

CITY OF MISSION HILLS, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2020

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CITY OF MISSION HILL, KANSAS
 FINANCIAL STATEMENTS
 Year ending December 31, 2020

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CITY OF MISSION HILL, KANSAS
FINANCIAL STATEMENTS
Year ending December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Mission Hills, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission Hills, Kansas, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements 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 Accounting and Audit Guide." These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Mission Hills, Kansas, as of December 31, 2020, and the respective changes in financial position, thereof and the respective budgetary comparison for the general fund and the stormwater utility fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of changes in the City's total OPEB liability and related ratios on pages 39-40, the schedule of the City's proportionate share of the net pension liability on page 41, and the schedule of City contributions on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, 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 financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

March 29, 2021

CITY OF MISSION HILLS, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020
Unaudited

Our discussion and analysis of the City of Mission Hills, Kansas financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2020.

Financial Highlights

- The Government-wide net position totaled \$25.2 million at the end of the current fiscal year.
- Total capital assets, net of accumulated depreciation at December 31, 2020 totaled \$21.7 million.
- During the year ended December 31, 2020, the City's total revenue on the full accrual basis of accounting (which includes charges for services, local taxes and state and federal aid) exceeded total expenses by \$.9 million.
- The City's total indebtedness decreased by \$.4 million, due to the continued pay off of existing debt.
- The City's net capital assets increased \$.7 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: government-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The government-wide statements are designed to provide information about the City's activities as a whole and provide a longer-term view of the City's finances. The fund financial statements tell how the City's services for the governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in greater detail than the government-wide statements by providing information about the City's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds.

Reporting on the City as a Whole (Government Wide)

Statement of Net Position and the Statement of Activities

The view of the City as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the City's net position and current year change in the net position. The change in net position is important because it tells the reader whether the City, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, state mandates, and the financial condition of the State of Kansas general fund.

In the Statement of Net Position and the Statement of Activities, the City has one kind of activity:

Governmental Activities - Most of the City's programs and services are reported here including general government, public safety, public works and culture and recreation.

CITY OF MISSION HILLS, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020
Unaudited

Reporting the City's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the City's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the City's non-major governmental funds.

Governmental Funds - Most of the City's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and how balances left over at fiscal year-end are available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader to decide whether there are more or fewer financial resources that can be spent in the near term to finance the City's programs. Major differences between the City's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

The City as a Whole

Government-Wide Assets

The Statement of Net Position provides the financial position of the City as a whole. The overall financial position of the City was slightly better in 2020. The following is a summary of the City's Statement of Net Position as of December 31, 2019 and 2020:

City of Mission Hills
Condensed Statement of Net Position

	Governmental Activities	
	2019	2020
Current assets	\$ 11,854,276	\$ 11,807,584
Net capital assets	<u>21,038,817</u>	<u>21,708,185</u>
Total assets	<u>32,893,093</u>	<u>33,515,769</u>
Deferred outflows of resources	<u>100,083</u>	<u>228,346</u>
Total assets and deferred outflows of resources	<u>\$ 32,993,176</u>	<u>\$ 33,744,115</u>
Current liabilities	\$ 537,376	\$ 560,592
Noncurrent liabilities	<u>3,272,192</u>	<u>3,018,456</u>
Total liabilities	<u>3,809,568</u>	<u>3,579,048</u>
Deferred inflows of resources	<u>4,817,152</u>	<u>4,941,419</u>
Total liabilities and deferred inflows of resources	<u>\$ 8,626,720</u>	<u>\$ 8,520,467</u>
Net Position:		
Net investment in capital assets	\$ 18,282,438	\$ 19,316,808
Restricted for:		
Debt Service	520,654	66,769
Transportation	707,384	702,711
Recreation	94,024	62,058
Unrestricted	<u>4,761,956</u>	<u>5,075,302</u>
Total net position	<u>\$ 24,366,456</u>	<u>\$ 25,223,648</u>

CITY OF MISSION HILLS, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2020

Unaudited

The assets of the City are classified as current assets and capital assets. Cash and investments and accounts receivable are the largest current assets. These are assets that are available to provide resources for the near-term operations of the City. Capital assets are used in the operations of the City. These assets include land, buildings, equipment and vehicles, and infrastructure.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued liabilities, interest payable and current portion of long-term obligations.

The City has \$2.6 million in long-term debt, consisting of general obligation bonds and capital leases payable, of which \$.5 million is due within the next fiscal year.

The City had total assets at December 31, 2020, totaling \$33.5 million. The total assets and deferred outflows of the City exceeded the total liabilities and deferred inflows of resources by \$25.2 million. Net position invested in capital assets totaled \$19.3 million, restricted net position totaled \$.8 million and unrestricted net position totaled \$5.1 million.

Government-Wide Activities

The following is a condensed statement of the City's change in net position for the year ended December 31, 2020. Major items of program revenues, grants and general revenues are detailed. Government-wide activities increased the net position of the City by \$.9 million for the year ended December 31, 2020. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located at page 14 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of long-term debt of \$.4 million, which is treated as expenditures in the funds statements, but is treated as a reduction of long term debt in the Government-wide financial statements.

CITY OF MISSION HILLS, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020
Unaudited

In addition, the capital outlays of \$2.7 million are treated as expenditures in the fund statements but are treated as an increase in capital assets in the Government wide financial statements.

City of Mission Hills
Condensed Statement of Changes in Net Position
For the Year Ended December 31, 2020 and 2019

	Governmental Activities	
	<u>2019</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 616,838	\$ 552,109
Operating grants	242,878	143,413
General revenues:		
Property taxes	4,560,312	5,321,550
Sales tax	1,678,545	1,991,465
Motor vehicle tax	268,379	268,287
Franchise tax	433,429	446,443
Investment earnings	71,906	69,387
Miscellaneous	<u>18,759</u>	<u>47,928</u>
 Total revenues	 <u>7,891,046</u>	 <u>8,840,582</u>
 Program expenses:		
General government	1,170,633	1,325,218
Public safety	1,605,783	1,679,134
Public works	2,013,580	1,862,792
Culture and recreation	985,795	975,971
Depreciation on infrastructure	1,864,856	2,060,744
Interest on long term debt	<u>75,843</u>	<u>79,531</u>
 Total expenses	 <u>7,716,490</u>	 <u>7,983,390</u>
 Increase [decrease] in net position	 <u>\$ 174,556</u>	 <u>\$ 857,192</u>

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the City provide information on near-term inflows, outflows and balances of spendable resources. Unreserved fund balances, in particular, measures the City's net resources available for spending at the end of the City's fiscal year.

Total fund balances at December 31, 2020 for the governmental funds totaled \$6.9 million. Total unassigned fund balances at December 31, 2020 also totaled \$3.3 million, of which all was attributable to the General Fund.

CITY OF MISSION HILLS, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2020

Unaudited

The General Fund is the chief operating fund of the City. The audited fund balance on December 31, 2020 was \$4. million. This figure is shown in the GAAP basis column of the enclosed financial statements. The budgetary basis column includes encumbrances of \$3.3 million.

The Stormwater Utility Fund is used to account for the collection of assessments and grant revenue related to county assisted improvement project expenditures. Expenditures are for capital improvements related to the City's stormwater infrastructure. The ending fund balance for 2020 was \$17,399.

General Fund Budgeting Highlights

The City's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The City's 2020 final General Fund budget reflected budgeted revenues of \$8.0 million. Actual General Fund revenues received were \$21,580 less than the estimated revenues budgeted in the 2020 General Fund budget.

The City's 2020 final General Fund budget reflected budgeted expenditures of \$8.6 million. Actual General Fund expenditures were \$.4 million less than the estimated expenditures budgeted in the 2020 General Fund budget. At year end, the General Fund budgetary balance increased \$.3 million.

Capital Assets and Debt Administration

The City's investment in capital assets for its governmental activities totaled \$21.7 million (net of accumulated depreciation) as of December 31, 2020.

CITY OF MISSION HILLS, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020
Unaudited

The major capital improvements in 2020 included:

All projects listed include street and stormwater work:

- 68th Street & 69th Street (Belinder Avenue to Tomahawk Road)
- Belinder Avenue (Tomahawk Road to 63rd Street) & Overhill Road (63rd Street to Mission Drive)
- Sagamore Road (65th Street to 67th Street) & 65th Street (Sagamore Road to Willow Lane)

Additional information on the City's capital assets can be found in Notes I and III of the financial statements.

At December 31, 2020, the City had total debt outstanding of \$2.6 million, backed by the full faith and credit of the City. Total long-term debt decreased for the fiscal year ended December 31, 2020, in the amount of \$.4 million. This was a result of the continued pay off of existing debt.

Additional information on the City's general long-term debt can be found in Note III to the financial statements.

Contacting the City

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact Jennifer Lee, City Administrator, City of Mission Hills, Kansas, 6300 State Line Road, Mission Hills, Kansas 66208.

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CITY OF MISSION HILLS, KANSAS

STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	\$ 6,621,560
Receivables:	
Taxes	5,162,722
Intergovernmental	<u>23,302</u>
Total current assets	<u>11,807,584</u>
Capital assets:	
Capital assets not being depreciated:	
Land	245,530
Statuary	2,179,942
Capital assets being depreciated	35,295,277
Less: accumulated depreciation	<u>16,012,564</u>
Total net capital assets	<u>21,708,185</u>
Total assets	<u>33,515,769</u>
Deferred outflows of resources	
KPERS OPEB deferred outflows of resources	3,184
OPEB deferred outflows of resources	4,718
KPERS pension deferred outflows of resources	<u>220,444</u>
Total deferred outflows of resources	<u>228,346</u>
Total assets and deferred outflows of resources	<u>\$ 33,744,115</u>
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accrued liabilities	\$ 12,397
Accrued interest payable	25,221
Compensated absences payable	87,814
Current portion of capital lease payable	65,160
Current portion of general obligation bonds payable	<u>370,000</u>
Total current liabilities (payable from current assets)	<u>560,592</u>
Noncurrent liabilities:	
Other post employment benefits obligation	16,030
KPERS other post employment benefits obligation	6,769
Net pension liability	701,228
Capital lease payable	273,050
General obligation bonds payable	<u>2,021,379</u>
Total noncurrent liabilities	<u>3,018,456</u>
Total liabilities	<u>3,579,048</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	4,917,046
KPERS OPEB deferred inflows of resources	6,975
OPEB deferred inflows of resources	8,383
KPERS pension deferred inflows of resources	<u>9,015</u>
Total deferred inflows of resources	<u>4,941,419</u>
Total liabilities and deferred inflows of resources	<u>\$ 8,520,467</u>
Net Position	
Net investment in capital assets	\$ 19,316,806
Restricted for:	
Debt service	66,769
Transportation	702,711
Recreation	62,058
Unrestricted	<u>5,075,304</u>
Total net position	<u>\$ 25,223,648</u>

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

CITY OF MISSION HILLS, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Expenses	Program Revenues		Net [Expenses]
		Charges for Services	Operating Grants and Contributions	Revenue and Changes In Net Position
				Total Governmental Activities
Governmental activities:				
General government	\$ 1,325,218	\$ 342,563	\$ -	\$ [982,655]
Public safety	1,679,134	209,546	-	[1,469,588]
Public works	1,862,792	-	90,874	[1,771,918]
Culture and recreation	975,971	-	52,539	[923,432]
Depreciation on infrastructure	2,060,744	-	-	[2,060,744]
Interest on long-term debt	79,531	-	-	[79,531]
Total governmental activities	\$ 7,983,390	\$ 552,109	\$ 143,413	[7,287,868]

General Revenues:

Property taxes levied for:	
General purposes	5,321,550
Franchise tax	446,443
Sales tax	1,991,465
Motor vehicle tax	268,287
Investments earnings	69,387
Miscellaneous	47,928
Total general revenues	8,145,060
Change in net position	857,192
Net position - beginning	24,366,456
Net position - ending	\$ 25,223,648

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

CITY OF MISSION HILLS, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	<u>General</u>	<u>Stormwater Utility Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 4,558,994	\$ 17,399	\$ 66,769	\$ 880,712	\$ 1,097,684	\$ 6,621,558
Receivables						
Taxes	4,990,274	-	172,448	-	-	5,162,722
Intergovernmental	-	-	-	-	23,302	23,302
Total assets	<u>\$ 9,549,268</u>	<u>\$ 17,399</u>	<u>\$ 239,217</u>	<u>\$ 880,712</u>	<u>\$ 1,120,986</u>	<u>\$ 11,807,582</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accrued liabilities	\$ 4,649	\$ -	\$ -	\$ -	\$ 7,748	\$ 12,397
Total liabilities	<u>4,649</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,748</u>	<u>12,397</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	<u>4,744,598</u>	<u>-</u>	<u>172,448</u>	<u>-</u>	<u>-</u>	<u>4,917,046</u>
Total deferred inflows of resources	<u>4,744,598</u>	<u>-</u>	<u>172,448</u>	<u>-</u>	<u>-</u>	<u>4,917,046</u>
Fund balance:						
Assigned	1,491,381	-	-	-	16,900	1,508,281
Restricted	-	-	66,769	-	764,769	831,538
Committed	-	17,399	-	880,712	331,569	1,229,680
Unassigned	<u>3,308,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,308,640</u>
Total fund balance [deficit]	<u>4,800,021</u>	<u>17,399</u>	<u>66,769</u>	<u>880,712</u>	<u>1,113,238</u>	<u>6,878,139</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,549,268</u>	<u>\$ 17,399</u>	<u>\$ 239,217</u>	<u>\$ 880,712</u>	<u>\$ 1,120,986</u>	<u>\$ 11,807,582</u>

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

CITY OF MISSION HILLS, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES

December 31, 2020

Total Governmental Fund Balances		\$ 6,878,139
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	37,720,749	
Accumulated depreciation is	<u>[16,012,564]</u>	21,708,185
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		
		220,444
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		
		[710,243]
The City's costs for post employment benefits other than pensions are not reported as expenditures in the governmental funds		
Net other post employment benefits obligation		[30,255]
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of:		
General obligation bonds payable	2,391,379	
Capital lease payable	338,210	
Interest payable	25,221	
Compensated absences payable	<u>87,814</u>	<u>[2,842,624]</u>
Net Position of Governmental Activities		\$ <u>25,223,646</u>

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

CITY OF MISSION HILLS, KANSAS
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	General	Stormwater Utility Fund	Debt Service Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	\$ 7,352,895	\$ 517,295	\$ 157,555	\$ -	\$ -	\$ 8,027,745
Intergovernmental	-	-	-	-	143,413	143,413
Licenses, permits and fees	552,109	-	-	-	-	552,109
Use of money and property	56,598	-	419	5,557	6,813	69,387
Reimbursements	-	-	-	-	7,500	7,500
Miscellaneous	40,428	-	-	-	-	40,428
Total revenues	8,002,030	517,295	157,974	5,557	157,726	8,840,582
EXPENDITURES:						
Current						
General government	1,223,415	-	-	-	-	1,223,415
Public works	4,014,195	500,000	-	25,005	-	4,539,200
Culture and recreation	880,627	-	-	-	91,956	972,583
Public safety	1,675,057	-	-	-	-	1,675,057
Special projects	151,131	-	-	-	-	151,131
Debt service						
Principal	365,000	-	-	-	-	365,000
Interest and other charges	23,632	-	58,500	-	-	82,132
Total expenditures	8,333,057	500,000	58,500	25,005	91,956	9,008,518
Excess [deficiency] of revenues over [under] expenditures	[331,027]	17,295	99,474	[19,448]	65,770	[167,936]
OTHER FINANCING SOURCES [USES]						
Transfers in	653,359	-	-	-	-	653,359
Transfers [out]	-	-	[553,359]	-	[100,000]	[653,359]
Total other financing sources [uses]	653,359	-	[553,359]	-	[100,000]	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	322,332	17,295	[453,885]	[19,448]	[34,230]	[167,936]
Fund balance - Beginning of year	4,477,689	104	520,654	900,160	1,147,468	7,046,075
Fund balance - End of year	\$ 4,800,021	\$ 17,399	\$ 66,769	\$ 880,712	\$ 1,113,238	\$ 6,878,139

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

CITY OF MISSION HILLS, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Total Net Change In Fund Balances - Governmental Funds	\$	[167,936]
<p>Amounts reported for governmental activities in the statement of activities are different because</p>		
<p>Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.</p>		
Capital outlays	2,730,112	
Depreciation expense	<u>[2,060,744]</u>	669,368
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.</p>		
		2,601
<p>Expenditures for post employment benefits other than pensions are not considered expenditures in government funds</p>		
		[4,340]
<p>Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		[24,565]
<p>Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.</p>		
		[46,844]
<p>Repayment of capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
		63,908
<p>Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
		<u>365,000</u>
Changes In Net Position of Governmental Activities	\$	<u>857,192</u>

CITY OF MISSION HILLS, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 7,352,895	\$ -	\$ 7,352,895	\$ 7,266,674	\$ 7,266,674	\$ 86,221
Use of money and property	56,598	-	56,598	33,000	33,000	23,598
Licenses, permits and fees	552,109	-	552,109	718,936	718,936	[166,827]
Miscellaneous	40,428	-	40,428	5,000	5,000	35,428
Total Revenues	8,002,030	-	8,002,030	8,023,610	8,023,610	[21,580]
Expenditures:						
General administration:						
Personal services	540,390	-	540,390	575,791	575,791	35,401
Contractual services	611,000	47,682	658,682	633,331	633,331	[25,351]
Commodities	5,209	-	5,209	11,000	11,000	5,791
Capital outlay	66,816	[50,000]	16,816	20,000	20,000	3,184
	1,223,415	[2,318]	1,221,097	1,240,122	1,240,122	19,025
Public safety						
Contractual services	1,544,296	-	1,544,296	1,568,148	1,568,148	23,852
Commodities	13,536	-	13,536	38,000	38,000	24,464
Capital outlay	117,225	[11,159]	106,066	126,402	126,402	20,336
	1,675,057	[11,159]	1,663,898	1,732,550	1,732,550	68,652
Highways and streets						
Personal services	377,354	-	377,354	353,393	353,393	[23,961]
Contractual services	1,120,854	[108,859]	1,011,995	1,462,633	1,462,633	450,638
Commodities	14,854	-	14,854	10,055	10,055	[4,799]
Capital outlay	2,501,133	[350,000]	2,151,133	1,795,461	1,888,461	[262,672]
	4,014,195	[458,859]	3,555,336	3,621,542	3,714,542	159,206
Culture and recreation						
Personal services	73,975	-	73,975	77,275	77,275	3,300
Contractual services	803,931	[82,444]	721,487	876,875	876,875	155,388
Commodities	1,050	-	1,050	4,100	4,100	3,050
Capital outlay	1,671	-	1,671	3,000	3,000	1,329
	880,627	[82,444]	798,183	961,250	961,250	163,067
Special projects						
Capital outlay	151,131	560,338	711,469	722,694	722,694	11,225
	151,131	560,338	711,469	722,694	722,694	11,225

CITY OF MISSION HILLS, KANSAS

GENERAL FUND (CONTINUED)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Expenditures (Continued):						
Debt service						
Principal	\$ 365,000	\$ -	\$ 365,000	\$ 367,156	\$ 367,156	\$ 2,156
Interest and other charges	23,632	-	23,632	23,632	23,632	-
	<u>388,632</u>	<u>-</u>	<u>388,632</u>	<u>390,788</u>	<u>390,788</u>	<u>2,156</u>
Total Expenditures	<u>8,333,057</u>	<u>5,558</u>	<u>8,338,615</u>	<u>8,668,946</u>	<u>8,761,946</u>	<u>423,331</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[331,027]</u>	<u>[5,558]</u>	<u>[336,585]</u>	<u>[645,336]</u>	<u>[738,336]</u>	<u>401,751</u>
Other Financing Sources [Uses]:						
Transfers in	653,359	-	653,359	746,359	746,359	[93,000]
Total Other Financing Sources [Uses]	<u>653,359</u>	<u>-</u>	<u>653,359</u>	<u>746,359</u>	<u>746,359</u>	<u>[93,000]</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	322,332	[5,558]	316,774	<u>\$ 101,023</u>	<u>\$ 8,023</u>	<u>\$ 308,751</u>
Fund Balance, January 1	<u>4,477,689</u>	<u>[1,485,823]</u>	<u>2,991,866</u>			
Fund Balance, December 31	<u>\$ 4,800,021</u>	<u>\$ [1,491,381]</u>	<u>\$ 3,308,640</u>			

CITY OF MISSION HILLS, KANSAS

STORMWATER UTILITY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 517,295	\$ -	\$ 517,295	\$ 520,000	\$ 520,000	\$ [2,705]
Use of money and property	-	-	-	200	200	[200]
Total Revenues	<u>517,295</u>	<u>-</u>	<u>517,295</u>	<u>520,200</u>	<u>520,200</u>	<u>[2,905]</u>
Expenditures:						
Capital outlay	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>342,980</u>	<u>500,000</u>	<u>-</u>
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>342,980</u>	<u>500,000</u>	<u>-</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	17,295	-	17,295	<u>\$ 177,220</u>	<u>\$ 20,200</u>	<u>\$ [2,905]</u>
Fund Balance, January 1	<u>104</u>	<u>-</u>	<u>104</u>			
Fund Balance, December 31	<u>\$ 17,399</u>	<u>\$ -</u>	<u>\$ 17,399</u>			

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mission Hills, Kansas (the City), is a municipal corporation governed by an elected five-member council. Under governmental accounting standards for defining the financial reporting entity and identifying entities to be included in basic financial statements, these financial statements include only the City. There are no other entities for which the City is financially accountable.

B. Government-wide and Fund Financial Statements

The statement of net position and the statement of activities report information on all the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. All activities of the City are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the City.

Financial statements are provided for governmental funds. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements. The City has no fiduciary or proprietary funds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

CITY OF MISSION HILLS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The stormwater utility fund is used to account for the collection of assessments and grant revenue related to county assisted improvement project expenditures. Expenditures are for capital improvements related to the City's stormwater infrastructure.

The debt service fund is used to account for the payment of principal and interest on all general obligation debt.

The capital project fund is used to account for reservations designed for the City's capital improvements.

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the governmental funds balance sheet as cash and investments under each fund's caption. Interest earned is distributed to the various funds based upon the proportionate share of cash. Investments are reported at fair value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles, if any.

Property taxes receivable - The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

CITY OF MISSION HILLS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

2. Receivables and Payables (Continued)

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2021.

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 for buildings and maintenance and office equipment and \$250,000 for infrastructure with an initial useful life of one year or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation has been provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for each capital asset type are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	50
Machinery and equipment	6 - 15
Office equipment	3 - 5
Infrastructure	20

The statuary is considered inexhaustible and, therefore, no depreciation has been calculated for this collection. The City's collection of works of art, other than statuary and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

4. Compensated Absences

The City's policy is to grant each full-time employee one day of sick leave per month, cumulative to a maximum of 90 days. In the event of termination, 20 percent of unused sick leave is paid to the former employee. Additionally, full-time employees earn vacation leave at varying rates based on years of service for each calendar year. Employees are allowed to accumulate unused vacation at varying rates based on years of service.

For governmental fund types, the amount of accumulated unpaid vacation and sick leave, which is payable from available resources, is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Fund Equity

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

6. Fund Equity (Continued)

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds					Total Governmental Funds
	General	Stormwater Utility Fund	Debt Service Fund	Capital Project	Other Governmental Funds	
	<u>General</u>	<u>Fund</u>	<u>Fund</u>	<u>Project</u>	<u>Funds</u>	
Fund Balances:						
Assigned for:						
General administration	\$ 102,020	\$ -	\$ -	\$ -	\$ -	\$ 102,020
Public works	257,420	-	-	-	-	257,420
Public safety	40,000	-	-	-	-	40,000
Culture and recreation	40,555	-	-	-	16,900	57,455
Capital improvements	1,051,386	-	-	-	-	1,051,386
Restricted for:						
Public works	-	-	-	-	702,711	702,711
Debt payments	-	-	66,769	-	-	66,769
Culture and recreation	-	-	-	-	62,058	62,058
Committed for:						
Culture and recreation	-	-	-	-	34,112	34,112
Capital improvements	-	17,399	-	880,712	297,457	1,195,568
Unassigned:	<u>3,308,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,308,640</u>
 Total Fund Balances	 <u>\$ 4,800,021</u>	 <u>\$ 17,399</u>	 <u>\$ 66,769</u>	 <u>\$ 880,712</u>	 <u>\$ 1,113,238</u>	 <u>\$ 6,878,139</u>

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports changes in the pension liability proportion, contributions made subsequent to the measurement date, differences between expected and actual experience, changes of assumptions and net the difference between projected and actual earnings on pension plan investments are reported as deferred outflows of resources in the government activities.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

8. Deferred outflows/inflows of resources (Continued)

an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. Differences between expected and actual experience and changes of assumptions all for the pension liability are reported as deferred inflows for governmental activities.

9. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. 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 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 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. The budget was amended for the General, Special Highway and Stormwater Utility funds for the year ended December 31, 2020.

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 supplementary schedules to this report, 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 statutory basis of accounting, in which, revenues 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 and certain special revenue 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.

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds				Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Stormwater Utility Fund	Debt Service Fund	Capital Project Fund		
GAAP FUND BALANCE						
December 31, 2020	\$ 4,800,021	\$ 17,399	\$ 66,769	\$ 880,712	\$ 1,113,238	\$ 6,878,139
Adjustments:						
Unreserved fund balances not subject to the Kansas Budget Law:						
Statuary Reward	-	-	-	-	[338]	[338]
Sunken Garden	-	-	-	-	[33,774]	[33,774]
Reserve for encumbrances	[1,491,381]	-	-	-	[16,900]	[1,508,281]
Total deductions	[1,491,381]	-	-	-	[51,012]	[1,542,393]
BUDGETARY FUND BALANCE						
December 31, 2020	\$ 3,308,640	\$ 17,399	\$ 66,769	\$ 880,712	\$ 1,062,226	\$ 5,335,746

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that at the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes and the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash and Investments (Continued)

The City had the following investments at December 31, 2020:

<u>Investment Type</u>	<u>Level 1</u>	<u>Rating</u>	<u>Weighted Average Maturity</u>
Kansas Municipal Investment Pool	<u>\$ 62,619</u>	N/A	1 Day

The above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments.

The Kansas Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

The City does not have any formal investment policies that would further limit concentration of credit risk, interest rate, or custodial credit risks beyond state statutes.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. All deposits were legally secured at December 31, 2020.

B. Receivables

Receivables at year end are as follows:

	<u>General</u>	<u>Debt Service Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Receivables:				
Taxes	\$ 4,990,274	\$ 172,448	\$ -	\$ 5,162,722
Intergovernmental	<u>-</u>	<u>-</u>	<u>23,302</u>	<u>23,302</u>
Total	<u>\$ 4,990,274</u>	<u>\$ 172,448</u>	<u>\$ 23,302</u>	<u>\$ 5,186,024</u>

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Balance at</u> <u>12/31/19</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>12/31/20</u>
City governmental activities:				
Capital assets, not being depreciated				
Land	\$ 245,530	\$ -	\$ -	\$ 245,530
Statuary	2,179,942	-	-	2,179,942
Capital assets, being depreciated				
Building	997,727	-	-	997,727
Equipment and vehicles	349,838	76,459	-	426,297
Infrastructure	<u>31,217,600</u>	<u>2,653,653</u>	-	<u>33,871,253</u>
 Total capital assets	 <u>34,990,637</u>	 <u>2,730,112</u>	 <u>-</u>	 <u>37,720,749</u>
 Less accumulated depreciation for:				
Building	391,434	25,423	-	416,857
Equipment and vehicles	277,106	27,867	-	304,973
Infrastructure	<u>13,283,280</u>	<u>2,007,454</u>	-	<u>15,290,734</u>
 Total accumulated depreciation	 <u>13,951,820</u>	 <u>2,060,744</u>	 <u>-</u>	 <u>16,012,564</u>
 Governmental activities capital assets, net	 <u>\$ 21,038,817</u>	 <u>\$ 669,368</u>	 <u>\$ -</u>	 <u>\$ 21,708,185</u>

The City's depreciation expense was charged to governmental functions as follows:

General government	\$ 41,650
Public safety	617
Public works	1,951,081
Culture and recreation	<u>67,396</u>
Total depreciation	<u>\$ 2,060,744</u>

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

D. Long-term Debt

During the year ended December 31, 2020, the following changes occurred in long term liabilities:

	Balance <u>January 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31, 2020</u>	Due Within <u>One Year</u>
General obligation bonds	\$ 2,560,000	\$ -	\$ 365,000	\$ 2,195,000	\$ 370,000
General obligation bonds premium	196,379	-	-	196,379	-
General obligation bonds, net	2,756,379	-	365,000	2,391,379	370,000
Capital leases	402,118	-	63,908	338,210	65,160
Compensated absences	61,243	52,475	25,904	87,814	87,814
Total	<u>\$ 3,219,740</u>	<u>\$ 52,475</u>	<u>\$ 454,812</u>	<u>\$ 2,817,403</u>	<u>\$ 522,974</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 are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	Date of <u>Issuance</u>	Date of <u>Final Maturity</u>	Interest <u>Rate</u>	Original <u>Amount</u>	Outstanding <u>Amount</u>
Series 2012A	5/15/2012	9/1/2024	.35 - 2.00%	\$ 3,275,000	\$ 1,050,000
Series 2019A	3/6/2019	9/1/2026	5.00%	<u>1,145,000</u>	<u>1,145,000</u>

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

Year Ending	Principal	Interest	Total
2021	\$ 370,000	\$ 75,663	\$ 445,663
2022	380,000	65,960	445,960
2023	390,000	55,670	445,670
2024	400,000	44,650	444,650
2025	415,000	32,750	447,750
2026	<u>240,000</u>	<u>12,000</u>	<u>252,000</u>
Total	<u>\$ 2,195,000</u>	<u>\$ 286,693</u>	<u>\$ 2,481,693</u>

E. Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

Governmental Activities Assets	
Other Equipment	<u>\$ 338,210</u>

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

III. DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Leases (Continued)

During 2015, the City entered into a lease agreement to finance the purchase of streetlights in the amount of \$642,000. The lease has an interest rate of 1.95% and a final maturity of September 1, 2025.

Minimum future lease payments under capital leases as of December 31, 2020 are:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 65,160	\$ 6,291	\$ 71,451
2022	66,437	5,014	71,451
2023	67,739	3,712	71,451
2024	69,066	2,385	71,451
2025	<u>69,808</u>	<u>1,032</u>	<u>70,840</u>
Total	<u>\$ 338,210</u>	<u>\$ 18,434</u>	<u>\$ 356,644</u>

IV. OTHER INFORMATION

A. 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; and natural disasters. The City carries commercial insurance for these risks of loss including related lost revenue. Settlements have not exceeded insurance coverage for each of the last three years.

B. Commitments and Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of additional expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has contracts for police services and refuse collection and recycling. The contracts for police services and refuse and recycling collection obligate the City for a total of \$1,492,028 and \$295,219, respectively for 2020 services. The City also enters into contracts for improvements and maintenance of parks and public areas as deemed necessary.

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan

Description of Pension Plan. The City participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
 - State/School employees
 - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits. Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

CITY OF MISSION HILLS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2020

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2020.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	<u>Actuarial Employer Rate</u>	<u>Statutory Employer Capped Rate</u>
Local government employees	8.61%	8.61%

Member contribution rates as a percentage of eligible compensation for the KPERS fiscal year 2020 is 6.00% for Local employees.

Employer Allocations. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of December 31, 2020, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2020.

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2020, the City's proportion for the Local employees group was 0.040%, which was an increase of .003% from its proportion measured at June 30, 2019.

Net Pension Liability. At December 31, 2020 and 2019, the City reported a liability of \$701,228 and \$520,172, respectively, for its total proportionate share of the net pension liability for the Local group.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.5 to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term investments	<u>4.00%</u>	0.25%
Total	<u>100.00%</u>	

CITY OF MISSION HILLS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERs employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen, and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Local	<u>\$ 986,909</u>	<u>\$ 701,228</u>	<u>\$ 461,045</u>

Pension Expense. For the year ended December 31, 2020, the City recognized Local pension expense of \$114,525, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for Local group from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between actual and expected experience	\$ 11,708	\$ 9,015
Net differences between projected and actual earnings on investments	81,816	-
Changes of assumptions	42,237	-
Changes in proportion	55,924	-
Total	<u>\$ 191,685</u>	<u>\$ 9,015</u>

\$28,759 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF MISSION HILLS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2020

IV. OTHER INFORMATION (Continued)

C. Defined Benefit Pension Plan (Continued)

Year ended <u>June 30,</u>	Deferred [Inflows] Outflows <u>Amount</u>
2021	\$ 44,387
2022	49,727
2023	46,671
2024	39,599
2025	<u>2,286</u>
Total	<u>\$ 182,670</u>

D. Interfund Transfers

A reconciliation of all operating transfers by fund type for 2020 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Special Highway	General	\$ 100,000	K.S.A. 68-590
Debt Service	General	<u>553,359</u>	Bond Covenant
		<u>\$ 653,359</u>	

E. Postemployment Healthcare Plan

Plan Description. The City operates a single employer defined benefit healthcare plan administered by the City. The Employee Benefit Plan (the Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. The contribution requirement for retirees is equal to 100% of the full active premium. Annual premium amounts are as follows:

<u>Coverage</u>	<u>Retiree Contributions</u>	<u>Spousal Contributions</u>
Medical - CF 1500	\$ 9,744	\$ 22,608
Medical - CF 2000	9,216	21,360
Medical - INO 2	13,368	31,584

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

E. Postemployment Healthcare Plan (Continued)

<u>Coverage</u>	<u>Retiree Contributions</u>	<u>Spousal Contributions</u>
Medical - CF 1500	\$ 9,744	\$ 22,608
Medical - CF 2000	9,216	21,360
Medical - INO 2	13,368	31,584

At December 31, 2020, the following employees were covered by the benefit terms:

Active employees	9
Retirees and covered spouses	<u>-</u>
Total	<u>9</u>

The total OPEB liability of \$16,030 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

The total OPEB liability in the July 1, 2019, actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	4.00%
Salary increases	4.00%
Discount rate	2.55%
Healthcare cost trend rates	Medical & Pharmacy: Actual trend is valued for claims, admin costs and retiree contribution premiums based on the July 1, 2019 and July 1, 2020 renewal data. 7.00% in 2020, decreasing 0.25% per year to an ultimate rate of 5.00% for 2028 and later years

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement.

Changes in the total OPEB liability are as follows:

Balance 1/1/2020	\$ 21,250
Service cost	1,372
Interest	679
Differences between expected and actual experience	[875]
Changes in assumptions	<u>[6,396]</u>
Balance 12/31/2020	<u>\$ 16,030</u>

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

E. Postemployment Healthcare Plan (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.55 %) or one percentage point higher (3.55%) than the current discount rate:

	<u>(1.55%)</u>	<u>(2.55%)</u>	<u>(3.55%)</u>
Total OPEB Liability	\$ 17,239	\$ 16,030	\$ 14,888

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% increase</u>
Total OPEB Liability	\$ 14,301	\$ 16,030	\$ 18,038

For the year ended December 31, 2020, the City recognized OPEB expense of \$1,757.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2020, the City reported deferred outflows and deferred inflows related to other postemployment benefits from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes of assumptions	\$ 406	\$ 7,575
Differences between expected and actual results	<u>4,312</u>	<u>808</u>
Total	<u>\$ 4,718</u>	<u>\$ 8,383</u>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

	Deferred
Year ended	[Inflows] Outflows
<u>June 30,</u>	<u>Amount</u>
2021	\$ [294]
2022	[294]
2023	[294]
2024	[294]
2025	[294]
2026+	<u>[2,195]</u>
Total	<u>\$ [3,665]</u>

CITY OF MISSION HILLS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan - KPERS

Plan Description. The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees covered by benefit terms. At June 30, 2020, the valuation date, the following employees were covered by the benefit terms:

Active employees	8
Disabled members	<u>-</u>
Total	<u>8</u>

Total OPEB Liability. The City's total KPERS OPEB liability of \$6,769 reported as of December 31, 2020, was measured as of June 30, 2020, and was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions:

CITY OF MISSION HILLS, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2020

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan - KPERS (Continued)

Valuation date	December 31, 2019
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.00%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	2.21%

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2020.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period of January 1, 2016 through December 31, 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2019 KPERS pension valuation.

Balance 1/1/2020	\$ 6,181
Service cost	2,797
Interest	314
Effect of economic/demographic gains or losses	[2,243]
Changes in assumptions	<u>[280]</u>
Balance 12/31/2020	<u>\$ 6,769</u>

Sensitivity of the total KPERS OPEB liability to changes in the discount rate. The following presented the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% increase (3.21%)
Total OPEB Liability	\$ <u>6,364</u>	\$ <u>6,769</u>	\$ <u>7,017</u>

CITY OF MISSION HILLS, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

IV. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan - KPERS (Continued)

Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates. The following presented the total KPERS OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	<u>1% Decrease</u>	<u>Trend Rates</u>	<u>1% increase</u>
Total OPEB Liability	\$ <u>6,769</u>	\$ <u>6,769</u>	\$ <u>6,769</u>

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,232.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2020, the City reported deferred outflows and deferred inflows of resources related to other postemployment benefits from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ [6,678]	\$ -
Changes of assumptions	<u>[297]</u>	<u>122</u>
Total	<u>\$ [6,975]</u>	<u>\$ 122</u>

\$3,062 were reported as deferred outflows of resources related to pensions resulting from City contributions respectively, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended</u>
	<u>June 30,</u>
	<u>City</u>
2021	\$ [879]
2022	[879]
2023	[879]
2024	[879]
2025	[879]
Thereafter	<u>[2,458]</u>
Total	<u>\$ [6,853]</u>

CITY OF MISSION HILLS, KANSAS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POSTEMPLOYMENT BENEFITS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 1,372	\$ 742	\$ 1,030
Interest	679	392	528
Changes in benefit terms	-	3,394	[2,729]
Changes in assumptions	[6,396]	482	[2,184]
Differences between expected and actual experience	<u>[875]</u>	<u>5,108</u>	<u>-</u>
Net change in total OPEB liability	[5,220]	10,118	[3,355]
Total OPEB liability - beginning	<u>21,250</u>	<u>11,132</u>	<u>14,487</u>
Total OPEB liability - ending	<u>\$ 16,030</u>	<u>\$ 21,250</u>	<u>\$ 11,132</u>
Covered payroll	<u>\$ 545,476</u>	<u>\$ 500,292</u>	<u>\$ 500,292</u>
Total OPEB liability as a percentage of covered-employee payroll	2.94%	4.25%	2.23%
Actuarially determined contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Actual contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

*Data became available with the inception of GASB 75 during fiscal year 2018, therefore, 10 years of data is unavailable.

CITY OF MISSION HILLS, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

OTHER POSTEMPLOYMENT BENEFITS - KPERS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 2,797	\$ 2,851	\$ 2,815
Interest	314	365	318
Effect of economic/demographic gains or losses	[2,243]	[3,576]	[2,638]
Changes in assumptions	<u>[280]</u>	<u>[57]</u>	<u>36</u>
Net change in total OPEB liability	588	[417]	531
Total OPEB liability - beginning	<u>6,181</u>	<u>6,598</u>	<u>6,067</u>
Total OPEB liability - ending	<u>\$ 6,769</u>	<u>\$ 6,181</u>	<u>\$ 6,598</u>
Covered payroll	<u>\$ 630,756</u>	<u>\$ 549,204</u>	<u>\$ 579,665</u>
Total OPEB liability as a percentage of covered-employee payroll	1.07%	1.13%	1.14%
Actuarially determined contribution	<u>\$ 6,625</u>	<u>\$ 5,865</u>	<u>\$ 4,386</u>
Actual contribution	<u>\$ 6,625</u>	<u>\$ 5,865</u>	<u>\$ 4,386</u>
Contributions as a percentage of covered payroll	1.05%	1.07%	0.76%

*Data became available with the inception of GASB 75 during fiscal year 2018, therefore, 10 years of data is unavailable.

CITY OF MISSION HILLS, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

KPERS PENSION PLAN

Schedule of the City's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
City's proportion of the net pension liability	0.040%	0.037%	0.036%	0.035%	0.034%	0.033%
City's proportionate share of the net pension liability	\$ 701,228	\$ 520,172	\$ 504,329	\$ 503,078	\$ 532,797	\$ 427,567
City's covered employee payroll	\$ 630,474	\$ 565,532	\$ 579,666	\$ 520,076	\$ 498,283	\$ 478,996
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	111.22%	91.98%	87.00%	96.73%	106.93%	89.26%
Plan fiduciary net position as a percentage of the total pension liability	70.77%	75.02%	74.22%	72.15%	68.55%	71.98%

*The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

Schedule of the City's Contributions
Last Ten Fiscal Years*

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Contractually required contribution	\$ 58,663	\$ 56,049	\$ 47,448	\$ 49,040	\$ 47,743	\$ 47,237
Contributions in relation to the contractually required contribution	<u>58,663</u>	<u>56,049</u>	<u>47,448</u>	<u>49,040</u>	<u>47,743</u>	<u>47,237</u>
Contribution deficiency [excess]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	681,342	630,474	565,532	579,666	520,076	498,283
Contributions as a percentage of covered employee payroll	8.61%	8.89%	8.39%	8.46%	9.18%	9.48%

*The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

CITY OF MISSION HILLS, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2020

	<u>Special Highway</u>	<u>Statuary Reward</u>	<u>Sunken Garden</u>	<u>Alcohol Recreation</u>	<u>Stormwater Reserve</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 679,409	\$ 8,086	\$ 33,774	\$ 78,958	\$ 297,457	\$ 1,097,684
Receivables						
Intergovernmental	<u>23,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,302</u>
Total assets	<u>\$ 702,711</u>	<u>\$ 8,086</u>	<u>\$ 33,774</u>	<u>\$ 78,958</u>	<u>\$ 297,457</u>	<u>\$ 1,120,986</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued liabilities	<u>\$ -</u>	<u>\$ 7,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,748</u>
Total liabilities	<u>-</u>	<u>7,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,748</u>
Fund balance:						
Assigned	-	-	-	16,900	-	16,900
Restricted	702,711	-	-	62,058	-	764,769
Committed	<u>-</u>	<u>338</u>	<u>33,774</u>	<u>-</u>	<u>297,457</u>	<u>331,569</u>
Total fund balance [deficit]	<u>702,711</u>	<u>338</u>	<u>33,774</u>	<u>78,958</u>	<u>297,457</u>	<u>1,113,238</u>
Total liabilities and fund balances	<u>\$ 702,711</u>	<u>\$ 8,086</u>	<u>\$ 33,774</u>	<u>\$ 78,958</u>	<u>\$ 297,457</u>	<u>\$ 1,120,986</u>

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	Special Highway	Statuary Reward	Sunken Garden	Alcohol Recreation	Stormwater Reserve	Total
REVENUES:						
Intergovernmental	\$ 90,874	\$ -	\$ -	\$ 52,539	\$ -	\$ 143,413
Donations	-	-	7,500	-	-	7,500
Use of money and property	4,453	-	-	495	1,865	6,813
Total revenues	<u>95,327</u>	<u>-</u>	<u>7,500</u>	<u>53,034</u>	<u>1,865</u>	<u>157,726</u>
EXPENDITURES:						
Current						
Culture and recreation	-	-	10,721	81,235	-	91,956
Total expenditures	<u>-</u>	<u>-</u>	<u>10,721</u>	<u>81,235</u>	<u>-</u>	<u>91,956</u>
Excess [deficiency] of revenues over [under] expenditures	<u>95,327</u>	<u>-</u>	<u>[3,221]</u>	<u>[28,201]</u>	<u>1,865</u>	<u>65,770</u>
OTHER FINANCING SOURCES [USES]						
Transfers [out]	<u>[100,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[100,000]</u>
Total other financing sources [uses]	<u>[100,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[100,000]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[4,673]</u>	<u>-</u>	<u>[3,221]</u>	<u>[28,201]</u>	<u>1,865</u>	<u>[34,230]</u>
Fund balance - Beginning of year	<u>707,384</u>	<u>338</u>	<u>36,995</u>	<u>107,159</u>	<u>295,592</u>	<u>1,147,468</u>
Fund balance - End of year	<u>\$ 702,711</u>	<u>\$ 338</u>	<u>\$ 33,774</u>	<u>\$ 78,958</u>	<u>\$ 297,457</u>	<u>\$ 1,113,238</u>

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Intergovernmental	\$ 90,874	\$ -	\$ 90,874	\$ 97,450	\$ 97,450	\$ [6,576]
Use of money and property	4,453	-	4,453	4,500	4,500	[47]
Total Revenues	<u>95,327</u>	<u>-</u>	<u>95,327</u>	<u>101,950</u>	<u>101,950</u>	<u>[6,623]</u>
Expenditures:						
Contractual services	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>95,327</u>	<u>-</u>	<u>95,327</u>	<u>101,950</u>	<u>101,950</u>	<u>[6,623]</u>
OTHER FINANCING SOURCES [USES]						
Transfers [out]	<u>[100,000]</u>	<u>-</u>	<u>[100,000]</u>	<u>[100,000]</u>	<u>[193,000]</u>	<u>93,000</u>
Total other financing sources [uses]	<u>[100,000]</u>	<u>-</u>	<u>[100,000]</u>	<u>[100,000]</u>	<u>[193,000]</u>	<u>93,000</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[4,673]</u>	<u>-</u>	<u>[4,673]</u>	<u>\$ 1,950</u>	<u>\$ [91,050]</u>	<u>\$ 86,377</u>
Fund Balance, January 1	<u>707,384</u>	<u>-</u>	<u>707,384</u>			
Fund Balance, December 31	<u>\$ 702,711</u>	<u>\$ -</u>	<u>\$ 702,711</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

ALCOHOL RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Intergovernmental	\$ 52,539	\$ -	\$ 52,539	\$ 66,695	\$ 66,695	\$ [14,156]
Use of money and property	<u>495</u>	<u>-</u>	<u>495</u>	<u>200</u>	<u>200</u>	<u>295</u>
Total Revenues	<u>53,034</u>	<u>-</u>	<u>53,034</u>	<u>66,895</u>	<u>66,895</u>	<u>[13,861]</u>
Expenditures:						
Contractual	<u>81,235</u>	<u>3,765</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Total Expenditures	<u>81,235</u>	<u>3,765</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	[28,201]	[3,765]	[31,966]	<u>\$ [18,105]</u>	<u>\$ [18,105]</u>	<u>\$ [13,861]</u>
Fund Balance, January 1	<u>107,159</u>	<u>[13,135]</u>	<u>94,024</u>			
Fund Balance, December 31	<u>\$ 78,958</u>	<u>\$ [16,900]</u>	<u>\$ 62,058</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

STORMWATER RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Use of money and property	\$ 1,865	\$ -	\$ 1,865	\$ 1,400	\$ 1,400	\$ 465
Total Revenues	<u>1,865</u>	<u>-</u>	<u>1,865</u>	<u>1,400</u>	<u>1,400</u>	<u>465</u>
Expenditures:						
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	1,865	-	1,865	<u>\$ 1,400</u>	<u>\$ 1,400</u>	<u>\$ 465</u>
Fund Balance, January 1	<u>295,592</u>	<u>-</u>	<u>295,592</u>			
Fund Balance, December 31	<u>\$ 297,457</u>	<u>\$ -</u>	<u>\$ 297,457</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Taxes	\$ 157,555	\$ -	\$ 157,555	\$ 168,821	\$ 168,821	\$ [11,266]
Use of money and property	419	-	419	-	-	419
Total Revenues	<u>157,974</u>	<u>-</u>	<u>157,974</u>	<u>168,821</u>	<u>168,821</u>	<u>[10,847]</u>
Expenditures:						
Debt service						
Interest and other charges	58,500	-	58,500	57,250	57,250	[1,250]
Total Expenditures	<u>58,500</u>	<u>-</u>	<u>58,500</u>	<u>57,250</u>	<u>57,250</u>	<u>[1,250]</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>99,474</u>	<u>-</u>	<u>99,474</u>	<u>111,571</u>	<u>111,571</u>	<u>[12,097]</u>
Other Financing Sources [Uses]:						
Transfers [out]	[553,359]	-	[553,359]	[553,359]	[553,359]	-
Total Other Financing Sources [Uses]	<u>[553,359]</u>	<u>-</u>	<u>[553,359]</u>	<u>[553,359]</u>	<u>[553,359]</u>	<u>-</u>
Excess [Deficiency] of Revenues and Other Sources Over [Under] Expenditures and Other [Uses]	<u>[453,885]</u>	<u>-</u>	<u>[453,885]</u>	<u>\$ [441,788]</u>	<u>\$ [441,788]</u>	<u>\$ [12,097]</u>
Fund Balance, January 1	<u>520,654</u>	<u>-</u>	<u>520,654</u>			
Fund Balance, December 31	<u>\$ 66,769</u>	<u>\$ -</u>	<u>\$ 66,769</u>			

See independent auditor's report on the financial statements.

CITY OF MISSION HILLS, KANSAS

CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2020

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
Revenues:						
Use of money and property	\$ 5,557	\$ -	\$ 5,557	5,500	5,500	57
Total Revenues	<u>5,557</u>	<u>-</u>	<u>5,557</u>	<u>5,500</u>	<u>5,500</u>	<u>57</u>
Expenditures:						
Capital outlay	<u>25,005</u>	<u>[25,005]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>25,005</u>	<u>[25,005]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [Deficiency] of Revenues Over [Under] Expenditures	<u>[19,448]</u>	<u>25,005</u>	<u>5,557</u>	<u>5,500</u>	<u>5,500</u>	<u>57</u>
OTHER FINANCING SOURCES [USES]						
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[19,448]</u>	<u>25,005</u>	<u>5,557</u>	<u>\$ 105,500</u>	<u>\$ 105,500</u>	<u>\$ [99,943]</u>
Fund Balance, January 1	<u>900,160</u>	<u>[25,005]</u>	<u>875,155</u>			
Fund Balance, December 31	<u>\$ 880,712</u>	<u>\$ -</u>	<u>\$ 880,712</u>			

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