

**CITY OF SOLOMON, KANSAS**

FINANCIAL STATEMENT  
WITH  
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019  
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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## Independent Auditor's Report

To the Mayor and City Council  
City of Solomon, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Solomon, Kansas, as of and for the year ended December 31, 2019 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 2; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the 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 2 of the financial statement, the financial statement is prepared by the City of Solomon 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 2 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 of Solomon, as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

#### *Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Solomon, 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 2.

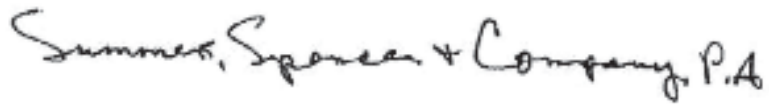
#### *Other Matters*

##### *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, and summary of receipts and disbursements – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional 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 2.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Solomon, Kansas as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated October 7, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 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://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2019 (schedule 2 as a 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 2018 comparative information is the responsibility of management and was

derived from and related directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the 2018 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, 2018, on the basis of accounting described in Note 2.

A handwritten signature in cursive script that reads "Summers, Spencer & Company, P.A.".

Summers, Spencer & Company, P.A.  
Salina, Kansas  
November 20, 2020

## CITY OF SOLOMON, KANSAS

## Statement 1

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)**  
**For the Year Ended December 31, 2019**

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund:						
General	\$ 75,562	\$ 673,475	\$ 579,199	\$ 169,838	\$ 7,866	\$ 177,704
Special Purpose Funds:						
Library	2,027	33,206	33,206	2,027	-	2,027
Special Highway	10,663	27,975	21,632	17,006	-	17,006
Employee Benefits	1,426	56,830	57,675	581	-	581
TIF Bond and Interest	61,398	72,572	63,598	70,372	-	70,372
Capital Project Fund:						
Capital Improvement	868	-	-	868	-	868
Bond and Interest Fund:						
Debt Service	32,601	68,474	70,199	30,876	-	30,876
Business Funds:						
Water Utility	82,490	194,170	193,948	82,712	2,069	84,781
Sewer Utility	1,574	102,455	90,710	13,319	639	13,958
Storm Drainage	42,095	7,438	-	49,533	-	49,533
Total Financial Reporting Entity (Excluding Agency Funds)	<u>\$ 310,704</u>	<u>\$ 1,236,595</u>	<u>\$ 1,110,167</u>	<u>\$ 437,132</u>	<u>\$ 10,574</u>	<u>\$ 447,706</u>
Composition of Cash:		Checking and Savings Accounts				\$ 347,242
		Petty Cash				235
		Certificates of Deposit				<u>120,872</u>
		Total Cash				468,349
		Less Agency Funds per Schedule 3				<u>(20,643)</u>
		Total Financial Reporting Entity (Excluding Agency Funds)				<u>\$ 447,706</u>

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

## CITY OF SOLOMON, KANSAS

### Notes to the Financial Statement For the Year Ended December 31, 2019

#### Note 1 – Reporting Entity

The City of Solomon is a municipal corporation governed by a citizen-elected mayor and five elected council members.

This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the city and/or its constituents.

Solomon Housing Authority. The Solomon Housing Authority operates the City's low income public housing complex known as the Heritage Manor. The Solomon Housing Authority Board is appointed by the City Council. The Solomon Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The Solomon Housing Authority's financial records were not audited and not included in this report. The financial records are available at the Solomon Housing Authority's office located at 105 W. 6<sup>th</sup> St., Solomon, Kansas.

#### Note 2 – Summary of Significant Account Policies

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

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

Fund Descriptions. 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 revenue sources (other than Capital Projects and tax levies for long-term debt) that are intended for a specified purpose.

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.

Debt Service Fund – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of long-term debt.

## CITY OF SOLOMON, KANSAS

### Notes to the Financial Statement For the Year Ended December 31, 2019

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.).

#### Stewardship, Compliance, and Accountability

The City entered into a secured loan agreement with Solomon State Bank on April 6, 2019 for up to \$418,466 at 3.75% interest. The loan was issued as a credit line to construct a new swimming pool. The loan balance as of December 31, 2019 was \$418,466.

The loan is secured by two Certificates of Deposit currently existing at the Solomon State Bank, together with a perfected security interest in the 2007 Peterbilt firetruck and the 2009 International firetruck. There is no statutory authority that allows this type of financing for municipalities.

#### **Note 3 – Budgetary Information**

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

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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.



## CITY OF SOLOMON, KANSAS

### Notes to the Financial Statement For the Year Ended December 31, 2019

A legal operating budget is not required for capital project funds and the following special purpose fund:

#### TIF Bond and Interest 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.

#### **Note 4 – Deposits and Investments**

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

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposits 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 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 not designated a "peak period." All deposits were legally secured at December 31, 2019.

At December 31, 2019, the City's carrying amount of deposits was \$468,349 and the bank balance was \$469,288. 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 the remaining \$219,288 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

#### **Note 5 – Defined Benefit Pension Plan**

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

## CITY OF SOLOMON, KANSAS

### Notes to the Financial Statement For the Year Ended December 31, 2019

*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 Death and Disability Program) and statutory contribution rate was 8.896% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City of Solomon were \$23,041 for the year ended December 31, 2019.

#### Net Pension Liability

At December 31, 2019, the City of Solomon's proportionate share of the net pension liability reported by KPERS was \$195,059. 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 of Solomon's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

#### **Note 6 – Other Long-Term Obligations from Operations**

*Other Post-Employment Benefits.* As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. The City pays 50% of the cost for each retiree up to age 62 and each retiree is responsible for the balance. Retirees ages 62-65 pay 100% of the premium. In order to qualify for this benefit the employee must retire with KPERS benefits prior to age 62 and have at least ten years of minimum service with the City and be employed by the City at retirement. During the year ended December 31, 2019, no retirees participated in this plan and they City paid no premium under this plan.

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

*Death and Disability Other Post Employment Benefits.* As provided by K.S.A 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

## CITY OF SOLOMON, KANSAS

### Notes to the Financial Statement For the Year Ended December 31, 2019

#### Note 7 – Compensated Absences

The City Provides compensation for absences for full-time employees, which are those who work at least 40 hours per week. The City's Policy permits full-time employees to earn vacation leave based on the years of service. All full-time employees earn vacation leave at the following rates:

<u>Years of Service</u>	<u>Hours per Year</u>
6 months - 1 year	40 hours
1 year - 6 years	80 hours
7 years - 12 years	120 hours
13 + years	160 hours

Vacation leave is allowed for part-time employees what work between 20 and 40 hours per week. It is accrued on a prorated amount based on average hours worked on a weekly basis. Employees are allowed to carryover up to 160 hours of vacation annually into the following year. Employees have the option to take pay in lieu of time off with the restriction they must take at least one consecutive week of vacation time off per year. Any vacation leave in excess of 160 hours will be lost on the employee's anniversary date.

The City also allows full-time employees to earn sick leave at the rate of 4 hours per pay period. No employee may accrue more than 120 days of sick leave. Upon termination, employees are not paid for any unused sick leave, unless due to retirement or separation after 20 or more years of regular service. Under those circumstances, employees can receive payment for one-fourth of the unused sick leave, up to a maximum of one calendar month's salary.

#### Note 8 – Tax Increment Financing (TIF) Repayment

Dickinson County is in charge of collecting TIF revenue for street improvements and distributing those funds to the City of Solomon. In past years, the County distributed funds to the City of Solomon which exceeded their share of TIF revenue. The City of Solomon is required to repay \$253,439 to Dickinson County due to this overpayment. Dickinson County will then be required to distribute those funds to Dickinson County and USD 393. The final balance, \$30,409, was paid as of December 31, 2019.

#### Note 9 – 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 has purchased commercial insurance to protect themselves from these risks.

#### Note 10 – Subsequent Events

The City's management has evaluated events and transactions occurring after December 31, 2019 through November 20, 2020. The aforementioned date represents the date the financial statement was available to be issued.

As a result of significant disruption in the U.S. Economy due to the outbreak of the COVID-19 coronavirus in 2020, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

**CITY OF SOLOMON, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT  
For the Year Ended December 31, 2019**

**Note 13 – Long-Term Debt**

Changes in long-term liabilities for the municipality for the year ended December 31, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Revenue Bond Series 2005	3.25/5.0%	9/1/2005	\$ 400,000	7/1/2025	\$ 191,000	\$ -	\$ 24,000	\$ 167,000	\$ 9,188
GO Bond Series 2014	1.75/3.625%	3/31/2014	865,000	10/1/2029	690,000	-	50,000	640,000	20,199
KDHE Loan:									
Water Pollution Control	2.30%	8/1/2012	280,675	9/1/2032	146,046	-	8,802	137,244	3,668
Loan:									
Pool Remodel	3.75%	8/6/2019	418,466	8/6/2029	-	418,466	-	418,466	-
Capital Leases:									
Crack Sealing Machine	3.77%	6/12/2017	17,000	2/27/2019	7,709	-	7,709	-	291
2018 Kawasaki Mule	1.73%	10/10/2017	11,801	3/10/2019	5,901	-	5,901	-	142
2018 Dodge Ram 3500	4.83%	8/10/2018	40,000	8/10/2021	30,000	-	10,000	20,000	483
Equipment Lease	5.69%	10/28/2019	89,582	10/28/2023	-	89,582	17,916	71,666	1,019
Total Contractual Indebtedness					<u>\$ 1,070,656</u>	<u>\$ 508,048</u>	<u>\$ 124,328</u>	<u>\$ 1,454,376</u>	<u>\$ 34,990</u>

**CITY OF SOLOMON, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT  
For the Year Ended December 31, 2019**

**Note 13 – Long-Term Debt**

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

	Year							
Principal	2020	2021	2022	2023	2024	2025-2029	2030-2032	Total
Revenue Bond Series 2005	\$ 25,000	\$ 26,000	\$ 27,000	\$ 28,000	\$ 30,000	\$ 31,000	\$ -	\$ 167,000
GO Bond Series 2014	55,000	55,000	60,000	60,000	60,000	350,000	-	640,000
KDHE Loan	9,028	9,259	9,497	9,741	9,990	53,933	35,796	137,244
Pool Remodel	35,290	36,647	38,005	39,430	40,898	228,196	-	418,466
2018 Dodge Ram 3500	10,000	10,000	-	-	-	-	-	20,000
Equipment Lease	17,917	17,916	17,916	17,917	-	-	-	71,666
Total Principal	<u>152,235</u>	<u>154,822</u>	<u>152,418</u>	<u>155,088</u>	<u>140,888</u>	<u>663,129</u>	<u>35,796</u>	<u>1,454,376</u>
Interest								
Revenue Bond Series 2005	8,084	6,909	5,674	4,378	3,020	1,550	-	29,615
GO Bond Series 2014	18,949	17,986	16,804	15,364	13,744	37,893	-	120,740
KDHE Loan	3,443	3,211	2,973	2,730	2,480	8,418	1,613	24,868
Pool Remodel	15,710	14,353	12,995	11,570	10,102	26,254	-	90,984
2018 Dodge Ram 3500	483	483	-	-	-	-	-	966
Equipment Lease	1,019	1,019	1,019	1,018	-	-	-	4,075
Total Interest	<u>47,688</u>	<u>43,961</u>	<u>39,465</u>	<u>35,060</u>	<u>29,346</u>	<u>74,115</u>	<u>1,613</u>	<u>271,248</u>
Total Principal and Interest	<u>\$ 199,923</u>	<u>\$ 198,783</u>	<u>\$ 191,883</u>	<u>\$ 190,148</u>	<u>\$ 170,234</u>	<u>\$ 737,244</u>	<u>\$ 37,409</u>	<u>\$1,725,624</u>

**CITY OF SOLOMON, KANSAS**

**REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION  
December 31, 2019**

## CITY OF SOLOMON, KANSAS

## Schedule 1

**Summary of Expenditures – Actual and Budget (Regulatory Basis)  
For the Year Ended December 31, 2019**

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund:					
General	\$ 738,403	\$ -	\$ 738,403	\$ 579,199	\$ (159,204)
Special Purpose Funds:					
Library	36,870	-	36,870	33,206	(3,664)
Special Highway	59,956	-	59,956	21,632	(38,324)
Employee Benefits	59,989	-	59,989	57,675	(2,314)
Bond and Interest Fund:					
Debt Service	105,144	-	105,144	70,199	(34,945)
Business Funds:					
Water Utility	277,830	-	277,830	193,948	(83,882)
Sewer Utility	119,969	-	119,969	90,710	(29,259)
Storm Drainage	50,886	-	50,886	-	(50,886)

## CITY OF SOLOMON, KANSAS

## Schedule 2

## General Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Tax	\$ 305,761	\$ 322,558	\$ 347,184	\$ (24,626)
Delinquent Tax	2,038	1,757	2,850	(1,093)
Motor Vehicle Tax	38,327	47,793	41,160	6,633
Recreational Vehicle Tax	954	1,230	1,066	164
16/20M Vehicle Tax	3	4	5	(1)
Local Alcoholic Liquor	795	657	833	(176)
Local Sales and Compensating Use Tax	101,504	98,257	103,435	(5,178)
Franchise Tax	72,623	72,140	76,700	(4,560)
Court Revenue	14,605	9,188	19,000	(9,812)
Fire Protection	25,601	26,346	26,750	(404)
Licenses and Permits	5,427	3,449	4,245	(796)
Animal Fees	1,819	1,799	1,650	149
Interest	1,586	3,160	1,145	2,015
Miscellaneous	23,802	27,319	7,920	19,399
Other Grants	-	52,950	-	52,950
State Aid	5,780	4,868	12,360	(7,492)
Total Cash Receipts	<u>600,625</u>	<u>673,475</u>	<u>\$ 646,303</u>	<u>\$ 27,172</u>



## CITY OF SOLOMON, KANSAS

## Schedule 2

## General Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Salaries and Payroll Taxes	\$ 108,505	\$ 105,604	\$ 120,000	\$ (14,396)
Legal and Publication	2,241	1,936	2,500	(564)
Administration	9,342	4,214	9,500	(5,286)
Accounting and Auditing	7,324	7,626	8,000	(374)
Supplies	6,857	5,540	7,000	(1,460)
Insurance	75,201	75,570	80,000	(4,430)
Dues and Fees	4,915	5,737	6,000	(263)
Animal Costs	838	894	1,200	(306)
Fuel	11,685	11,001	13,000	(1,999)
Postage	885	886	1,000	(114)
Maintenance	20,027	25,944	30,000	(4,056)
Street	42,403	65,597	70,000	(4,403)
Utilities	17,567	17,816	19,000	(1,184)
Fire	48,673	50,878	52,805	(1,927)
Parks	488	15,167	16,000	(833)
Law Enforcement	100,641	99,411	103,805	(4,394)
Library	513	370	1,000	(630)
Uniforms	1,929	2,479	2,500	(21)
Tools	4,206	5,329	6,000	(671)
Lease Principal	34,717	-	-	-
Lease Interest	1,652	-	-	-
Special Projects	58,741	75,587	100,000	(24,413)
Miscellaneous	5,912	1,613	2,500	(887)
Cash Forward Line	-	-	86,593	(86,593)
Total Expenditures	<u>565,262</u>	<u>579,199</u>	<u>\$ 738,403</u>	<u>\$ (159,204)</u>
Receipts Over (Under) Expenditures	35,363	94,276		
Unencumbered Cash, Beginning	<u>40,199</u>	<u>75,562</u>		
Unencumbered Cash, Ending	<u>\$ 75,562</u>	<u>\$ 169,838</u>		

## CITY OF SOLOMON, KANSAS

## Schedule 2

## Library Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Tax	\$ 27,790	\$ 28,536	\$ 30,779	\$ (2,243)
Delinquent Tax	215	177	515	(338)
Motor Vehicle Tax	3,656	4,380	3,682	698
Recreational Vehicle Tax	90	113	97	16
Total Cash Receipts	<u>31,751</u>	<u>33,206</u>	<u>\$ 35,073</u>	<u>\$ (1,867)</u>
Expenditures				
Appropriation to Library	<u>31,751</u>	<u>33,206</u>	<u>\$ 36,870</u>	<u>\$ (3,664)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>2,027</u>	<u>2,027</u>		
Unencumbered Cash, Ending	<u>\$ 2,027</u>	<u>\$ 2,027</u>		

## CITY OF SOLOMON, KANSAS

## Schedule 2

## Special Highway Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State of Kansas Gas Tax	\$ 28,129	\$ 27,975	\$ 28,170	\$ (195)
Expenditures				
Utilities	22,134	21,632	\$ 30,000	\$ (8,368)
Special Projects	20,548	-	-	-
Cash Forward	-	-	29,956	(29,956)
Total Expenditures	42,682	21,632	\$ 59,956	\$ (38,324)
Receipts Over (Under) Expenditures	(14,553)	6,343		
Unencumbered Cash, Beginning	25,216	10,663		
Unencumbered Cash, Ending	\$ 10,663	\$ 17,006		

## CITY OF SOLOMON, KANSAS

## Schedule 2

## Employee Benefits Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Tax	\$ 34,876	\$ 49,727	\$ 54,643	\$ (4,916)
Delinquent Tax	298	242	450	(208)
Motor Vehicle Tax	5,489	6,713	4,591	2,122
Recreational Vehicle Tax	137	147	122	25
16/20M Vehicle Tax	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Cash Receipts	<u>40,801</u>	<u>56,830</u>	<u>\$ 59,806</u>	<u>\$ (2,976)</u>
Expenditures				
KPERS	23,559	25,633	\$ 26,989	\$ (1,356)
Health Insurance and Other	<u>16,839</u>	<u>32,042</u>	<u>33,000</u>	<u>(958)</u>
Total Expenditures	<u>40,398</u>	<u>57,675</u>	<u>\$ 59,989</u>	<u>\$ (2,314)</u>
Receipts Over (Under) Expenditures	403	(845)		
Unencumbered Cash, Beginning	<u>1,023</u>	<u>1,426</u>		
Unencumbered Cash, Ending	<u>\$ 1,426</u>	<u>\$ 581</u>		

## CITY OF SOLOMON, KANSAS

## Schedule 2

**TIF Bond and Interest Fund**  
**Schedule of Receipts and Expenditures (Regulatory Basis)**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)**

	Prior Year Actual	Current Year Actual
Cash Receipts		
Dickinson County - TIF Distribution	\$ 67,325	\$ 72,572
Expenditures		
Revenue Bond Principal	11,809	24,000
Revenue Bond Interest	21,414	9,188
Bond Fee	1	1
Payment to Dickinson County (TIF)	46,787	30,409
Total Expenditures	80,011	63,598
Receipts Over (Under) Expenditures	(12,686)	8,974
Unencumbered Cash, Beginning	74,084	61,398
Unencumbered Cash, Ending	\$ 61,398	\$ 70,372

## CITY OF SOLOMON, KANSAS

## Schedule 2

**Capital Improvement Fund**  
**Schedule of Receipts and Expenditures (Regulatory Basis)**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)**

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Capital Projects	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	868	868
Unencumbered Cash, Ending	<u>\$ 868</u>	<u>\$ 868</u>

## CITY OF SOLOMON, KANSAS

## Schedule 2

## Debt Service Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Tax	\$ 25,034	\$ 26,055	\$ 28,105	\$ (2,050)
Delinquent Tax	173	192	375	(183)
Motor Vehicle Tax	3,328	3,955	3,316	639
Recreational Vehicle Tax	83	102	87	15
Special Assessments	38,910	38,170	38,109	61
Total Cash Receipts	<u>67,528</u>	<u>68,474</u>	<u>\$ 69,992</u>	<u>\$ (1,518)</u>
Expenditures				
GO Bond Principal	50,000	50,000	\$ 50,000	\$ -
GO Bond Interest	21,449	20,199	20,199	-
Cash Basis Reserve	-	-	34,945	(34,945)
Total Expenditures	<u>71,449</u>	<u>70,199</u>	<u>\$ 105,144</u>	<u>\$ (34,945)</u>
Receipts Over (Under) Expenditures	(3,921)	(1,725)		
Unencumbered Cash, Beginning	<u>36,522</u>	<u>32,601</u>		
Unencumbered Cash, Ending	<u>\$ 32,601</u>	<u>\$ 30,876</u>		

## CITY OF SOLOMON, KANSAS

## Schedule 2

## Water Utility Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Water Fees	\$ 183,126	\$ 179,091	\$ 188,145	\$ (9,054)
Swimming Pool	-	12,679	10,870	1,809
Miscellaneous	2,400	2,400	-	2,400
Total Cash Receipts	<u>185,526</u>	<u>194,170</u>	<u>\$ 199,015</u>	<u>\$ (4,845)</u>
Expenditures				
Salaries	94,070	117,496	\$ 97,490	\$ 20,006
Seminars	556	702	700	2
Utilities	8,812	9,855	9,500	355
Postage	3,106	3,253	3,300	(47)
Special Projects and Maintenance	27,431	24,465	26,275	(1,810)
Certificates and Permits	3,593	2,322	3,600	(1,278)
Swimming Pool	13,527	34,519	35,000	(481)
Capital Outlay	9,976	-	24,300	(24,300)
Meter Deposits	-	102	-	102
Miscellaneous	1,248	1,234	1,500	(266)
Cash Forward	-	-	76,165	(76,165)
Total Expenditures	<u>162,319</u>	<u>193,948</u>	<u>\$ 277,830</u>	<u>\$ (83,882)</u>
Receipts Over (Under) Expenditures	23,207	222		
Unencumbered Cash, Beginning	<u>59,283</u>	<u>82,490</u>		
Unencumbered Cash, Ending	<u>\$ 82,490</u>	<u>\$ 82,712</u>		



## CITY OF SOLOMON, KANSAS

## Schedule 2

## Sewer Utility Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 101,800	\$ 102,455	\$ 108,385	\$ (5,930)
Expenditures				
Salaries	82,710	72,308	\$ 81,885	\$ (9,577)
Maintenance	8,139	1,285	4,075	(2,790)
Supplies	488	254	100	154
Utilities	3,218	3,087	3,500	(413)
KDHE Revolving Loan - Principal	8,582	8,802	8,802	-
KDHE Revolving Loan - Interest	3,889	3,668	4,448	(780)
Certificates and Permits	1,169	1,259	1,875	(616)
Miscellaneous	-	47	-	47
Cash Forward	-	-	15,284	(15,284)
Total Expenditures	108,195	90,710	\$ 119,969	\$ (29,259)
Receipts Over (Under) Expenditures	(6,395)	11,745		
Unencumbered Cash, Beginning	7,969	1,574		
Unencumbered Cash, Ending	\$ 1,574	\$ 13,319		

## CITY OF SOLOMON, KANSAS

## Schedule 2

## Storm Drainage Fund

## Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 7,644	\$ 7,438	\$ 8,500	\$ (1,062)
Expenditures				
Supplies	225	-	\$ -	\$ -
Salaries	-	-	2,000	(2,000)
Cash Forward	-	-	48,886	(48,886)
Total Expenditures	225	-	\$ 50,886	\$ (50,886)
Receipts Over (Under) Expenditures	7,419	7,438		
Unencumbered Cash, Beginning	34,676	42,095		
Unencumbered Cash, Ending	\$ 42,095	\$ 49,533		

## CITY OF SOLOMON, KANSAS

## Schedule 3

**Agency Funds**  
**Summary of Receipts and Disbursements (Regulatory Basis)**  
**For the Year Ended December 31, 2019**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Meter Deposits	\$ 18,657	\$ 2,900	\$ 1,799	\$ 19,758
Council Trust	<u>659</u>	<u>1,130</u>	<u>904</u>	<u>885</u>
Totals	<u>\$ 19,316</u>	<u>\$ 4,030</u>	<u>\$ 2,703</u>	<u>\$ 20,643</u>