:

<u>Years Ending December 31</u>	<u>Total</u>
2019	\$ 88,900
2020	87,000
2021	90,100
2022	88,300
2023	86,500
2024-2028	444,825
2029-2033	441,475
2034-2038	444,675
2039-2042	<u>356,125</u>
Total	\$ <u>2,127,900</u>

Long-Term Debt

The Commission issued Revenue Bonds, Series 2017 dated October 17, 2017 with an original issue amount of \$1,475,000 for the construction of a swimming pool. The bonds have varying maturities with annual payments. Interest rates range from 2.30-4.75% depending on the maturity date.

NOTE 15 – DEBT RESTRICTIONS AND COVENANTS**Net Operating Revenue Requirements**

The Series 2014 Electric and Water Utility System Revenue Bonds require that the City fix, establish, maintain and collect such rates and charges for the use and services furnished by or through the system and produce revenues sufficient to enable the City to have in each year, a debt coverage ratio of not less than 1.25 on all parity bonds and parity obligations at the time outstanding and 1.10 on any subordinate lien bonds. The City was in compliance with this requirement as of December 31, 2018 as the debt service ratio was as follows:

2014 Series Electric and Water Utility System Revenue Bond

Net Revenues	\$ 258,426
Net Revenues Required	106,455
Debt Ratio (Net Revenues/Net Revenues Required)	2.43

The Series 2014 Electric and Water Utility System Revenue Bonds require that the City credit monthly deposits of an equal pro rata portion of the amount of interest coming due in an amount not less than 1/6 of the amount of interest on the next succeeding interest payment date and an amount not less than 1/12 of the amount of principal coming due on the next succeeding maturity date. The City is in compliance as of December 31, 2018 as the funded amount is as follows:

1 st Interest Payment of Two for Next Year	\$ 25,178
Principal Payment for Next Year	55,000
Interest Accrual (1/6 of first payment)	4,196
Principal Accrual (1/12 of payment)	<u>4,584</u>

CITY OF STAFFORD, KANSAS

Notes to Financial Statement

December 31, 2018

Total Required	\$ 8,780
Water and Light Fund	
Unencumbered Cash @ 12-31-18	453,674
Bond Reserve Fund	
Unencumbered Cash @ 12-31-18	<u>128,690</u>
Amount Over Funded	\$ <u>573,584</u>

NOTE 16 – LONG-TERM DEBT

City of Stafford, Kansas has the following types of long-term debt.

Revenue Bonds

On March 4, 2014, the City issued \$1,925,000 in Electric and Water Utility System Series 2014 revenue bonds for acquiring, constructing, reconstructing, improving or enlarging the system.

Capital Leases

The City entered a lease agreement with Stafford Public Building Commission on October 17, 2017 in which the City is the lessee. The basic term ends on August 1, 2042.

The terms of the lease provide for basic rent to be paid on each basic rent payment date in an amount sufficient to pay on the next succeeding payment date, the principal of, redemption premium, if any, and interest on the Series 2017 revenue bonds which are due. The basic rent payment dates are February 1 and August 1, commencing August 1, 2018, and continuing through the basic term of the lease. The lease agreement also provides for the payment of additional rent, in addition to basic rent, in amounts pursuant to the terms of the lease. The City intends that revenues received from a one cent sales tax, approved by the voters of the City on August 15, 2016, and from the operation of the project under the provisions of the lease, will be used to make the City's payments to the Commission under the lease, which payments will in turn, be used to pay debt service on the Series 2017 refunding bonds. To the extent that the payments of basic rent and additional rent are not adequate to provide the Commission with funds sufficient to pay the principal and interest on the bonds as they become due and payable, the City shall be obligated to pay, as additional rent, further sums of money as may be required for such purposes.

<u>Years Ending December 31</u>	<u>Total</u>
2019	\$ 88,900
2020	87,000
2021	90,100
2022	88,300
2023	86,500
2024-2028	444,825
2029-2033	441,475
2034-2038	444,675
2039-2042	<u>356,125</u>
Total	\$ <u>2,127,900</u>

The City has entered into lease agreements with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

CITY OF STAFFORD, KANSAS
Notes to Financial Statement
December 31, 2018

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Capital Leases									
2013 Ford Taurus Police Interceptor	2.54%	08/12/2013	\$ 29,885	08/12/2018	\$ 5,170	-	5,170	-	135
Digital Cinema Projector	0.00%	06/07/2014	49,180	09/07/2019	14,753	-	9,016	5,737	-
Ford F150	2.85%	05/09/2016	31,467	05/09/2020	12,529	-	4,050	8,479	368
Bobcat	2.85%	03/28/2016	39,839	03/28/2020	24,230	-	7,852	16,378	692
Public Building Commission - Series 2017	2.30-4.75%	10/17/2017	1,475,000	08/01/2042	1,475,000	-	45,000	1,430,000	40,263
Revenue Bonds									
Electric and Water Utility System Revenue Bonds - Series 2014	2.00-4.55%	03/04/2014	1,925,000	09/01/2037	1,395,000	-	55,000	1,340,000	51,455
Total for City of Stafford					2,926,682	-	126,088	2,800,594	92,913
Stafford Public Building Commission									
Revenue Bonds - Series 2017	2.30-4.75%	10/17/2017	1,475,000	08/01/2042	1,475,000	-	45,000	1,430,000	40,263
Total Contractual Indebtedness					<u>\$ 4,401,682</u>	<u>-</u>	<u>171,088</u>	<u>4,230,594</u>	<u>133,176</u>

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

	YEAR									
	2019	2020	2021	2022	2023	2024 - 2028	2029 - 2033	2034 - 2038	2039 - 2042	Total
City Principal										
Capital Leases	\$ 57,991	52,603	45,000	45,000	45,000	255,000	290,000	345,000	325,000	1,460,594
Revenue Bonds	55,000	60,000	60,000	65,000	65,000	355,000	435,000	245,000	-	1,340,000
Total Principal	112,991	112,603	105,000	110,000	110,000	610,000	725,000	590,000	325,000	2,800,594
Interest										
Capital Leases	49,608	47,363	45,100	43,300	41,500	189,825	151,475	99,675	31,125	698,971
Revenue Bonds	50,355	49,255	47,455	45,655	43,705	184,263	108,851	21,585	-	551,124
Total Interest	99,963	96,618	92,555	88,955	85,205	374,088	260,326	121,260	31,125	1,250,095
Total City Principal and Interest	\$ 212,954	209,221	197,555	198,955	195,205	984,088	985,326	711,260	356,125	4,050,689
Stafford Public Building Commission Principal										
Revenue Bonds	\$ 40,000	40,000	45,000	45,000	45,000	255,000	290,000	345,000	325,000	1,430,000
Interest										
Revenue Bonds	48,900	47,000	45,100	43,300	41,500	189,825	151,475	99,675	31,125	697,900
Total Stafford Public Building Commission Principal and Interest	\$ 88,900	87,000	90,100	88,300	86,500	444,825	441,475	444,675	356,125	2,127,900

CITY OF STAFFORD, KANSAS

Regulatory-Required Supplementary Information

CITY OF STAFFORD, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Types					
General Fund	\$ 838,485	-	838,485	836,668	(1,817)
Special Purpose Funds					
Library Fund	23,138	-	23,138	21,764	(1,374)
Fire Equipment Reserve Fund	64,383	-	64,383	-	(64,383)
Airport Fund	31,000	-	31,000	6,808	(24,192)
Special Parks and Recreation Fund	2,799	-	2,799	1,966	(833)
Special Highway Fund	62,384	-	62,384	48,001	(14,383)
Capital Improvement Fund	93,069	-	93,069	83,372	(9,697)
Business Funds					
Ritz Theatre Fund	60,938	-	60,938	50,166	(10,772)
Water and Light Fund	1,824,829	-	1,824,829	1,639,119	(185,710)
Sewer Service Fund	188,596	-	188,596	154,676	(33,920)
Trash Fund	216,090	-	216,090	146,965	(69,125)

CITY OF STAFFORD, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 196,114	228,110	239,515	(11,405)
Delinquent	12,704	11,349	10,000	1,349
Motor Vehicle	42,959	46,684	37,806	8,878
Commercial Motor Vehicle	2,172	1,966	1,911	55
Recreational Vehicle	740	1,157	1,016	141
16/20 M Vehicle	1,038	859	929	(70)
Local Alcohol Liquor	1,032	136	782	(646)
County Sales	61,404	67,085	65,000	2,085
Franchise Tax	18,401	20,829	20,000	829
City Sales Tax	182,727	263,215	250,000	13,215
Transient Guest Tax	3,187	1,881	2,500	(619)
Federal Aid	40,328	-	-	-
State Aid	4,954	-	-	-
Fines and Forfeitures	9,456	3,823	4,000	(177)
Licenses and Permits	1,555	1,125	1,500	(375)
Swimming Pool	-	130	3,000	(2,870)
Reimbursed Expenses	23,714	80,729	20,000	60,729
Leases and Rentals	8,248	7,768	8,400	(632)
Interest	1,059	866	1,000	(134)
Mowing and Other	1,433	532	3,000	(2,468)
Transfers In	125,000	125,000	125,000	-
Neighborhood Revitalization	(9,616)	(9,396)	(8,743)	(653)
Total Receipts	728,609	853,848	786,616	67,232
Expenditures				
General Administrative	68,919	60,784	72,050	(11,266)
Public Safety				
Fire Department	23,087	25,572	32,300	(6,728)
Police Department	266,206	300,950	287,300	13,650
Parks and Recreation	24,910	18,440	28,500	(10,060)
Swimming Pool	11,947	19,080	12,835	6,245
Public Works	65,313	85,838	74,500	11,338
Employee Benefits	38,420	35,123	48,500	(13,377)
Other	18,060	10,037	32,500	(22,463)
Transfers Out	182,726	280,844	250,000	30,844
Total Expenditures	699,588	836,668	838,485	(1,817)
Receipts Over (Under) Expenditures	29,021	17,180		
Unencumbered Cash - Beginning	125,195	154,496		
Prior Year Cancelled Encumbrances	280	-		
Unencumbered Cash - Ending	\$ 154,496	171,676		

CITY OF STAFFORD, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 15,094	17,137	17,994	(857)
Delinquent	1,141	942	500	442
Motor Vehicle	3,999	3,787	2,910	877
Commercial Motor Vehicle	202	151	147	4
Recreational Vehicle	69	91	78	13
16/20 M Vehicle	86	80	71	9
Cash Reserve	-	-	2,081	(2,081)
Neighborhood Revitalization	(740)	(706)	(643)	(63)
Total Receipts	19,851	21,482	23,138	(1,656)
Expenditures				
Appropriations to Library Board	21,650	21,764	23,138	(1,374)
Receipts Over (Under) Expenditures	(1,799)	(282)		
Unencumbered Cash - Beginning	2,081	282		
Unencumbered Cash - Ending	\$ 282	-		

CITY OF STAFFORD, KANSAS
Fire Equipment Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Property	\$ 6,535	4,762	5,000	(238)
Delinquent	322	292	250	42
Motor Vehicle	364	1,257	1,260	(3)
Commercial Motor Vehicle	18	66	64	2
Recreational Vehicle	6	35	34	1
16/20 M Vehicle	5	7	31	(24)
Sale of Asset	2,100	-	-	-
Interest	32	25	50	(25)
Neighborhood Revitalization	(320)	(196)	-	(196)
Transfers In	-	17,628	-	17,628
Total Receipts	9,062	23,876	<u>6,689</u>	<u>17,187</u>
Expenditures				
Equipment and Maintenance	-	-	<u>64,383</u>	<u>(64,383)</u>
Receipts Over (Under) Expenditures	9,062	23,876		
Unencumbered Cash - Beginning	<u>100,438</u>	<u>109,500</u>		
Unencumbered Cash - Ending	\$ <u>109,500</u>	<u>133,376</u>		

CITY OF STAFFORD, KANSAS
Airport Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Delinquent	\$ 81	20	-	20
16/20 M Vehicle	3	-	-	-
Sale of Crops and Hangar Rental	5,035	8,072	5,000	3,072
Interest	69	90	50	40
Total Receipts	5,188	8,182	5,050	3,132
Expenditures				
Contractual Services	1,943	3,865	4,000	(135)
Commodities	325	2,943	2,000	943
Capital Outlay	-	-	25,000	(25,000)
Total Expenditures	2,268	6,808	31,000	(24,192)
Receipts Over (Under) Expenditures	2,920	1,374		
Unencumbered Cash - Beginning	50,602	53,522		
Unencumbered Cash - Ending	\$ 53,522	54,896		

CITY OF STAFFORD, KANSAS
Special Parks and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Local Alcohol Liquor	\$ 1,032	136	782	(646)
Expenditures				
Contractual Services	-	-	500	(500)
Commodities	-	-	500	(500)
Capital Outlay	-	1,966	1,799	167
Total Expenditures	-	1,966	2,799	(833)
Receipts Over (Under) Expenditures	1,032	(1,830)		
Unencumbered Cash - Beginning	3,017	4,049		
Unencumbered Cash - Ending	\$ 4,049	2,219		

CITY OF STAFFORD, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
State Gasoline Tax	\$ 26,180	26,470	<u>26,690</u>	<u>(220)</u>
Expenditures				
Commodities	<u>44,000</u>	<u>48,001</u>	<u>62,384</u>	<u>(14,383)</u>
Receipts Over (Under) Expenditures	(17,820)	(21,531)		
Unencumbered Cash - Beginning	<u>53,523</u>	<u>35,703</u>		
Unencumbered Cash - Ending	\$ <u>35,703</u>	<u>14,172</u>		

CITY OF STAFFORD, KANSAS
Equipment Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 437	350
Transfers In	10,000	10,000
Total Receipts	10,437	10,350
Expenditures	-	-
Receipts Over (Under) Expenditures	10,437	10,350
Unencumbered Cash - Beginning	20,506	30,943
Unencumbered Cash - Ending	\$ 30,943	41,293

CITY OF STAFFORD, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
User Fees	\$ 20,609	20,445	22,000	(1,555)
Expenditures				
Capital Outlay	58,000	83,372	93,069	(9,697)
Receipts Over (Under) Expenditures	(37,391)	(62,927)		
Unencumbered Cash - Beginning	105,069	67,678		
Unencumbered Cash - Ending	\$ 67,678	4,751		

CITY OF STAFFORD, KANSAS
Community Education Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 1,166	6,577
Expenditures		
Donations	988	2,624
Contractual Services	1,365	308
Total Expenditures	2,353	2,932
Receipts Over (Under) Expenditures	(1,187)	3,645
Unencumbered Cash - Beginning	4,196	3,009
Unencumbered Cash - Ending	\$ 3,009	6,654

CITY OF STAFFORD, KANSAS
City Attorney Diversion Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Interest	\$ 2	3
Diversion Fees	700	500
Total Receipts	702	503
Expenditures	-	-
Receipts Over (Under) Expenditures	702	503
Unencumbered Cash - Beginning	1,918	2,620
Unencumbered Cash - Ending	\$ 2,620	3,123

CITY OF STAFFORD, KANSAS
Swimming Pool Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 67,441	131,608
Expenditures		
Rent to Stafford Public Building Commission - Swimming Pool	-	85,263
Receipts Over (Under) Expenditures	67,441	46,345
Unencumbered Cash - Beginning	-	67,441
Unencumbered Cash - Ending	\$ 67,441	113,786

CITY OF STAFFORD, KANSAS
CDBG Grant Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 1,980	-
Transfers In	23	-
Total Receipts	2,003	-
Expenditures		
Administration Fees	2,003	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

CITY OF STAFFORD, KANSAS
Electrical and Streets Improvement Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 115,285	131,608
Expenditures		
Capital Outlay	29,253	14,385
Receipts Over (Under) Expenditures	86,032	117,223
Unencumbered Cash - Beginning	119,728	205,760
Unencumbered Cash - Ending	\$ 205,760	322,983

CITY OF STAFFORD, KANSAS
Equipment Reserve Depreciation Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	25,000	25,000
Unencumbered Cash - Ending	\$ 25,000	25,000

CITY OF STAFFORD, KANSAS
Bond Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	128,690	128,690
Unencumbered Cash - Ending	\$ 128,690	128,690

CITY OF STAFFORD, KANSAS
Water Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	3,566	3,566
Unencumbered Cash - Ending	\$ 3,566	3,566

CITY OF STAFFORD, KANSAS
Power Plant Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts	\$ -	-
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	81,554	81,554
Unencumbered Cash - Ending	\$ 81,554	81,554

CITY OF STAFFORD, KANSAS
Sewer Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 50,000	50,000
Expenditures		
Capital Outlay	-	5,635
Receipts Over (Under) Expenditures	50,000	44,365
Unencumbered Cash - Beginning	110,000	160,000
Unencumbered Cash - Ending	\$ 160,000	204,365

CITY OF STAFFORD, KANSAS
Ritz Theatre Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Sales	\$ 29,428	33,151	35,000	(1,849)
Donations and Miscellaneous	1,171	1,819	5,400	(3,581)
Transfers In	22,500	15,000	15,000	-
Total Receipts	53,099	49,970	55,400	(5,430)
Expenditures				
Salaries and Benefits	16,595	16,595	18,250	(1,655)
Contractual Services	15,569	13,689	20,000	(6,311)
Commodities	12,018	10,866	12,852	(1,986)
Capital Outlay	10,820	9,016	9,836	(820)
Total Expenditures	55,002	50,166	60,938	(10,772)
Receipts Over (Under) Expenditures	(1,903)	(196)		
Unencumbered Cash - Beginning	2,124	221		
Unencumbered Cash - Ending	\$ 221	25		

CITY OF STAFFORD, KANSAS
Water and Light Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Sales and Services	\$ 1,451,901		1,665,898	1,475,000	190,898
Penalties	19,874		17,970	22,000	(4,030)
Sales Tax	41,738		47,266	35,000	12,266
Interest	5,353		4,276	3,500	776
Connection Fees	7,185		5,025	7,000	(1,975)
Federal Aid	4,579		-	-	-
State Aid	572		-	-	-
Reimbursed Expenses	2,912		977	2,500	(1,523)
Total Receipts	<u>1,534,114</u>		<u>1,741,412</u>	<u>1,545,000</u>	<u>196,412</u>
Expenditures					
Power Plant Production	844,288		896,202	1,005,960	(109,758)
Transmission and Distribution					
Electric	111,143		117,656	112,500	5,156
Water	57,480		79,771	77,500	2,271
Combined	43,957		45,659	163,455	(117,796)
General Administrative	284,561		259,821	246,000	13,821
Sales and Use Tax	47,409		56,151	40,000	16,151
Water Resource Tax	2,101		2,073	2,500	(427)
Community Development and Promotion	6,802		5,874	15,000	(9,126)
Contractual	-		-	62,035	(62,035)
Capital Outlay	67,158		14,457	44,879	(30,422)
Bond Payment	55,000		55,000	-	55,000
Interest Payment	52,555		51,455	-	51,455
Transfers Out	55,023		55,000	55,000	-
Total Expenditures	<u>1,627,477</u>		<u>1,639,119</u>	<u>1,824,829</u>	<u>(185,710)</u>
Receipts Over (Under) Expenditures	(93,363)		102,293		
Unencumbered Cash - Beginning	464,889		371,960		
Prior Year Cancelled Encumbrances	<u>434</u>		<u>-</u>		
Unencumbered Cash - Ending	<u>\$ 371,960</u>		<u>474,253</u>		

CITY OF STAFFORD, KANSAS
Sewer Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
User Fees	\$ 101,307	100,144	106,000	(5,856)
Interest	475	405	400	5
Other	90	-	100	(100)
Total Receipts	<u>101,872</u>	<u>100,549</u>	<u>106,500</u>	<u>(5,951)</u>
Expenditures				
Personal Services	-	-	7,000	(7,000)
Health Insurance and Benefits	-	-	4,500	(4,500)
Contractual Services	34	364	2,000	(1,636)
Commodities	12,977	24,312	30,000	(5,688)
Capital Outlay	-	-	10,096	(10,096)
Sewer Improvements	-	-	5,000	(5,000)
Transfers Out	135,000	130,000	130,000	-
Total Expenditures	<u>148,011</u>	<u>154,676</u>	<u>188,596</u>	<u>(33,920)</u>
Receipts Over (Under) Expenditures	(46,139)	(54,127)		
Unencumbered Cash - Beginning	<u>157,146</u>	<u>111,007</u>		
Unencumbered Cash - Ending	<u>\$ 111,007</u>	<u>56,880</u>		

CITY OF STAFFORD, KANSAS
Trash Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Trash Service Collections	\$ 148,824	148,063	155,000	(6,937)
Expenditures				
Contractual Services	153,561	131,965	201,090	(69,125)
Transfers Out	17,500	15,000	15,000	-
Total Expenditures	171,061	146,965	216,090	(69,125)
Receipts Over (Under) Expenditures	(22,237)	1,098		
Unencumbered Cash - Beginning	56,090	33,853		
Unencumbered Cash - Ending	\$ 33,853	34,951		

CITY OF STAFFORD, KANSAS
Stafford Public Building Commission - Swimming Pool Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Bond Proceeds	\$ 1,475,000	-
Bond Premium	15,111	-
Rent from City of Stafford	-	85,263
Total Receipts	1,490,111	85,263
Expenditures		
Cost of Issuance	32,457	-
Principal and Interest Payment	-	85,263
Capital Outlay Expenses	1,415,882	41,772
Total Expenditures	1,448,339	127,035
Receipts Over (Under) Expenditures	41,772	(41,772)
Unencumbered Cash - Beginning	-	41,772
Unencumbered Cash - Ending	\$ 41,772	-