

CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2018

This page intentionally left blank.

CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 11
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	12
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget and Actual Only	
General Fund	13 - 14
Library Fund	15
Special Parks and Recreation Fund	16
Special Highway Fund	17
Swimming Pool Sales Tax Revenue Fund	18
General Reserve Fund	19
Cemetery Reserve Fund	20
Cemetery Fund	21
Bond and Interest Fund	22
Capital Project Fund	23
Quality of Life Sales Tax Fund	24
Capital Improvement Sales Tax Fund	25
Public Utility Building Fund	26
Police Building Project	27
Rail/Trail Project Fund	28
Electric System Fund	29
Electric Project Fund	30
Water System Fund	31
Water Project Fund	32
Wastewater Project Fund	33
Wastewater Utility Fund	34
Refuse Utility Fund	35
SCHEDULE 3	
Schedule of Receipts and Expenditures - Actual Only	
Related Municipal Entity - Baldwin City Library	36



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Baldwin City, Kansas

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

www.mizehouser.com ■ mhco@mizehouser.com
534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
7101 College Blvd, Suite 900 ■ Overland Park, KS 66210-1984 ■ 913.451.1882 p ■ 913.451.2211 f
211 E Eighth Suite A ■ Lawrence, KS 66044-2771 ■ 785.842.8844 p ■ 785.842.9049 f

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 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

Report on Supplementary Information

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

Other Matter

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 Baldwin City, Kansas, as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated March 30, 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://www.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.

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

May 21, 2019

CITY OF BALDWIN CITY, KANSAS

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

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ 939,089	\$ -	\$ 2,783,333	\$ 3,015,989	\$ 706,433	\$ 27,743	\$ 734,176
Special Purpose Funds:							
Library Fund	-	-	140,541	140,093	448	-	448
Special Parks and Recreation Fund	89,779	-	16,769	80,000	26,548	-	26,548
Special Highway Fund	245,419	-	141,730	126,776	260,373	-	260,373
Swimming Pool Sales Tax Revenue Fund	87,464	-	1,266	1,200	87,530	-	87,530
General Reserve Fund	276,455	-	51,007	33,202	294,260	845	295,105
Cemetery Reserve Fund	131,791	-	11,927	10,399	133,319	-	133,319
Cemetery Fund	14,668	-	77,836	81,726	10,778	1,163	11,941
Bond and Interest Funds:							
Bond and Interest Fund	2,342	-	525,577	518,902	9,017	-	9,017
Capital Project Funds:							
Capital Project Fund	116,391	-	1,341,131	83,983	1,373,539	-	1,373,539
Quality of Life Sales Tax Fund	217,862	-	117,642	119,325	216,179	-	216,179
Capital Improvement Sales Tax Fund	115,149	-	232,648	216,060	131,737	-	131,737
Public Utility Building Fund	1,765,466	-	3,263,296	5,028,762	-	-	-
Police Building Project Fund	-	-	1,000,862	281,063	719,799	-	719,799
Rail/Trail Project Fund	-	-	357,510	348,750	8,760	-	8,760
Business Funds:							
Electric System Fund	1,846,988	-	5,047,986	4,832,363	2,062,611	107,577	2,170,188
Electric Project Fund	114,521	-	202,850	3,750	313,621	-	313,621
Water System Fund	654,643	-	1,800,016	1,902,295	552,364	29,719	582,083
Water Project Fund	[96,071]	-	982,194	884,204	1,919	-	1,919
Wastewater Project Fund	2,892,702	-	50,561	538,937	2,404,326	-	2,404,326
Wastewater Utility Fund	129,995	-	1,187,224	1,194,860	122,359	4,265	126,624
Refuse Utility Fund	46,099	-	264,008	237,780	72,327	164	72,491
Total Primary Government	<u>9,590,752</u>	<u>-</u>	<u>19,597,914</u>	<u>19,680,419</u>	<u>9,508,247</u>	<u>171,476</u>	<u>9,679,723</u>
Related Municipal Entity:							
Baldwin City Library	<u>361,107</u>	<u>-</u>	<u>65,625</u>	<u>65,422</u>	<u>361,310</u>	<u>-</u>	<u>361,310</u>
Total Related Municipal Entity	<u>361,107</u>	<u>-</u>	<u>65,625</u>	<u>65,422</u>	<u>361,310</u>	<u>-</u>	<u>361,310</u>
Total Reporting Entity	<u>\$ 9,951,859</u>	<u>\$ -</u>	<u>\$ 19,663,539</u>	<u>\$ 19,745,841</u>	<u>\$ 9,869,557</u>	<u>\$ 171,476</u>	<u>\$ 10,041,033</u>

Composition of Cash:

Baldwin State Bank	
Checking	\$ 5,679,123
Checking - Baldwin City Library	79,597
Certificates of Deposit	4,000,000
Certificates of Deposit - Baldwin City Library	95,139
Douglas County Community Foundation - Baldwin City Library	157,119
Mid America Bank - Checking - Baldwin City Library	767
Bank of America stocks - Baldwin City Library	28,688
Petty Cash	600
Total	<u>\$ 10,041,033</u>

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Baldwin City, Kansas, (the City) is a municipal corporation governed by a mayor and a five-member council. These financial statements present the City and its related municipal entity for which the City is considered to be financially accountable.

Related Municipal Entity. The Baldwin City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Acquisition or disposition of real property by the Library must be approved by the City. Bond issuances must also be approved by the City. Complete financial statements are not available for the Library for the year ended December 31, 2018.

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

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

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

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

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

The Business Funds are 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.)

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

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2018 budget was not amended.

The statutes permit management to transfer 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. In the financial statements, budget comparisons are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Reclassification of Account Balances

Certain line items have been reclassified to conform to the presentation of the financial statements in the current year. This principally consisted of expenses reclassified into different functions from the prior year. These reclassifications had no net effect on the City's net position or changes there in for the current year.

NOTE 2 – Deposits and Investments

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

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

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 – Deposits and Investments (Continued)

K.S.A. 12-1225(h) authorizes Library boards to invest or reinvest gifts and donations and any dividends, interest, rent or income derived from the gifts in the manner the board deems will best serve the interest of the Library. At December 31, 2018, the Baldwin City Library had the following unsecured investments.

<u>Investment Type</u>	<u>Fair Value</u>
Douglas County Community Foundation	
Mutual funds	\$ 154,448
Bank of America	
Stock	28,688
	<u>\$ 183,136</u>

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."

At December 31, 2018, the City's carrying amount of deposits was \$9,679,721 and the bank balance was \$9,843,189. 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 \$9,593,189 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2018, the Library's carrying amount of deposits was \$178,174 and the bank balance was \$177,790. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$175,119 was covered by federal depository insurance and the balance of \$2,671 was unsecured at December 31, 2018, which is a violation of K.S.A. 9-1042.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Retirement Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 3 – Retirement Plan (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 20.09% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$163,803 for KPERS and \$119,984 for KP&F 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 \$1,329,662 and \$1,130,192 for KP&F. 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 of KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 – Capital Projects

Capital project authorizations, with approved change orders, compared with expenditures from inception, are as follows:

	Project <u>Authorization</u>	Expenditures <u>to Date</u>
Collector Sidewalks	\$ 1,000,000	\$ 30,766
Lotatorium	450,000	6,492
Police Building	1,000,000	22,288
Waste Water Interceptor	<u>2,737,700</u>	<u>380,621</u>
	<u>\$ 5,187,700</u>	<u>\$ 440,168</u>

NOTE 5 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss, including related lost regulatory receipts. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

NOTE 6 – Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation earned but unused at termination is paid to the employees at their current rate of pay up to a maximum of 30 days. Employees who resign in good standing are entitled to ten percent of their unused sick leave and employees who retire in good standing are entitled to twenty percent of their sick leave. The sick leave is calculated at the maximum entitlement even though not all employees are eligible for retirement in the coming year. The liability for compensated absences at December 31, 2018 is \$199,386.

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 – Long-Term Debt

During the year ended December 31, 2018, the following changes occurred in long term liabilities:

<u>Type of Issue</u>	<u>Restated Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid by taxes					
General obligation bonds	\$ 4,350,000	\$ -	\$ 355,000	\$ 3,995,000	\$ 107,275
General obligation temporary notes	2,900,000	1,450,000	2,900,000	1,450,000	42,151
Capital leases	114,522	75,000	54,463	135,059	1,957
Paid by utility revenues					
General obligation bonds	10,630,000	3,915,000	1,170,000	13,375,000	260,768
Revolving loans	602,318	877,978	-	1,480,296	21,305
Capital leases	104,468	236,643	104,468	236,643	1,693
Total	<u>\$ 18,701,308</u>	<u>\$ 6,554,621</u>	<u>\$ 4,583,931</u>	<u>\$20,671,998</u>	<u>\$ 435,149</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds if they are expected to be repaid from proprietary fund regulatory receipts. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

<u>Type of Issue</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
Paid by taxes					
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	\$3,829,693	\$ 3,020,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	1,455,000	975,000
Paid by utility revenues					
Refunding, Series 2012	06/15/12	08/01/24	0.50 - 2.20%	1,125,000	590,000
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	3,335,308	1,845,000
Refunding, Series 2014	08/01/14	11/01/26	2.00 - 2.75%	5,890,000	3,685,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	645,000	575,000
Improvement, Series 2015-B	12/10/15	09/01/35	2.50 - 3.50%	3,155,000	2,765,000
Improvement, Series 2018-A	12/04/18	09/01/38	3.00 - 4.00%	3,915,000	<u>3,915,000</u>
Total General Obligation Bonds					<u>\$17,370,000</u>

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – Long-Term Debt (Continued)

During the year ended December 31, 2018, the City issued Series 2018-A general obligation bonds with an interest rate of 3.00% to 4.00% and a final maturity date of September 1, 2038. The proceeds of the bonds will be used to pay off the City's 2017-A general obligation temporary notes, finance sidewalk projects, and pay costs of issuance.

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

Year Ending December 31,	Paid By Taxes	Paid By Utility Revenue	Total
2019	\$ 470,175	\$ 1,762,365	\$ 2,232,540
2020	477,775	1,685,565	2,163,340
2021	470,075	1,669,140	2,139,215
2022	387,375	1,528,935	1,916,310
2023	381,175	1,236,285	1,617,460
2024 - 2028	1,693,575	4,497,085	6,190,660
2029 - 2033	869,975	2,347,013	3,216,988
2034 - 2038	<u>-</u>	<u>1,526,325</u>	<u>1,526,325</u>
Total principal and interest	4,750,125	16,252,713	21,002,838
Less: interest	<u>755,125</u>	<u>2,877,713</u>	<u>3,632,838</u>
Total principal	<u>\$ 3,995,000</u>	<u>\$ 13,375,000</u>	<u>\$ 17,370,000</u>

General Obligation Temporary Notes. On December 4, 2018, the City issued General Obligation Temporary Notes, Series 2018-B, in the amount of \$1,450,000. The notes mature on March 1, 2020 and bear an interest rate of 2.15%. Proceeds of the notes will finance the acquisition and renovation of an existing building to be used for the City's police department, to finance park improvements and to pay the cost of issuance.

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

Year Ending December 31,	Principal	Interest
2019	\$ -	\$ 23,121
2020	<u>1,450,000</u>	<u>15,588</u>
Total	<u>\$ 1,450,000</u>	<u>\$ 38,709</u>

Capital Leases. The City has entered into lease agreements for the acquisition of equipment in the current and prior years. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term).

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 – Long-Term Debt (Continued)

The future minimum lease obligations as of December 31, 2018 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Paid By</u> <u>Taxes</u>	<u>Paid By</u> <u>Utility Revenue</u>	<u>Total</u>
2019	\$ 22,935	\$ 26,193	\$ 49,128
2020	19,229	26,193	49,128
2021	19,229	26,193	45,422
2022	12,950	26,193	45,422
2023	12,950	26,193	39,143
2024 - 2028	<u>60,103</u>	<u>130,968</u>	<u>191,071</u>
Total principal and interest	147,396	261,933	409,329
Less: interest	<u>12,337</u>	<u>25,290</u>	<u>37,627</u>
Total principal	<u>\$ 135,059</u>	<u>\$ 236,643</u>	<u>\$ 371,702</u>

Revolving Loan. On August 25, 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment for a Public Water Supply Loan up to the amount of \$1,577,930 with an interest rate of 1.47% and service fee rate of 0.35%. As of December 31, 2018, the City has drawn \$1,480,296 on the loan. An amortization schedule for the loan is not yet available since the loan has not been finalized. The purpose of the loan is to fund the replacement of approximately 8,700 linear feet of water mains throughout the City.

Special Assessments. As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the bond and interest fund. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

NOTE 8 – Deferred Compensation Retirement Plan

The City administers a 401(a) pension plan. Employees are eligible to participate in the plan after six months of continuous service. Plan compensation is determined by W-2 wages. The City matches employee contributions up to 4% of wages. All employee contributions are fully vested.

Employer matching contributions are subject to the following vesting schedule:

<u>Years of Employment</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Forfeitures may first be used to reduce fees. Remaining forfeitures will be used to reduce City contributions. For the year ended December 31, 2018, the City recognized pension expense of \$76,614. There were no plan forfeitures for the year ended December 31, 2018.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 9 – Interfund Transfers

A reconciliation of transfers by fund type for 2018 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Electric System	General	\$ 360,508	K.S.A. 12-825d
Electric System	Electric Project	200,000	K.S.A. 12-825d
Wastewater Utility	General	74,950	K.S.A. 12-825d
Refuse Utility	General	21,469	K.S.A. 12-825d
Cemetery	General	3,122	City ordinance
General	Bond and Interest	33,891	Bond ordinance
Water System	General	120,041	K.S.A. 12-825d
Special Parks and Recreation	Rail/Trail Project	80,000	K.S.A. 12-1,118
Qualify of Life Sales Tax	Rail/Trail Project	80,000	K.S.A. 12-1,118
Qualify of Life Sales Tax	Bond and Interest	39,325	Bond ordinance
Special Highway	Bond and Interest	13,612	Bond ordinance
General	Capital Project	100,000	K.S.A. 12-1,118
General	Rail/Trail Project	165,000	K.S.A. 12-1,118
General	General Reserve	47,000	K.S.A. 12-1,117
Cemetery	Cemetery Reserve	10,000	K.S.A. 12-1,117
Capital Improvement Sales Tax	Bond and Interest	210,000	Bond ordinance
Water System	Water Project	97,000	K.S.A. 12-825d
Wastewater Project	Water System	200,000	K.S.A. 12-825d
Wastewater Project	Wastewater Utility	75,000	K.S.A. 12-825d
		<u>\$ 1,930,918</u>	

NOTE 10 – Subsequent Events

On February 12, 2019, the City and the Kansas Department of Health and Environment (KDHE) amended the terms of their revolving loan agreement. The new terms of the loan allow the City to borrow an additional \$255,480 in funds from KDHE.

On April 1, 2019, the City entered into a lease agreement to purchase an aerial apparatus ladder truck in the amount of \$839,224. The lease has an interest rate of 3.98% and calls for annual lease payments of \$79,344. The lease matures on April 1, 2034.

NOTE 11 – Other Long-Term Obligations from Operations

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members 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.

CITY OF BALDWIN CITY, KANSAS

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

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
General Funds:					
General	\$ 3,406,368	\$ -	\$ 3,406,368	\$ 3,015,989	\$ 390,379
Special Purpose Funds:					
Library Fund	146,237	-	146,237	140,093	6,144
Special Parks and Recreation Fund	87,388	-	87,388	80,000	7,388
Special Highway Fund	181,496	-	181,496	126,776	54,720
Swimming Pool Sales Tax Revenue Fund	96,283	-	96,283	1,200	95,083
General Reserve Fund	320,757	-	320,757	33,202	287,555
Cemetery Reserve Fund	132,159	-	132,159	10,399	121,760
Cemetery Fund	88,809	-	88,809	81,726	7,083
Bond and Interest Funds:					
Bond and Interest Fund	529,821	-	529,821	518,902	10,919
Capital Project Funds:					
Quality of Life Sales Tax Fund	312,894	-	312,894	119,325	193,569
Capital Improvement Sales Tax Fund	344,990	-	344,990	216,060	128,930
Business Funds:					
Electric System Fund	6,516,180	-	6,516,180	4,832,363	1,683,817
Water System Fund	2,411,561	-	2,411,561	1,902,295	509,266
Wastewater Utility Fund	1,330,324	-	1,330,324	1,194,860	135,464
Refuse Utility Fund	307,250	-	307,250	237,780	69,470

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

CITY OF BALDWIN CITY, KANSAS

General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Taxes	\$ 1,094,222	\$ 1,140,408	\$ 1,158,507	\$ [18,099]
Intergovernmental	764,869	774,042	797,624	[23,582]
Franchise fees	56,192	58,700	70,943	[12,243]
Licenses, permits and fees	61,104	43,231	26,881	16,350
Fines, forfeitures and penalties	49,974	27,559	60,489	[32,930]
Use of money and property	8,957	14,321	6,094	8,227
Transfer in	610,143	580,088	603,164	[23,076]
Miscellaneous	85,641	144,984	5,000	139,984
Total Receipts	<u>2,731,102</u>	<u>2,783,333</u>	<u>\$ 2,728,702</u>	<u>\$ 54,631</u>
Expenditures				
General administration				
Personal services	149,041	136,975	\$ 104,396	\$ [32,579]
Contractual services	106,392	170,764	580,888	410,124
Commodities	15,874	19,564	21,258	1,694
Capital outlay	1,099	6,267	17,028	10,761
	<u>272,406</u>	<u>333,570</u>	<u>723,570</u>	<u>390,000</u>
Planning				
Personal services	96,497	97,513	183,077	85,564
Contractual services	20,682	6,454	51,744	45,290
Commodities	2,664	1,930	2,088	158
Capital outlay	-	1,212	3,042	1,830
	<u>119,843</u>	<u>107,109</u>	<u>239,951</u>	<u>132,842</u>
Public works				
Personal services	226,643	266,714	181,110	[85,604]
Contractual services	41,206	38,732	58,475	19,743
Commodities	54,870	82,727	86,350	3,623
Capital outlay	64,992	95,984	57,549	[38,435]
	<u>387,711</u>	<u>484,157</u>	<u>383,484</u>	<u>[100,673]</u>
Culture and recreation				
Personal services	60,238	61,509	75,582	14,073
Contractual services	9,624	16,757	14,439	[2,318]
Commodities	7,251	14,803	21,228	6,425
Capital outlay	1,762	22,513	24,000	1,487
	<u>78,875</u>	<u>115,582</u>	<u>135,249</u>	<u>19,667</u>

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

CITY OF BALDWIN CITY, KANSAS

General Fund, (continued)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Expenditures (Continued)				
Fire Department				
Personal services	\$ 27,239	\$ 59,710	\$ 50,404	\$ [9,306]
Contractual services	43,266	48,428	44,076	[4,352]
Commodities	4,571	5,533	11,018	5,485
Capital outlay	<u>13,953</u>	<u>25,786</u>	<u>15,000</u>	<u>[10,786]</u>
	<u>89,029</u>	<u>139,457</u>	<u>120,498</u>	<u>[18,959]</u>
Police Department				
Personal services	948,502	1,003,667	1,085,799	82,132
Contractual services	81,827	92,823	102,333	9,510
Commodities	44,996	43,500	51,730	8,230
Capital outlay	<u>7,646</u>	<u>8,235</u>	<u>5,000</u>	<u>[3,235]</u>
	<u>1,082,971</u>	<u>1,148,225</u>	<u>1,244,862</u>	<u>96,637</u>
Municipal Court				
Personal services	32,345	46,475	33,959	[12,516]
Contractual services	32,726	23,677	37,651	13,974
Commodities	<u>769</u>	<u>442</u>	<u>1,244</u>	<u>802</u>
	<u>65,840</u>	<u>70,594</u>	<u>72,854</u>	<u>2,260</u>
Economic Development				
Personal services	91	85	-	[85]
Contractual services	52,420	56,521	50,485	[6,036]
Capital outlay	<u>27,316</u>	<u>19,545</u>	<u>100,000</u>	<u>80,455</u>
	<u>79,827</u>	<u>76,151</u>	<u>150,485</u>	<u>74,334</u>
Pool				
Contractual services	96,598	110,078	76,511	[33,567]
Commodities	6,090	7,841	8,234	393
Capital outlay	<u>-</u>	<u>378</u>	<u>5,000</u>	<u>4,622</u>
	<u>102,688</u>	<u>118,297</u>	<u>89,745</u>	<u>[28,552]</u>
Information Technology				
Contractual services	1,416	1,464	362	[1,102]
Commodities	-	269	500	231
Capital outlay	<u>39,016</u>	<u>75,223</u>	<u>63,917</u>	<u>[11,306]</u>
	<u>40,432</u>	<u>76,956</u>	<u>64,779</u>	<u>[12,177]</u>
Transfer out	<u>202,000</u>	<u>345,891</u>	<u>180,891</u>	<u>[165,000]</u>
	<u>202,000</u>	<u>345,891</u>	<u>180,891</u>	<u>[165,000]</u>
Total Expenditures	<u>2,521,622</u>	<u>3,015,989</u>	<u>\$ 3,406,368</u>	<u>\$ 390,379</u>
Receipts Over [Under] Expenditures	209,480	[232,656]		
Unencumbered Cash, Beginning	<u>729,609</u>	<u>939,089</u>		
Unencumbered Cash, Ending	<u>\$ 939,089</u>	<u>\$ 706,433</u>		

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

CITY OF BALDWIN CITY, KANSAS

Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

		Current Year		
	Prior Year	Actual	Budget	Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Positive</u> <u>[Negative]</u>
Receipts				
Taxes	\$ 135,436	\$ 139,984	\$ 146,021	\$ [6,037]
Use of money and property	<u>339</u>	<u>557</u>	<u>216</u>	<u>341</u>
Total Receipts	<u>135,775</u>	<u>140,541</u>	<u>\$ 146,237</u>	<u>\$ [5,696]</u>
Expenditures				
Culture and Recreation:				
Personal services	99,389	106,738	\$ 105,498	\$ [1,240]
Contractual services	5,477	5,855	5,787	[68]
Appropriation to library board	<u>30,909</u>	<u>27,500</u>	<u>34,952</u>	<u>7,452</u>
Total Expenditures	<u>135,775</u>	<u>140,093</u>	<u>\$ 146,237</u>	<u>\$ 6,144</u>
Receipts Over [Under] Expenditures	-	448		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 448</u>		

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

CITY OF BALDWIN CITY, 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 Amounts for the Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 14,605	\$ 13,929	\$ 11,736	\$ 2,193
Use of money and property	711	1,265	4,470	[3,205]
Park fees	1,925	1,575	2,000	[425]
Total Receipts	<u>17,241</u>	<u>16,769</u>	<u>\$ 18,206</u>	<u>\$ [1,437]</u>
Expenditures				
Culture and Recreation:				
Contractual services	-	-	\$ 87,388	\$ 87,388
Transfer out	-	<u>80,000</u>	-	<u>[80,000]</u>
Total Expenditures	-	<u>80,000</u>	<u>\$ 87,388</u>	<u>\$ 7,388</u>
Receipts Over [Under] Expenditures	17,241	[63,231]		
Unencumbered Cash, Beginning	<u>72,538</u>	<u>89,779</u>		
Unencumbered Cash, Ending	<u>\$ 89,779</u>	<u>\$ 26,548</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 134,743	\$ 137,290	\$ 131,970	\$ 5,320
Use of money and property	1,774	4,440	1,055	3,385
Total Receipts	<u>136,517</u>	<u>141,730</u>	<u>\$ 133,025</u>	<u>\$ 8,705</u>
Expenditures				
Public works				
Contractual services	-	107,812	\$ 153,084	\$ 45,272
Commodities	-	5,352	14,800	9,448
Transfer out	<u>15,394</u>	<u>13,612</u>	<u>13,612</u>	-
Total Expenditures	<u>15,394</u>	<u>126,776</u>	<u>\$ 181,496</u>	<u>\$ 54,720</u>
Receipts Over [Under] Expenditures	121,123	14,954		
Unencumbered Cash, Beginning	<u>124,296</u>	<u>245,419</u>		
Unencumbered Cash, Ending	<u>\$ 245,419</u>	<u>\$ 260,373</u>		

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

CITY OF BALDWIN CITY, KANSAS

Swimming Pool Sales Tax Revenue Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property	\$ 798	\$ 1,266	\$ 585	\$ 681
Total Receipts	<u>798</u>	<u>1,266</u>	<u>585</u>	<u>681</u>
Expenditures				
Culture and Recreation:				
Contractual services	<u>8,500</u>	<u>1,200</u>	<u>\$ 96,283</u>	<u>\$ 95,083</u>
Total Expenditures	<u>8,500</u>	<u>1,200</u>	<u>\$ 96,283</u>	<u>\$ 95,083</u>
Receipts Over [Under] Expenditures	[7,702]	66		
Unencumbered Cash, Beginning	<u>95,166</u>	<u>87,464</u>		
Unencumbered Cash, Ending	<u>\$ 87,464</u>	<u>\$ 87,530</u>		

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

CITY OF BALDWIN CITY, KANSAS

General Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 47,000	\$ 47,000	\$ 47,000	\$ -
Use of money and property	<u>2,324</u>	<u>4,007</u>	<u>1,674</u>	<u>2,333</u>
Total Receipts	<u>49,324</u>	<u>51,007</u>	<u>\$ 48,674</u>	<u>\$ 2,333</u>
Expenditures				
Capital outlay	<u>65,985</u>	<u>33,202</u>	<u>\$ 320,757</u>	<u>\$ 287,555</u>
Total Expenditures	<u>65,985</u>	<u>33,202</u>	<u>\$ 320,757</u>	<u>\$ 287,555</u>
Receipts Over [Under] Expenditures	[16,661]	17,805		
Unencumbered Cash, Beginning	<u>293,116</u>	<u>276,455</u>		
Unencumbered Cash, Ending	<u>\$ 276,455</u>	<u>\$ 294,260</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Use of money and property	<u>1,086</u>	<u>1,927</u>	<u>761</u>	<u>1,166</u>
Total Receipts	<u>11,086</u>	<u>11,927</u>	<u>\$ 10,761</u>	<u>\$ 1,166</u>
Expenditures				
Contractual services	-	-	\$ 122,159	\$ 122,159
Capital outlay	<u>2,952</u>	<u>10,399</u>	<u>10,000</u>	<u>[399]</u>
Total Expenditures	<u>2,952</u>	<u>10,399</u>	<u>\$ 132,159</u>	<u>\$ 121,760</u>
Receipts Over [Under] Expenditures	8,134	1,528		
Unencumbered Cash, Beginning	<u>123,657</u>	<u>131,791</u>		
Unencumbered Cash, Ending	<u>\$ 131,791</u>	<u>\$ 133,319</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 65,042	\$ 67,259	\$ 69,446	\$ [2,187]
Use of money and property	222	386	176	210
Miscellaneous	<u>11,662</u>	<u>10,191</u>	<u>13,182</u>	<u>[2,991]</u>
Total Receipts	<u>76,926</u>	<u>77,836</u>	<u>\$ 82,804</u>	<u>\$ [4,968]</u>
Expenditures				
Personal services	55,839	60,477	\$ 50,469	\$ [10,008]
Contractual services	7,303	5,102	20,485	15,383
Commodities	1,017	2,014	1,876	[138]
Capital outlay	1,648	1,011	2,357	1,346
Miscellaneous	-	-	500	500
Transfer out	<u>13,654</u>	<u>13,122</u>	<u>13,122</u>	<u>-</u>
Total Expenditures	<u>79,461</u>	<u>81,726</u>	<u>\$ 88,809</u>	<u>\$ 7,083</u>
Receipts Over [Under] Expenditures	[2,535]	[3,890]		
Unencumbered Cash, Beginning	<u>17,203</u>	<u>14,668</u>		
Unencumbered Cash, Ending	<u>\$ 14,668</u>	<u>\$ 10,778</u>		

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

CITY OF BALDWIN CITY, KANSAS

Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 192,142	\$ 227,284	\$ 229,632	\$ [2,348]
Use of money and property	507	1,464	494	970
Transfer in	<u>319,719</u>	<u>296,829</u>	<u>296,829</u>	<u>-</u>
Total Receipts	<u>512,368</u>	<u>525,577</u>	<u>\$ 526,955</u>	<u>\$ [1,378]</u>
Expenditures				
Debt service:				
Principal	395,127	409,671	\$ 415,514	\$ 5,843
Interest	<u>116,131</u>	<u>109,231</u>	<u>114,307</u>	<u>5,076</u>
Total Expenditures	<u>511,258</u>	<u>518,902</u>	<u>\$ 529,821</u>	<u>\$ 10,919</u>
Receipts Over [Under] Expenditures	1,110	6,675		
Unencumbered Cash, Beginning	<u>1,232</u>	<u>2,342</u>		
Unencumbered Cash, Ending	<u>\$ 2,342</u>	<u>\$ 9,017</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 100,000	\$ 100,000
Bond proceeds	-	1,227,915
Miscellaneous	-	10,000
Use of money and property	<u>1,111</u>	<u>3,216</u>
Total Receipts	<u>101,111</u>	<u>1,341,131</u>
Expenditures		
Public works		
Contractual services	83,876	82,933
Capital outlay	<u>-</u>	<u>1,050</u>
Total Expenditures	<u>83,876</u>	<u>83,983</u>
Receipts Over [Under] Expenditures	17,235	1,257,148
Unencumbered Cash, Beginning	<u>99,156</u>	<u>116,391</u>
Unencumbered Cash, Ending	<u>\$ 116,391</u>	<u>\$ 1,373,539</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Quality of Life Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 108,818	\$ 115,454	\$ 113,379	\$ 2,075
Use of money and property	<u>1,611</u>	<u>2,188</u>	<u>1,051</u>	<u>1,137</u>
Total Receipts	<u>110,429</u>	<u>117,642</u>	<u>\$ 114,430</u>	<u>\$ 3,212</u>
Expenditures				
Capital outlay	-	-	\$ 273,569	\$ 273,569
Transfers out	<u>39,325</u>	<u>119,325</u>	<u>39,325</u>	<u>[80,000]</u>
Total Expenditures	<u>39,325</u>	<u>119,325</u>	<u>\$ 312,894</u>	<u>\$ 193,569</u>
Receipts Over [Under] Expenditures	71,104	[1,683]		
Unencumbered Cash, Beginning	<u>146,758</u>	<u>217,862</u>		
Unencumbered Cash, Ending	<u>\$ 217,862</u>	<u>\$ 216,179</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Improvement Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 217,637	\$ 230,908	\$ 226,757	\$ 4,151
Use of money and property	957	1,740	799	941
Total Receipts	<u>218,594</u>	<u>232,648</u>	<u>\$ 227,556</u>	<u>\$ 5,092</u>
Expenditures				
Capital outlay	-	6,060	\$ 134,990	\$ 128,930
Transfers out	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>	<u>-</u>
Total Expenditures	<u>210,000</u>	<u>216,060</u>	<u>\$ 344,990</u>	<u>\$ 128,930</u>
Receipts Over [Under] Expenditures	8,594	16,588		
Unencumbered Cash, Beginning	<u>106,555</u>	<u>115,149</u>		
Unencumbered Cash, Ending	<u>\$ 115,149</u>	<u>\$ 131,737</u>		

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

CITY OF BALDWIN CITY, KANSAS

Public Utility Building Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 18,773	\$ 9,505
Bond proceeds	2,900,000	3,250,259
Miscellaneous	<u>-</u>	<u>3,532</u>
Total Receipts	<u>2,918,773</u>	<u>3,263,296</u>
Expenditures		
Contractual services	1,122,889	2,038,928
Commodities	36,375	56,484
Debt service:		
Principal	-	2,900,000
Interest	<u>-</u>	<u>33,350</u>
Total Expenditures	<u>1,159,264</u>	<u>5,028,762</u>
Receipts Over [Under] Expenditures	1,759,509	[1,765,466]
Unencumbered Cash, Beginning	<u>5,957</u>	<u>1,765,466</u>
Unencumbered Cash, Ending	<u>\$ 1,765,466</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Police Building Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ -	\$ 862
Bond proceeds	-	<u>1,000,000</u>
Total Receipts	<u>-</u>	<u>1,000,862</u>
Expenditures		
Contractual services	-	22,288
Capital outlay	-	<u>258,775</u>
Total Expenditures	<u>-</u>	<u>281,063</u>
Receipts Over [Under] Expenditures	-	719,799
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 719,799</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Rail/Trail Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ -	\$ 10
Donations	-	32,500
Transfers in	-	<u>325,000</u>
Total Receipts	<u>-</u>	<u>357,510</u>
Expenditures		
Contractual services	-	3,750
Commodities	-	<u>345,000</u>
Total Expenditures	<u>-</u>	<u>348,750</u>
Receipts Over [Under] Expenditures	-	8,760
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 8,760</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Electric System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 4,115,350	\$ 4,471,821	\$ 4,425,088	\$ 46,733
Reimbursed expenses	5,031	93,765	-	93,765
Franchise fees	168,269	206,727	216,788	[10,061]
Miscellaneous	-	233,826	3,795	230,031
Use of money and property	17,848	41,847	12,668	29,179
Total Receipts	<u>4,306,498</u>	<u>5,047,986</u>	<u>\$ 4,658,339</u>	<u>\$ 389,647</u>
Expenditures				
Personal services	805,251	843,610	\$ 866,233	\$ 22,623
Contractual services	1,874,181	2,063,230	2,242,202	178,972
Commodities	45,232	104,158	239,931	135,773
Capital outlay	228,010	454,916	1,732,566	1,277,650
Debt service:				
Principal	652,088	687,946	735,182	47,236
Interest	130,803	117,995	125,497	7,502
Miscellaneous	4,213	-	4,000	4,000
Transfers out	375,211	560,508	570,569	10,061
Total Expenditures	<u>4,114,989</u>	<u>4,832,363</u>	<u>\$ 6,516,180</u>	<u>\$ 1,683,817</u>
Receipts Over [Under] Expenditures	191,509	215,623		
Unencumbered Cash, Beginning	<u>1,655,479</u>	<u>1,846,988</u>		
Unencumbered Cash, Ending	<u>\$ 1,846,988</u>	<u>\$ 2,062,611</u>		

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

CITY OF BALDWIN CITY, KANSAS

Electric Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ -	\$ 200,000
Use of money and property	<u>1,195</u>	<u>2,850</u>
Total Receipts	<u>1,195</u>	<u>202,850</u>
Expenditures		
Capital outlay	<u>55,043</u>	<u>3,750</u>
Total Expenditures	<u>55,043</u>	<u>3,750</u>
Receipts Over [Under] Expenditures	[53,848]	199,100
Unencumbered Cash, Beginning	<u>168,369</u>	<u>114,521</u>
Unencumbered Cash, Ending	<u>\$ 114,521</u>	<u>\$ 313,621</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Water System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 1,456,791	\$ 1,527,843	\$ 1,692,654	\$ [164,811]
Franchise fees	48,766	58,459	64,944	[6,485]
Miscellaneous	527	3,900	-	3,900
Use of money and property	7,149	9,814	5,583	4,231
Transfers in	-	200,000	-	200,000
Total Receipts	<u>1,513,233</u>	<u>1,800,016</u>	<u>\$ 1,763,181</u>	<u>\$ 36,835</u>
Expenditures				
Personal services	542,419	576,646	\$ 512,358	\$ [64,288]
Contractual services	717,852	848,133	720,329	[127,804]
Commodities	24,012	35,385	87,538	52,153
Capital outlay	27,579	81,154	702,504	621,350
Debt service:				
Principal	130,755	131,312	216,311	84,999
Interest	14,226	12,574	43,995	31,421
Miscellaneous	-	50	2,000	1,950
Transfers out	<u>129,345</u>	<u>217,041</u>	<u>126,526</u>	<u>[90,515]</u>
Total Expenditures	<u>1,586,188</u>	<u>1,902,295</u>	<u>\$ 2,411,561</u>	<u>\$ 509,266</u>
Receipts Over [Under] Expenditures	[72,955]	[102,279]		
Unencumbered Cash, Beginning	<u>727,598</u>	<u>654,643</u>		
Unencumbered Cash, Ending	<u>\$ 654,643</u>	<u>\$ 552,364</u>		

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

CITY OF BALDWIN CITY, KANSAS

Water Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 6,050	\$ 6,600
Use of money and property	736	16
Loan proceeds	602,318	877,978
Transfers in	-	97,000
Reimbursements	-	600
Total Receipts	<u>609,104</u>	<u>982,194</u>
Expenditures		
Capital projects	<u>838,890</u>	<u>884,204</u>
Total Expenditures	<u>838,890</u>	<u>884,204</u>
Receipts Over [Under] Expenditures	[229,786]	97,990
Unencumbered Cash, Beginning	<u>133,715</u>	<u>[96,071]</u>
Unencumbered Cash, Ending	<u>\$ [96,071]</u>	<u>\$ 1,919</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Wastewater Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2018 and 2017

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 12,902	\$ 11,100
Use of money and property	<u>24,875</u>	<u>39,461</u>
Total Receipts	<u>37,777</u>	<u>50,561</u>
Expenditures		
Capital outlay	5,033	263,937
Transfers out	<u>50,000</u>	<u>275,000</u>
Total Expenditures	<u>55,033</u>	<u>538,937</u>
Receipts Over [Under] Expenditures	[17,256]	[488,376]
Unencumbered Cash, Beginning	<u>2,909,958</u>	<u>2,892,702</u>
Unencumbered Cash, Ending	<u>\$ 2,892,702</u>	<u>\$ 2,404,326</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Wastewater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 1,021,421	\$ 1,047,340	\$ 1,205,790	\$ [158,450]
Franchise fees	45,391	50,784	-	50,784
Miscellaneous	3,054	11,025	10,015	1,010
Transfer in	50,000	75,000	-	75,000
Use of money and property	1,678	3,075	1,544	1,531
Total Receipts	<u>1,121,544</u>	<u>1,187,224</u>	<u>\$ 1,217,349</u>	<u>\$ [30,125]</u>
Expenditures				
Personal services	316,838	318,846	\$ 334,339	\$ 15,493
Contractual services	131,790	147,744	281,207	133,463
Commodities	13,579	28,637	25,636	[3,001]
Capital outlay	6,540	37,796	21,501	[16,295]
Debt service:				
Principal	425,000	455,000	455,000	-
Interest	141,587	131,887	131,887	-
Transfers out	79,474	74,950	80,754	5,804
Total Expenditures	<u>1,114,808</u>	<u>1,194,860</u>	<u>\$ 1,330,324</u>	<u>\$ 135,464</u>
Receipts Over [Under] Expenditures	6,736	[7,636]		
Unencumbered Cash, Beginning	<u>123,259</u>	<u>129,995</u>		
Unencumbered Cash, Ending	<u>\$ 129,995</u>	<u>\$ 122,359</u>		

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

CITY OF BALDWIN CITY, KANSAS

Refuse Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Amounts for the Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 242,003	\$ 251,287	\$ 249,612	\$ 1,675
Franchise fees	9,354	11,628	12,272	[644]
Use of money and property	483	1,093	323	770
Total Receipts	<u>251,840</u>	<u>264,008</u>	<u>\$ 262,207</u>	<u>\$ 1,801</u>
Expenditures				
Personal services	9,269	9,349	\$ 12,871	\$ 3,522
Contractual services	201,431	204,870	270,111	65,241
Capital outlay	839	2,092	2,076	[16]
Transfers out	<u>22,459</u>	<u>21,469</u>	<u>22,192</u>	<u>723</u>
Total Expenditures	<u>233,998</u>	<u>237,780</u>	<u>\$ 307,250</u>	<u>\$ 69,470</u>
Receipts Over [Under] Expenditures	17,842	26,228		
Unencumbered Cash, Beginning	<u>28,257</u>	<u>46,099</u>		
Unencumbered Cash, Ending	<u>\$ 46,099</u>	<u>\$ 72,327</u>		

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

CITY OF BALDWIN CITY, KANSAS

Schedule of Receipts and Expenditures - Actual
Regulatory Basis
Related Municipal Entity - Baldwin City Library
For the Year Ended December 31, 2018

Receipts	
City appropriations	\$ 27,500
Charges for services	8,632
Grants and donations	39,484
Interest and investment earnings	4,647
Gain/[Loss] on value of investments	<u>[14,638]</u>
Total Receipts	<u>65,625</u>
Expenditures	
Culture and recreation	<u>65,422</u>
Total Expenditures	<u>65,422</u>
Receipts Over [Under] Expenditures	203
Unencumbered Cash, Beginning	<u>361,107</u>
Unencumbered Cash, Ending	<u>\$ 361,310</u>

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