

THE CITY OF ULYSSES, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2017

CITY OF ULYSSES, KANSAS
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Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Ulysses
Ulysses, Kansas

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash of the City of Ulysses, Kansas (the City), as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

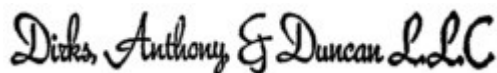
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *KMAAG* described in Note 1.

Report on Supplementary Information

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

Other Matter

The 2016 Actual column presented in the individual fund schedules of receipts and expenditures-actual and budget (Schedule 2 listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated May 19, 2017. The 2016 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.



DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

June 19, 2018

CITY OF ULYSSES, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances Payable	Ending Cash Balance
General Fund	\$ 2,012,782.71	\$3,073,764.58	\$ 2,982,109.59	\$2,104,437.70	\$ 124,077.93	\$ 2,228,515.63
<u>Special Purpose Funds:</u>						
Employee Benefits Fund	65,613.55	658,220.82	646,548.41	77,285.96	9,795.36	87,081.32
Special Highway Fund	128,383.90	415,066.69	101,049.67	442,400.92	2,992.47	445,393.39
Gas Well Fund	225,402.39	125,740.99	113,021.59	238,121.79	144.46	238,266.25
Special Parks and Recreation Fund	23,113.18	3,298.17	2,595.00	23,816.35	-	23,816.35
Special Alcohol and Drug Fund	13,860.51	3,298.15	2,000.00	15,158.66	-	15,158.66
Capital Improvement Fund	295,607.00	186,314.63	54,390.00	427,531.63	40,400.00	467,931.63
Storm Disaster Aid Fund	-	93,946.60	113,152.97	(19,206.37)	11,208.98	(7,997.39)
<u>Bond and Interest Fund:</u>						
Bond and Interest Fund	186,395.85	247,182.45	265,742.50	167,835.80	-	167,835.80
<u>Business Funds:</u>						
Water Utility Fund	836,103.24	2,336,475.06	2,037,943.06	1,134,635.24	28,221.46	1,162,856.70
Sanitation Utility Fund	307,588.29	662,465.17	552,746.63	417,306.83	21,717.07	439,023.90
Sewer Utility Fund	189,409.57	349,114.84	312,346.99	226,177.42	11,366.58	237,544.00
Sewer Capital Reserve Fund	289,424.33	113,064.10	54,069.21	348,419.22	-	348,419.22
Storm Water Utility	414,380.52	78,107.59	-	492,488.11	-	492,488.11
Bentwood Golf Course Pro Shop	69,977.49	39,710.80	47,167.84	62,520.45	2,338.73	64,859.18
Public Works Fund	60,051.87	167,300.00	161,895.19	65,456.68	6,817.74	72,274.42
Health Insurance Fund	319,237.23	543,000.00	571,075.87	291,161.36	22,642.17	313,803.53
Total Reporting Entity (Exlcuding Agency Funds)	<u>\$ 5,437,331.63</u>	<u>\$9,096,070.64</u>	<u>\$ 8,017,854.52</u>	<u>\$6,515,547.75</u>	<u>\$ 281,722.95</u>	<u>\$ 6,797,270.70</u>
Composition of Cash:						
				Grant County Bank		
				Cash in Checking		\$ 6,394,670.70
				Aflac Flex Checking		4,172.18
				Non-Utility Checking		19,858.15
				First National Bank		
				Certificate of Deposit		200,000.00
				Bank of Ulysses		
				Certificate of Deposit		200,000.00
				Petty Cash		1,600.00
				Total Cash		6,820,301.03
				Agency Fund per Schedule 3		(23,030.33)
				Total Reporting Entity (Exlcuding Agency Fund)		<u>\$ 6,797,270.70</u>

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

THE CITY OF ULYSSES, KANSAS

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CITY OF ULYSSES, KANSAS
Notes to the Financial Statement
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Ulysses is a municipal corporation governed by a mayor and an elected six-member council. This financial statement presents the City (the municipality) and its related municipal entities. The related municipal entities are included in the Municipality's reporting entity because they were established to benefit the Municipality and/or its constituents.

The Municipality has no organizations, functions or activities which are considered related municipal entities of the Municipality.

Regulatory Basis Fund Types

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

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

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

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

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

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

Basis of Accounting

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

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

Budgetary Information

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

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

CITY OF ULYSSES, KANSAS
Notes to the Financial Statement
December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Adoption of the final budget on or before August 25th.

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the following capital projects funds, trust funds and the following special purpose fund(s): Aflac Flex and Court Bond Account

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

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended December 31, 2017, in the amount of \$1,210,934 are classified as reimbursed expenses in the Water Utility Fund. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 79-2935.

Ad Valorem Tax Revenues

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 counties. The County Appraiser annually determines assessed valuations on January 1. The County Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities within the County.

Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. One-half of the property taxes are due December 20th and distributed to the District by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the Municipality by June 5th. The Municipality Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

CITY OF ULYSSES, KANSAS
Notes to the Financial Statement
December 31, 2017

NOTE 2 – DEPOSITS AND INVESTMENTS, CONTINUED

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

Concentration of Credit Risk. State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2017 is as follows:

Investments	Percentage of Investments
Grant County Bank	94.4%
First National Bank	2.8%
Bank of Ulysses	2.8%

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka except during designated "peak periods" when required coverage is 50%. The Municipality does not use designated "peak periods".

At December 31, 2017, the carrying amount of the Municipality's deposits, including certificates of deposit, was \$6,797,271 and the bank balance was \$7,098,699. The bank balance was held by three (3) banks, with one holding over ninety (90) percent of the cash, resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance, and the rest was collateralized with securities held by the pledging financial institutions agents in the Municipality's name.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The Municipality had no investments of this type at December 31, 2017.

NOTE 3 – INTERFUND TRANSFERS

Quasi-external transactions (i.e., transactions that would be treated as receipts or expenditures if they involved organizations external to the governmental unit, such as internal service fund billings to departments) are accounted for as receipts or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-16,102	\$ 150,000
General Fund	Special Highway Fund	K.S.A. 12-16, 102	253,352
Employee Benefits Fund	Health Insurance Fund	K.S.A. 12-16,102	375,000
Water Utility Fund	Health Insurance Fund	K.S.A. 12-16,102	70,000
Water Utility Fund	Public Works Fund	K.S.A. 12-825d	98,800
Sanitation Fund	Health Insurance Fund	K.S.A. 12-16, 102	38,000
Sanitation Fund	Public Works Fund	K.S.A. 12-825d	50,000
Sewer Utility Fund	Health Insurance Fund	K.S.A. 12-16,102	60,000
Sewer Utility Fund	Public Works	K.S.A. 12-825d	18,500
Public Works Fund	Health Insurance Fund	K.S.A. 12-16,102	22,000

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

CITY OF ULYSSES, KANSAS
Notes to the Financial Statement
December 31, 2017

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS, CONTINUED

the Municipality is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Compensated Absences. Vacation and sick leave is earned and credited according to a table in the employee policy handbook. Employees may accrue up to 480 hours of sick leave. The amount of unused sick leave at December 31, 2017 was \$34,627 in wages and \$2,649 in employee benefits. The amount of unused sick leave at December 31, 2016 was \$31,651 in wages and \$2,522 in employee benefits.

Vacation pay can be carried over to the next calendar year at a maximum of 96 hours of vacation leave with 0 to 7 years of employment, 144 hours with 7 to 18 years, or 192 hours with over 18 years. The amount of unused vacation pay at December 31, 2017 was \$86,332 in wages and \$6,604 in employee benefits. The amount of unused vacation pay at December 31, 2016 was \$76,159 in wages and \$6,306 in employee benefits.

NOTE 5 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-4920 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or before July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contribution are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium until from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$164,630 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,570,517. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contribution of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

CITY OF ULYSSES, KANSAS
Notes to the Financial Statement
December 31, 2017

NOTE 6 – LONG-TERM DEBT

Changes in long-term liabilities for the City of Ulysses for the year ended December 31, 2017, were as follows:

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<u>General Obligation Bonds:</u>									
Series 2008	3.0-4.0%	12/15/2008	725,000	2018	\$ 170,000	\$ -	\$ 85,000	\$ 85,000	\$ 6,673
Series 2010	1.5-3.2%	3/12/2010	1,450,000	2020	645,000	-	155,000	490,000	19,070
<u>Capital Leases:</u>									
Water Rights Purchase	4%	3/24/2010	448,500	2020	181,326	-	42,513	138,813	7,349
Golf Course Mowers	3.25%	11/1/2013	112,053	2018	45,757	-	22,448	23,309	1,593
<u>KDHE Loans:</u>									
* No. 2874	2.13%	3/12/2016	2,102,231	2036	819,001	1,210,934	124,997	1,904,938	17,877
No. 2171	4.11%	1/31/2002	194,788	2022	<u>74,204</u>	<u>-</u>	<u>11,144</u>	<u>63,060</u>	<u>2,686</u>
Total Long-Term Debt					<u>\$ 3,449,729</u>	<u>\$ 1,210,934</u>	<u>\$ 441,102</u>	<u>\$ 2,705,119</u>	<u>\$ 55,248</u>

*See Note 7

Current maturities of long-term debt and interest for the next years through maturity are as follow:

	Year							Total
	2018	2019	2020	2021	2022-26	2027-31	2032-37	
<u>Principal:</u>								
<u>General Obligation Bonds:</u>								
Series 2008	\$ 85,000		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000
Series 2010	155,000	165,000	170,000	-	-	-	-	490,000
<u>Capital Leases:</u>								
Water Rights Purchase	44,587	45,831	48,394	-	-	-	-	138,813
Golf Course Mowers	23,309	-	-	-	-	-	-	23,309
<u>KDHE Loans:</u>								
No. 2874	85,457	86,800	88,659	90,557	482,717	536,662	534,087	1,904,938
No. 2171	<u>11,607</u>	<u>12,089</u>	<u>12,591</u>	<u>13,114</u>	<u>13,658</u>	<u>-</u>	<u>-</u>	<u>63,060</u>
Total principal	<u>404,961</u>	<u>309,721</u>	<u>319,644</u>	<u>103,671</u>	<u>496,376</u>	<u>536,662</u>	<u>534,087</u>	<u>2,705,121</u>
<u>Interest:</u>								
<u>General Obligation Bonds:</u>								
Series 2008	3,400	-	-	-	-	-	-	3,400
Series 2010	14,885	10,390	5,440	-	-	-	-	30,715
<u>Capital Leases:</u>								
Water Rights Purchase	5,185	3,941	2,024	-	-	-	-	11,149
Golf Course Mowers	736	-	-	-	-	-	-	736
<u>KDHE Loans:</u>								
No. 2874	33,125	32,003	30,449	28,863	119,301	74,221	24,103	342,063
No. 2171	<u>2,263</u>	<u>1,822</u>	<u>1,363</u>	<u>885</u>	<u>386</u>	<u>-</u>	<u>-</u>	<u>6,719</u>
Total Interest	<u>59,593</u>	<u>48,155</u>	<u>39,276</u>	<u>29,747</u>	<u>119,687</u>	<u>74,221</u>	<u>24,103</u>	<u>394,783</u>
Total Principal and Interest	<u>\$ 464,554</u>	<u>\$ 357,876</u>	<u>\$ 358,920</u>	<u>\$ 133,419</u>	<u>\$ 616,063</u>	<u>\$ 610,882</u>	<u>\$ 558,189</u>	<u>\$ 3,099,904</u>

CITY OF ULYSSES, KANSAS
Notes to the Financial Statement
December 31, 2017

NOTE 7 – CAPITAL PROJECTS

The City received a loan from the Kansas Department of Health and Environment (KDHE) in order to replace over 15,000 feet of deteriorated drinking water distribution pipe within the city limits in Sections 27 and 28, Township 28 South, Range 37 West of Grant County, Kansas. This project is expected to take two years. The loan amount approved by the state, and the original amount in which the payments and principal was based, was for \$2,379,856. At the end of this project, The City of Ulysses, only utilized \$2,102,231 of the amount allocated. An updated payment schedule was officially given to the City on November 21, 2017 which reflected the actual cost of the project.

NOTE 8 – CONTINGENCIES

The Municipality, at times, receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the Municipality at December 31, 2017.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Storm Disaster Aid Fund ended the year with a negative cash and unencumbered cash balances of \$7,997 and \$19,206, respectively. This balance does not signify a cash basis violation due to the reimbursement nature of the Federal and State Aid funding.

There were no other budget or cash law violation for the year ending December 31, 2017.

NOTE 10 – COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration and Interpretation by legal repetition of the City.

The City did not send cash bonds, which had met the satisfying conditions of the bond, to unclaimed property within the allotted one year period, as described by K.S.A. 58-3935.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

THE CITY OF ULYSSES, KANSAS

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

THE CITY OF ULYSSES, KANSAS

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CITY OF ULYSSES, KANSAS
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
Regulatory Basis
For the Year Ended December 31, 2017

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over (Under)</u>
General Fund	\$ 3,838,935.00	\$ -	\$ 3,838,935.00	\$ 2,982,109.59	\$ (856,825.41)
<u>Special Purpose Funds:</u>					
Employee Benefits Fund	688,245.00	-	688,245.00	646,548.41	(41,696.59)
Special Highway Fund	284,733.00	-	284,733.00	101,049.67	(183,683.33)
Gas Well Fund	236,861.00	-	236,861.00	113,021.59	(123,839.41)
Special Parks and Recreation Fund	24,140.00	-	24,140.00	2,595.00	(21,545.00)
Special Alcohol and Drug Fund	14,900.00	-	14,900.00	2,000.00	(12,900.00)
Capital Improvement Fund	295,607.00	-	295,607.00	54,390.00	(241,217.00)
<u>Bond and Interest Fund:</u>					
Bond and Interest Fund	411,496.00	-	411,496.00	265,742.50	(145,753.50)
<u>Business Funds:</u>					
Water Utility Fund	2,016,658.00	1,210,934.00	3,227,592.00	2,037,943.06	(1,189,648.94)
Sanitation Utility Fund	918,280.00	-	918,280.00	552,746.63	(365,533.37)
Sewer Utility Fund	538,489.00	-	538,489.00	312,346.99	(226,142.01)
Sewer Capital Reserve Fund	364,982.00	-	364,982.00	54,069.21	(310,912.79)
Storm Water Utility	483,995.00	-	483,995.00	-	(483,995.00)
Bentwood Golf Course Pro Shop	111,635.00	-	111,635.00	47,167.84	(64,467.16)
Public Works Fund	232,270.00	-	232,270.00	161,895.19	(70,374.81)
Health Insurance Fund	900,493.00	-	900,493.00	571,075.87	(329,417.13)
Total Primary Government	<u>\$ 11,361,719.00</u>	<u>\$ 1,210,934.00</u>	<u>\$ 12,572,653.00</u>	<u>\$ 7,904,701.55</u>	<u>\$ (4,667,951.45)</u>

CITY OF ULYSSES, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Receipts	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Taxes				
Ad Valorem Property Tax	\$ 635,556.14	\$ 612,045.82	\$ 627,830.00	\$ (15,784.18)
Less: Neighborhood Revitalization Program	-	(467.18)	(3,502.00)	3,034.82
Back Tax	12,843.54	12,876.85	8,000.00	4,876.85
Local Sales Tax	1,248,395.75	1,300,360.22	1,000,000.00	300,360.22
Compensating Use Tax	261,437.74	292,763.49	-	292,763.49
Motor Vehicle Tax	111,508.91	119,539.22	89,065.00	30,474.22
16/20 Heavy Use	856.78	671.36	1,103.00	(431.64)
Recreational Vehicle Tax	2,139.92	2,239.73	9,746.00	(7,506.27)
Rental/Machinery & Equipment Tax	40.19	8.85	-	8.85
Housing Authority Apportionments	9,471.11	9,804.94	-	9,804.94
Rental Income	-	7,200.00	-	7,200.00
Franchise Tax	102,859.54	102,151.40	85,000.00	17,151.40
	<u>2,385,109.62</u>	<u>2,459,194.70</u>	<u>1,817,242.00</u>	<u>641,952.70</u>
Intergovernmental Revenue				
Liquor Tax	2,110.95	3,298.18	2,200.00	1,098.18
Highway Connecting Links	23,175.95	276,496.46	22,000.00	254,496.46
	<u>25,286.90</u>	<u>279,794.64</u>	<u>24,200.00</u>	<u>255,594.64</u>
License and Permits				
Business	10,415.00	14,965.00	8,000.00	6,965.00
Police Receipts	5,331.18	3,606.03	2,000.00	1,606.03
Electric	1,916.70	1,045.50	500.00	545.50
Plumbing	1,674.50	1,170.50	500.00	670.50
Building	6,327.73	16,879.00	5,000.00	11,879.00
Liquor and Cereal Malt	1,655.00	3,635.00	1,800.00	1,835.00
	<u>27,320.11</u>	<u>41,301.03</u>	<u>17,800.00</u>	<u>23,501.03</u>
Fines, Forfeitures and Penalties				
City Court Fines	87,387.72	94,477.12	74,600.00	19,877.12
Hearing Fees	450.00	550.00	200.00	350.00
Code Enforcement- County	54,945.20	59,059.73	50,000.00	9,059.73
	<u>142,782.92</u>	<u>154,086.85</u>	<u>124,800.00</u>	<u>19,877.12</u>
Use of Money and Property				
Golf Fees	80,166.06	74,710.85	74,500.00	210.85
Interest on Investments	7,220.02	17,443.67	4,000.00	13,443.67
Camping Fees	5,677.00	12,255.00	2,000.00	10,255.00
	<u>93,063.08</u>	<u>104,409.52</u>	<u>80,500.00</u>	<u>23,909.52</u>
Miscellaneous				
Reimbursements	22,503.30	2,632.32	-	2,632.32
Miscellaneous	20,118.93	32,345.52	-	32,345.52
	<u>42,622.23</u>	<u>34,977.84</u>	<u>-</u>	<u>34,977.84</u>
Total Receipts	<u>2,716,184.86</u>	<u>3,073,764.58</u>	<u>\$ 2,064,542.00</u>	<u>\$ 999,812.85</u>
Expenditures				
Administration				
Personal Services	133,421.70	136,921.33	139,998.00	(3,076.67)
Contractual Services	82,783.63	94,333.45	102,509.00	(8,175.55)
Commodities	4,332.06	5,792.71	6,250.00	(457.29)
Capital Outlay	-	3,015.65	3,000.00	15.65
	<u>220,537.39</u>	<u>240,063.14</u>	<u>251,757.00</u>	<u>(11,693.86)</u>
Golf Course				
Personal Services	89,045.24	66,258.83	92,704.00	(26,445.17)
Contractual Services	36,348.60	45,575.36	34,900.00	10,675.36
Commodities	62,900.15	92,579.49	80,000.00	12,579.49
Capital Outlay	44,796.70	28,487.57	42,500.00	(14,012.43)
	<u>233,090.69</u>	<u>232,901.25</u>	<u>250,104.00</u>	<u>(17,202.75)</u>

CITY OF ULYSSES, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

Expenditures	Prior Year <u>Actual</u>	Current Year		Variance Over Under
		<u>Actual</u>	<u>Budget</u>	
City Clerk				
Personal Services	\$ 188,817.72	\$ 191,305.90	\$ 193,654.00	\$ (2,348.10)
Contractual Services	48,290.83	47,703.00	56,550.00	(8,847.00)
Commodities	6,825.63	9,202.61	7,250.00	1,952.61
Capital Outlay	1,441.08	-	4,000.00	(4,000.00)
	<u>245,375.26</u>	<u>248,211.51</u>	<u>261,454.00</u>	<u>(13,242.49)</u>
Building Services				
Personal Services	94,883.58	95,075.17	96,426.00	(1,350.83)
Contractual Services	10,003.97	10,125.41	12,280.00	(2,154.59)
Commodities	3,495.12	3,292.77	4,800.00	(1,507.23)
Capital Outlay	9,254.95	-	600.00	(600.00)
	<u>117,637.62</u>	<u>108,493.35</u>	<u>114,106.00</u>	<u>(5,612.65)</u>
Police				
Personal Services	581,399.02	570,068.89	594,104.00	(24,035.11)
Contractual Services	209,815.44	202,196.07	232,350.00	(30,153.93)
Commodities	52,078.54	51,562.89	85,800.00	(34,237.11)
Capital Outlay	32,002.29	31,469.33	38,750.00	(7,280.67)
	<u>875,295.29</u>	<u>855,297.18</u>	<u>951,004.00</u>	<u>(95,706.82)</u>
Park				
Personal Services	106,695.53	114,070.91	117,433.00	(3,362.09)
Contractual Services	31,886.63	38,671.18	40,200.00	(1,528.82)
Commodities	21,882.33	22,362.40	32,750.00	(10,387.60)
Capital Outlay	9,169.89	1,877.55	6,200.00	(4,322.45)
	<u>169,634.38</u>	<u>176,982.04</u>	<u>196,583.00</u>	<u>(19,600.96)</u>
Street				
Personal Services	301,581.40	275,229.77	289,058.00	(13,828.23)
Contractual Services	2,471.00	-	5,000.00	(5,000.00)
Capital Outlay	344,896.66	226,836.05	371,000.00	(144,163.95)
	<u>648,949.06</u>	<u>502,065.82</u>	<u>665,058.00</u>	<u>(162,992.18)</u>
Pro Shop				
Personal Services	95,422.62	125,327.37	77,551.00	47,776.37
Contractual Services	3,295.12	3,948.02	4,000.00	(51.98)
Commodities	5,824.96	4,135.02	5,700.00	(1,564.98)
Capital Outlay	1,527.84	2,140.94	1,500.00	640.94
	<u>106,070.54</u>	<u>135,551.35</u>	<u>88,751.00</u>	<u>46,800.35</u>
Street Lighting	71,869.66	79,191.55	82,500.00	(3,308.45)
Reserve/Transfers Out	-	150,000.00	977,618.00	(827,618.00)
Transfer to Other Funds	75,000.00	253,352.40	-	253,352.40
Total Expenditures	<u>2,763,459.89</u>	<u>2,982,109.59</u>	<u>\$ 3,838,935.00</u>	<u>\$ (856,825.41)</u>
Receipts Over (Under) Expenditures	(47,275.03)	91,654.99		<u>\$ 1,856,638.26</u>
Unencumbered Cash - Beginning	<u>2,060,057.74</u>	<u>2,012,782.71</u>		
Unencumbered Cash - Ending	<u>\$ 2,012,782.71</u>	<u>\$ 2,104,437.70</u>		

CITY OF ULYSSES, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Receipts				
Ad Valorem Property Tax	\$ 512,418.55	\$ 548,540.28	\$ 562,683.00	\$ (14,142.72)
Less: Neighborhood Revitalization Program	-	(413.11)	(3,176.00)	2,762.89
Back Tax	11,100.55	10,995.49	1,500.00	9,495.49
Motor Vehicle Tax	94,030.81	96,728.30	71,815.00	24,913.30
16/20 Heavy Use	812.20	551.32	884.00	(332.68)
Rental/Machinery & Equipment	37.60	7.19	-	7.19
Recreation Vehicle Tax	<u>1,804.10</u>	<u>1,811.35</u>	<u>7,861.00</u>	<u>(6,049.65)</u>
Total Receipts	<u>620,203.81</u>	<u>658,220.82</u>	<u>\$ 641,567.00</u>	<u>\$ 16,653.82</u>
Expenditures				
Employee Benefits	282,989.72	271,548.41	277,278.00	(5,729.59)
Transfer to Health Insurance Fund	<u>375,000.00</u>	<u>375,000.00</u>	<u>410,967.00</u>	<u>(35,967.00)</u>
Total Expenditures	<u>657,989.72</u>	<u>646,548.41</u>	<u>\$ 688,245.00</u>	<u>(41,696.59)</u>
Receipts Over (Under) Expenditures	(37,785.91)	11,672.41		<u>\$ 58,350.41</u>
Unencumbered Cash - Beginning	<u>103,399.46</u>	<u>65,613.55</u>		
Unencumbered Cash - Ending	<u>\$ 65,613.55</u>	<u>\$ 77,285.96</u>		

CITY OF ULYSSES, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
State of Kansas	\$ 162,591.34	\$ 161,714.29	\$ 159,880.00	\$ 1,834.29
Transfer from Other Funds	<u>-</u>	<u>253,352.40</u>	<u>-</u>	<u>253,352.40</u>
Total Receipts	<u>162,591.34</u>	<u>415,066.69</u>	<u>\$ 159,880.00</u>	<u>\$ 255,186.69</u>
Expenditures				
Contractual Service	33,205.17	51,922.26	56,000.00	(4,077.74)
Commodities	71,992.06	49,127.41	95,750.00	(46,622.59)
Capital Outlay	<u>11,095.59</u>	<u>-</u>	<u>132,983.00</u>	<u>(132,983.00)</u>
Total Expenditures	<u>116,292.82</u>	<u>101,049.67</u>	<u>\$ 284,733.00</u>	<u>(183,683.33)</u>
Receipts Over (Under) Expenditures	46,298.52	314,017.02		<u>\$ 438,870.02</u>
Unencumbered Cash - Beginning	<u>82,085.38</u>	<u>128,383.90</u>		
Unencumbered Cash - Ending	<u>\$ 128,383.90</u>	<u>\$ 442,400.92</u>		

CITY OF ULYSSES, KANSAS
Gas Well Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Royalty	\$ 88,340.84	\$ 121,641.99	\$ 61,500.00	\$ 60,141.99
Insurance Proceeds	<u>-</u>	<u>4,099.00</u>	<u>-</u>	<u>4,099.00</u>
Total Receipts	<u>88,340.84</u>	<u>125,740.99</u>	<u>\$ 61,500.00</u>	<u>\$ 64,240.99</u>
Expenditures				
General Expense				
Contractual Service	40,726.59	40,503.12	106,025.00	(65,521.88)
Commodities	4,497.70	10,018.47	20,000.00	(9,981.53)
Capital Outlay	<u>-</u>	<u>-</u>	<u>48,336.00</u>	<u>(48,336.00)</u>
Total General Expense	<u>45,224.29</u>	<u>50,521.59</u>	<u>174,361.00</u>	<u>(123,839.41)</u>
Non-Operating Expense				
Chamber of Commerce	12,500.00	12,500.00	12,500.00	-
Economic Development	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>-</u>
Total Non-Operating Expense	<u>62,500.00</u>	<u>62,500.00</u>	<u>62,500.00</u>	<u>-</u>
Total Expenditures	<u>107,724.29</u>	<u>113,021.59</u>	<u>\$ 236,861.00</u>	<u>(123,839.41)</u>
Receipts Over (Under) Expenditures	(19,383.45)	12,719.40		<u>\$ 188,080.40</u>
Unencumbered Cash - Beginning	<u>244,785.84</u>	<u>225,402.39</u>		
Unencumbered Cash - Ending	<u>\$ 225,402.39</u>	<u>\$ 238,121.79</u>		

CITY OF ULYSSES, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Liquor Tax	\$ 2,110.93	\$ 3,298.17	\$ 2,200.00	\$ 1,098.17
Total Receipts	<u>2,110.93</u>	<u>3,298.17</u>	<u>\$ 2,200.00</u>	<u>\$ 1,098.17</u>
Expenditures				
Capital Improvements	<u>3,632.31</u>	<u>2,595.00</u>	<u>24,140.00</u>	<u>(21,545.00)</u>
Total Expenditures	<u>3,632.31</u>	<u>2,595.00</u>	<u>\$ 24,140.00</u>	<u>(21,545.00)</u>
Receipts Over (Under) Expenditures	(1,521.38)	703.17		<u>\$ 22,643.17</u>
Unencumbered Cash - Beginning	<u>24,634.56</u>	<u>23,113.18</u>		
Unencumbered Cash - Ending	<u>\$ 23,113.18</u>	<u>\$ 23,816.35</u>		

CITY OF ULYSSES, KANSAS
Special Alcohol and Drug Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Liquor Tax	\$ 2,110.92	\$ 3,298.15	\$ 2,200.00	\$ 1,098.15
Total Receipts	<u>2,110.92</u>	<u>3,298.15</u>	<u>\$ 2,200.00</u>	<u>\$ 1,098.15</u>
Expenditures				
Contractual Service	2,000.00	2,000.00	2,000.00	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>12,900.00</u>	<u>(12,900.00)</u>
Total Expenditures	<u>2,000.00</u>	<u>2,000.00</u>	<u>\$ 14,900.00</u>	<u>(12,900.00)</u>
Receipts Over (Under) Expenditures	110.92	1,298.15		<u>\$ 13,998.15</u>
Unencumbered Cash - Beginning	<u>13,749.59</u>	<u>13,860.51</u>		
Unencumbered Cash - Ending	<u>\$ 13,860.51</u>	<u>\$ 15,158.66</u>		

CITY OF ULYSSES, KANSAS
Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfer from General	\$ -	\$ 150,000.00	\$ -	\$ 150,000.00
Insurance Proceeds	-	<u>36,314.63</u>	-	<u>36,314.63</u>
Total Receipts	-	<u>186,314.63</u>	<u>\$ -</u>	<u>\$ 186,314.63</u>
Expenditures				
Capital Outlay	-	<u>54,390.00</u>	<u>295,607.00</u>	<u>(241,217.00)</u>
Total Expenditures	-	<u>54,390.00</u>	<u>\$ 295,607.00</u>	<u>(241,217.00)</u>
Receipts Over (Under) Expenditures	-	131,924.63		<u>\$ 427,531.63</u>
Unencumbered Cash - Beginning	<u>295,607.00</u>	<u>295,607.00</u>		
Unencumbered Cash - Ending	<u>\$ 295,607.00</u>	<u>\$ 427,531.63</u>		

CITY OF ULYSSES, KANSAS
Storm Disaster Aid Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
State of Kansas Reimbursement	\$ -	\$ 93,946.60
Total Receipts	<u>-</u>	<u>93,946.60</u>
Expenditures		
Personal Services	-	88,777.82
Contractual Services	-	13,430.08
Commodities	-	10,945.07
Capital Outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>113,152.97</u>
Receipts Over (Under) Expenditures	-	(19,206.37)
Unencumbered Cash - Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash - Ending	<u>\$ -</u>	<u>\$ (19,206.37)</u>

CITY OF ULYSSES, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Ad Valorem Property Tax	\$ 186,079.17	\$ 181,477.17	\$ 186,146.00	\$ (4,668.83)
Less: Neighborhood Revitalization Program	-	(138.29)	(1,066.00)	927.71
Back Tax	4,382.97	9,511.12	2,000.00	7,511.12
Motor Vehicle Tax	36,398.84	35,201.92	26,076.00	9,125.92
16/20 Heavy Use	381.16	202.39	321.00	(118.61)
Recreational Vehicle Tax	698.04	658.97	2,855.00	(2,196.03)
Rental, Machinery & Equipment Tax	17.32	2.62	-	2.62
Special Assessments	<u>20,603.68</u>	<u>20,266.55</u>	<u>10,000.00</u>	<u>10,266.55</u>
Total Receipts	<u>248,561.18</u>	<u>247,182.45</u>	<u>\$ 226,332.00</u>	<u>\$ 20,850.45</u>
Expenditures				
Bond Principal	230,000.00	240,000.00	240,000.00	-
Interest	32,377.50	25,742.50	25,753.00	(10.50)
Cash Basis Requirement	<u>-</u>	<u>-</u>	<u>145,743.00</u>	<u>(145,743.00)</u>
Total Expenditures	<u>262,377.50</u>	<u>265,742.50</u>	<u>\$ 411,496.00</u>	<u>(145,753.50)</u>
Receipts Over (Under) Expenditures	(13,816.32)	(18,560.05)		<u>\$ 166,603.95</u>
Unencumbered Cash - Beginning	<u>200,212.17</u>	<u>186,395.85</u>		
Unencumbered Cash - Ending	<u>\$ 186,395.85</u>	<u>\$ 167,835.80</u>		

CITY OF ULYSSES, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Collection Fees	\$ 1,037,419.06	\$ 1,031,818.39	\$ 1,027,737.00	\$ 4,081.39
Miscellaneous	30,509.31	12,595.06	9,500.00	3,095.06
Water Protection Tax	12,809.10	11,258.47	12,000.00	(741.53)
Penalties	12,169.22	12,880.06	11,700.00	1,180.06
Connect Fees	5,280.00	5,100.00	7,000.00	(1,900.00)
Sales Tax	13,107.28	11,835.77	10,000.00	1,835.77
Reconnect Fees	20,033.29	18,421.85	13,000.00	5,421.85
KDHE Loan Proceeds	-	1,210,934.00	-	1,210,934.00
Insurance Proceeds	-	21,631.46	-	21,631.46
Total Receipts	<u>1,131,327.26</u>	<u>2,336,475.06</u>	<u>\$ 1,090,937.00</u>	<u>\$ 1,245,538.06</u>
Expenditures				
Operating Expense				
Personal Services	192,535.30	171,501.44	202,824.00	(31,322.56)
Contractual Services	316,604.04	378,638.44	349,732.00	28,906.44
Commodities	27,608.26	28,909.87	24,700.00	4,209.87
Capital Outlay	468,275.11	1,122,074.08	1,110,131.00	11,943.08
Non-Operating Expense				
Interest Expense	33,246.05	51,007.14	108,506.00	(57,498.86)
Miscellaneous	4,642.26	8,506.37	-	8,506.37
Revenue Bond Principal	58,612.68	108,505.72	-	108,505.72
Transfer to Other Funds	<u>168,800.00</u>	<u>168,800.00</u>	<u>220,765.00</u>	<u>(51,965.00)</u>
Subtotal Expenditures	1,270,323.70	2,037,943.06	2,016,658.00	21,285.06
Adjustments for Qualifying Budget Credits	<u>-</u>	<u>-</u>	<u>1,210,934.00</u>	<u>(1,210,934.00)</u>
Total Expenditures	<u>1,270,323.70</u>	<u>2,037,943.06</u>	<u>3,227,592.00</u>	<u>(1,189,648.94)</u>
Receipts Over (Under) Expenditures	(138,996.44)	298,532.00		<u>\$ 2,435,187.00</u>
Unencumbered Cash - Beginning	<u>975,099.68</u>	<u>836,103.24</u>		
Unencumbered Cash - Ending	<u>\$ 836,103.24</u>	<u>\$ 1,134,635.24</u>		

CITY OF ULYSSES, KANSAS
Sanitation Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Collection Fees	\$ 619,836.65	\$ 653,242.76	\$ 623,765.00	\$ 29,477.76
Penalties	8,394.70	9,222.41	7,000.00	2,222.41
Miscellaneous	<u>30.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>628,261.35</u>	<u>662,465.17</u>	<u>\$ 630,765.00</u>	<u>\$ 31,700.17</u>
Expenditures				
Operating Expense				
Personal Services	121,922.00	109,579.65	116,401.00	(6,821.35)
Contractual Services	279,925.32	285,120.96	262,950.00	22,170.96
Commodities	22,402.54	24,698.72	34,500.00	(9,801.28)
Capital Outlay	146,334.00	45,347.30	419,429.00	(374,081.70)
Non-Operating Expense				
Transfer to Other Funds	<u>83,000.00</u>	<u>88,000.00</u>	<u>85,000.00</u>	<u>3,000.00</u>
Total Expenditures	<u>653,583.86</u>	<u>552,746.63</u>	<u>\$ 918,280.00</u>	<u>(365,533.37)</u>
Receipts Over (Under) Expenditures	(25,322.51)	109,718.54		<u>\$ 397,233.54</u>
Unencumbered Cash - Beginning	<u>332,910.80</u>	<u>307,588.29</u>		
Unencumbered Cash - Ending	<u>\$ 307,588.29</u>	<u>\$ 417,306.83</u>		

CITY OF ULYSSES, KANSAS
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over Under
	Prior Year Actual	Actual	Budget	(Under)
Receipts				
Collection Fees	\$ 343,110.69	\$ 344,166.20	\$ 355,000.00	\$ (10,833.80)
Penalties	4,726.11	4,948.64	4,500.00	448.64
Miscellaneous	-	-	-	-
Total Receipts	<u>347,836.80</u>	<u>349,114.84</u>	<u>\$ 359,500.00</u>	<u>\$ (10,385.16)</u>
Expenditures				
Operating Expense				
Personal Services	100,829.79	94,792.36	106,776.00	(11,983.64)
Contractual Services	108,974.45	117,032.65	139,650.00	(22,617.35)
Commodities	18,677.65	22,021.98	31,500.00	(9,478.02)
Capital Outlay	30,000.00	-	182,063.00	(182,063.00)
Non-Operating Expense				
Transfer to Other Funds	<u>76,500.00</u>	<u>78,500.00</u>	<u>78,500.00</u>	<u>-</u>
Total Expenditures	<u>334,981.89</u>	<u>312,346.99</u>	<u>\$ 538,489.00</u>	<u>(226,142.01)</u>
Receipts Over (Under) Expenditures	12,854.91	36,767.85		<u>\$ 215,756.85</u>
Unencumbered Cash - Beginning	<u>176,554.66</u>	<u>189,409.57</u>		
Unencumbered Cash - Ending	<u>\$ 189,409.57</u>	<u>\$ 226,177.42</u>		

CITY OF ULYSSES, KANSAS
Sewer Capital Reserve Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Collection Fees	\$ 110,458.17	\$ 111,321.94	\$ 101,000.00	\$ 10,321.94
Penalties	1,639.51	1,742.16	1,200.00	542.16
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>112,097.68</u>	<u>113,064.10</u>	<u>\$ 102,200.00</u>	<u>\$ 10,864.10</u>
Expenditures				
Contractual Services	14,724.00	31,157.00	10,000.00	21,157.00
Commodities	-	2,955.81	-	2,955.81
Capital Outlay	<u>15,732.00</u>	<u>19,956.40</u>	<u>354,982.00</u>	<u>(335,025.60)</u>
Total Expenditures	<u>30,456.00</u>	<u>54,069.21</u>	<u>\$ 364,982.00</u>	<u>(310,912.79)</u>
Receipts Over (Under) Expenditures	81,641.68	58,994.89		<u>\$ 321,776.89</u>
Unencumbered Cash - Beginning	<u>207,782.65</u>	<u>289,424.33</u>		
Unencumbered Cash - Ending	<u>\$ 289,424.33</u>	<u>\$ 348,419.22</u>		

CITY OF ULYSSES, KANSAS
Storm Water Utility
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Collection Fees	\$ 76,347.78	\$ 76,868.38	\$ 70,000.00	\$ 6,868.38
Penalties	1,138.18	1,205.78	1,000.00	205.78
Miscellaneous	<u>-</u>	<u>33.43</u>	<u>-</u>	<u>33.43</u>
Total Receipts	<u>77,485.96</u>	<u>78,107.59</u>	<u>\$ 71,000.00</u>	<u>\$ 7,107.59</u>
Expenditures				
Capital Outlay	<u>-</u>	<u>-</u>	<u>483,995.00</u>	<u>(483,995.00)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 483,995.00</u>	<u>(483,995.00)</u>
Receipts Over (Under) Expenditures	77,485.96	78,107.59		<u>\$ 491,102.59</u>
Unencumbered Cash - Beginning	<u>336,894.56</u>	<u>414,380.52</u>		
Unencumbered Cash - Ending	<u>\$ 414,380.52</u>	<u>\$ 492,488.11</u>		

CITY OF ULYSSES, KANSAS
 Bentwood Golf Course Pro Shop
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Pullcarts/Misc	\$ 201.50	\$ 182.16	\$ 500.00	\$ (317.84)
Balls/Clubs/Covers	11,116.42	12,203.33	20,000.00	(7,796.67)
Gloves/Clothing	503.02	685.79	2,000.00	(1,314.21)
Food, Miscellaneous	17,171.90	15,852.57	18,000.00	(2,147.43)
Cart Rental	14,289.41	7,841.51	10,000.00	(2,158.49)
Sales Tax	<u>3,073.86</u>	<u>2,945.44</u>	<u>5,000.00</u>	<u>(2,054.56)</u>
Total Receipts	<u>46,356.11</u>	<u>39,710.80</u>	<u>\$ 55,500.00</u>	<u>\$ (15,789.20)</u>
Expenditures				
Contractual Services	24,822.68	18,832.53	-	18,832.53
Commodities	22,640.57	28,335.31	58,500.00	(30,164.69)
Capital Outlay	-	-	53,135.00	(53,135.00)
Transfer to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>47,463.25</u>	<u>47,167.84</u>	<u>\$ 111,635.00</u>	<u>64,467.16</u>
Receipts Over (Under) Expenditures	(1,107.14)	(7,457.04)		<u>\$ (80,256.36)</u>
Unencumbered Cash - Beginning	<u>71,084.63</u>	<u>69,977.49</u>		
Unencumbered Cash - Ending	<u>\$ 69,977.49</u>	<u>\$ 62,520.45</u>		

CITY OF ULYSSES, KANSAS
Public Works Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers from Other Funds	\$ 164,300.00	\$ 167,300.00	\$ 164,300.00	\$ 3,000.00
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>164,300.00</u>	<u>167,300.00</u>	<u>\$ 164,300.00</u>	<u>\$ 3,000.00</u>
Expenditures				
Personal Services	116,372.35	113,890.79	116,959.00	(3,068.21)
Contractual Services	30,827.36	28,762.38	32,350.00	(3,587.62)
Commodities	19,584.06	19,242.02	19,100.00	142.02
Capital Outlay	-	-	41,861.00	(41,861.00)
Transfer to Health Insurance	<u>22,000.00</u>	<u>-</u>	<u>22,000.00</u>	<u>(22,000.00)</u>
Total Expenditures	<u>188,783.77</u>	<u>161,895.19</u>	<u>\$ 232,270.00</u>	<u>(70,374.81)</u>
Receipts Over (Under) Expenditures	(24,483.77)	5,404.81		<u>\$ 73,374.81</u>
Unencumbered Cash - Beginning	<u>84,535.64</u>	<u>60,051.87</u>		
Unencumbered Cash - Ending	<u>\$ 60,051.87</u>	<u>\$ 65,456.68</u>		

CITY OF ULYSSES, KANSAS
Health Insurance Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers From Other Funds	\$ 636,000.00	\$ 543,000.00	\$ 590,000.00	\$ (47,000.00)
Total Receipts	<u>636,000.00</u>	<u>543,000.00</u>	<u>\$ 590,000.00</u>	<u>\$ (47,000.00)</u>
Expenditures				
Personal Services	580,961.27	566,337.87	895,793.00	(329,455.13)
Contractual Services	3,265.50	4,738.00	4,500.00	238.00
Commodities	<u>-</u>	<u>-</u>	<u>200.00</u>	<u>(200.00)</u>
Total Expenditures	<u>584,226.77</u>	<u>571,075.87</u>	<u>\$ 900,493.00</u>	<u>(329,417.13)</u>
Receipts Over (Under) Expenditures	51,773.23	(28,075.87)		<u>\$ 282,417.13</u>
Unencumbered Cash - Beginning	<u>267,464.00</u>	<u>319,237.23</u>		
Unencumbered Cash - Ending	<u>\$ 319,237.23</u>	<u>\$ 291,161.36</u>		

Schedule 3

CITY OF ULYSSES, KANSAS
 Agency Funds
 Schedule of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2017

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Aflac Flex Account	\$ 4,624.64	\$ 20,011.77	\$ 20,464.23	\$ 4,172.18
Court Bond Account	<u>15,373.76</u>	<u>33,456.11</u>	<u>29,971.72</u>	<u>18,858.15</u>
Total Agency Funds	<u>\$ 19,998.40</u>	<u>\$ 53,467.88</u>	<u>\$ 50,435.95</u>	<u>\$ 23,030.33</u>