

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

**CITY OF NICKERSON, KANSAS
CITY OF THE SECOND CLASS
For The Year Ended December 31, 2017**

Jim Gladden, Mayor

CITY COUNCIL

Angela Cottrell

Jane Jenkins

Angela Richard

Jon Rohling

Brad Berridge

Trent Gilbert

CITY OFFICERS

Robin Schmitt, Clerk

Stan Juhnke, Attorney

Peggy Ruebke, Treasurer

Larry Bolton, Municipal Judge

CITY OF NICKERSON, KANSAS
For the Year Ended December 31, 2017

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For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Nickerson, Kansas 67561

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Nickerson, Kansas, a Municipal Financial Reporting Entity, 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* 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 *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

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

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

sjhl.com

Hutchinson Office

200 N. Main • Hutchinson, KS 67504-2889
P: 888.414.0123 • F: 620.662.3350

McPherson Office

123 S. Main • McPherson, KS 67460
P: 888.241.1826 • F: 620.241.6926

Wichita Office

220 W. Douglas, Ste. 300 • Wichita, KS 67202
P: 316.265.5600 • F: 316.265.8021

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Nickerson 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

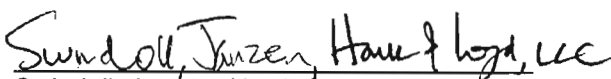
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Nickerson as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2017 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (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, schedules of regulatory basis receipts and disbursements – agency funds, and schedules of regulatory basis receipts and expenditures – actual-related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the 2017 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Nickerson, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon date April 28, 2017, which contained an unmodified opinion on the basic financial statement. 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>. The 2016 actual column (2016 comparative column) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2017 (Schedules 2 and 4 as listed in the table of contents) are also presented for purposes of additional analysis and are not a required part of the basic financial statement. 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 basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note 1.



Swindoll, Janzen, Hawk & Loyd, LLC
Hutchinson, Kansas
April 10, 2018

CITY OF NICKERSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2017

| | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Add Encumbrances and Accounts Payable | Ending Cash Balance |
|--|---|--------------|--------------|--|--|------------------------|
| GENERAL FUND: | | | | | | |
| General Fund | \$ 330,555 | \$ 514,697 | \$ 484,134 | \$ 361,118 | \$ 14,733 | \$ 375,851 |
| SPECIAL PURPOSE FUNDS: | | | | | | |
| Capital Improvement Fund | 88,880 | 26,712 | 28,574 | 87,018 | - | 87,018 |
| Capital Improvements 1% Sales Tax Fund | 1 | 71,361 | 39,566 | 31,796 | - | 31,796 |
| Equipment Reserve Fund | 27,237 | 46,412 | 5,609 | 68,040 | - | 68,040 |
| Library Fund | 6,431 | 22,704 | 20,466 | 8,669 | 4,800 | 13,469 |
| Special Highway Fund | 6,251 | 34,438 | 24,466 | 16,223 | - | 16,223 |
| Special Parks and Recreation Fund | 1,183 | 3,841 | 3,999 | 1,025 | 1,000 | 2,025 |
| Total Special Purpose Funds | 129,983 | 205,468 | 122,680 | 212,771 | 5,800 | 218,571 |
| BOND AND INTEREST FUND: | | | | | | |
| Bond and Interest Fund | 871 | 183,575 | 183,838 | 608 | - | 608 |
| CAPITAL PROJECTS FUNDS: | | | | | | |
| Walking Trail Grant Fund | (32,060) | 32,060 | - | - | - | - |
| BUSINESS FUNDS: | | | | | | |
| Sewer Utility Fund | 360,987 | 254,890 | 327,725 | 288,152 | 1,233 | 289,385 |
| Sewer System Replacement Fund | 3,115 | - | - | 3,115 | - | 3,115 |
| Solid Waste Fund | 25,568 | 64,030 | 62,793 | 26,805 | 5,234 | 32,039 |
| Water Utility Fund | 211,298 | 190,912 | 171,246 | 230,964 | 2,419 | 233,383 |
| Total Business Funds | 600,968 | 509,832 | 561,764 | 549,036 | 8,886 | 557,922 |
| TRUST FUNDS: | | | | | | |
| Cemetery Endowment Fund | 2,959 | 1,300 | 2,027 | 2,232 | - | 2,232 |
| Total Trust Funds | 2,959 | 1,300 | 2,027 | 2,232 | - | 2,232 |
| RELATED MUNICIPAL ENTITIES: | | | | | | |
| Library Board | 11,712 | 31,371 | 32,458 | 10,625 | - | 10,625 |
| Recreation Commission | 2,056 | 6,360 | 7,139 | 1,277 | - | 1,277 |
| Total Related Municipal Entities | 13,768 | 37,731 | 39,597 | 11,902 | - | 11,902 |
| Total Reporting Entity (Excluding Agency Funds) | \$ 1,047,044 | \$ 1,484,663 | \$ 1,394,040 | \$ 1,137,667 | \$ 29,419 | \$ 1,167,086 |
| COMPOSITION OF CASH: | | | | | | |
| Checking | | | | | | \$ 1,081,440 |
| Investments - CDs | | | | | | 73,865 |
| Related Municipal Entity | | | | | | 11,902 |
| Total Cash | | | | | | 1,167,207 |
| Less Agency Funds per Schedule 3 | | | | | | (121) |
| Total Reporting Entity (Excluding Agency Funds) | | | | | | \$ 1,167,086 |

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

CITY OF NICKERSON, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

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

Library. The City of Nickerson Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at the administrative offices of the entity at 23 North Nickerson Street, Nickerson, KS 67561.

Recreation Commission. The City of Nickerson Recreation Commission Board oversees recreation activities. The Recreation Commission operates as a separate governing body, but the City levies the taxes for the Recreation Commission, and the Recreation Commission has only the powers granted by statute, K.S.A 12-1928. Complete financial records for the Recreation Commission may be reviewed at the administrative offices of the City at 15 North Nickerson Street, Nickerson, KS 67561.

(b) 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 Funds – 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.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Accounting

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

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

(d) 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.
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 regulatory 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 budget expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statutory violations were noted in the current year. The Walking Trail Grant has a negative unencumbered cash balance, but under K.S.A. 12-16,108, grant funds waiting on reimbursement are exempt from cash basis law.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$1,155,305 and the bank balance was \$1,157,240. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$907,240 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

4. INTERFUND TRANSFERS

Operating transfers were as follows:

| <u>From</u> | <u>To</u> | <u>Regulatory Authority</u> | <u>Amount</u> |
|-------------------------|---------------------------|---------------------------------|---------------|
| Water Utility Fund | Bond and Interest Fund | K.S.A. 12-630 | \$ 5,400 |
| Sewer Utility Fund | Bond and Interest Fund | K.S.A. 12-630 | 143,185 |
| Sewer Utility Fund | Equipment Reserve Fund | City Ordinance | 25,000 |
| Sewer Utility Fund | Capital Improvements Fund | City Ordinance | 25,000 |
| Capital Improvements 1% | | | |
| Sales Tax Fund | General Fund | City Ordinance | 7,506 |
| General Fund | Equipment Reserve Fund | K.S.A. 12-1,118 | 10,000 |
| Capital Improvements 1% | | | |
| Sales Tax Fund | Walking Trail Fund | City Ordinance | 32,060 |
| Penalty Clearing Fund | Equipment Reserve Fund | City Ordinance | 11,412 |
| Sales Tax Clearing Fund | Capital Improvements Fund | City Ordinance | 507 |
| Payroll Clearing Fund | Capital Improvements Fund | City Ordinance | 1,001 |
| Deposit Clearing Fund | Capital Improvements Fund | City Ordinance | 204 |

5. LONG-TERM DEBT

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

| Issue | Interest Rates | Date of Issue | Amount of Issue | Date of Final Maturity | Balance Beginning of Year | Additions | Reductions/ Payments | Balance End of Year | Interest and fees Paid |
|--------------------------------|----------------|---------------|-----------------|------------------------|---------------------------|-----------|----------------------|---------------------|------------------------|
| General Obligation Bonds: | | | | | | | | | |
| Series 2012 A & B | 2.52% to 3.75% | 01/26/12 | \$ 2,943,000 | 01/26/52 | \$ 2,803,680 | \$ - | \$ 38,048 | \$ 2,765,632 | \$ 105,138 |
| Series 2012 C | 0.90% to 2.80% | 10/01/12 | 416,000 | 10/01/22 | 240,000 | - | 35,000 | 205,000 | 5,653 |
| KDHE Loan Capital Leases: | 3.04% | 11/06/08 | 332,289 | 08/01/28 | 225,336 | - | 15,504 | 209,832 | 7,508 |
| Kyocera Printers | 22.98% | 06/16/15 | 5,069 | 09/16/20 | 2,360 | - | 589 | 1,771 | 98 |
| Total Contractual Indebtedness | | | | | \$ 3,271,376 | \$ - | \$ 89,141 | \$ 3,182,235 | \$ 118,397 |

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

| | Year | | | | | | | | | | Total |
|------------------------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 to 2027 | 2028 to 2032 | 2033 to 2037 | 2038 to 2042 | 2043 to 2047 | 2048 to 2052 |
| Principal: | | | | | | | | | | | |
| General Obligation Bonds: | | | | | | | | | | | |
| Series 2012 A & B | \$ 39,475 | \$ 40,955 | \$ 42,491 | \$ 44,084 | \$ 45,737 | \$ 255,735 | \$ 307,420 | \$ 369,548 | \$ 444,235 | \$ 534,014 | \$ 641,938 |
| Series 2012 C | 40,000 | 40,000 | 40,000 | 40,000 | 45,000 | - | - | - | - | - | - |
| KDHE Loan Capital Leases: | 16,034 | 16,582 | 17,149 | 17,735 | 18,341 | 101,552 | 22,439 | - | - | - | - |
| Kyocera Printers | 618 | 647 | 506 | - | - | - | - | - | - | - | - |
| Total Principal | 96,127 | 98,184 | 100,146 | 101,819 | 109,078 | 357,287 | 329,859 | 369,548 | 444,235 | 534,014 | 641,938 |
| Interest: | | | | | | | | | | | |
| General Obligation Bonds: | | | | | | | | | | | |
| Series 2012 A & B | 103,711 | 102,231 | 100,695 | 99,102 | 97,449 | 460,193 | 408,508 | 346,379 | 271,693 | 181,913 | 73,989 |
| Series 2012 C | 5,040 | 4,240 | 3,340 | 2,340 | 1,260 | - | - | - | - | - | - |
| KDHE Loan Capital Leases: | 6,258 | 5,767 | 5,258 | 4,732 | 4,189 | 12,115 | 513 | - | - | - | - |
| Kyocera Printers | 70 | 40 | 10 | - | - | - | - | - | - | - | - |
| Total Interest | 115,079 | 112,278 | 109,303 | 106,174 | 102,898 | 472,308 | 409,021 | 346,379 | 271,693 | 181,913 | 73,989 |
| Total Principal and Interest | \$ 211,206 | \$ 210,462 | \$ 209,449 | \$ 207,993 | \$ 211,976 | \$ 829,595 | \$ 738,880 | \$ 715,927 | \$ 715,928 | \$ 715,927 | \$ 715,927 |
| | | | | | | | | | | | \$ 5,483,270 |

6. DEFINED BENEFIT PENSION PLAN

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

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

State law provides that the employer contribution rates for KPERS 1 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 from the period of January 1, 2017 through September 30, 2017 for Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$19,027 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 \$192,471. 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 contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(b) Other Employee Benefits

Vacation – Vacation leave is earned beginning with the completion of the first full calendar year of employment for full-time employees, including the training period, according to the following schedule:

| <u>Years of Service</u> | <u>Per Year</u> |
|-------------------------|-----------------|
| 1 year of service | 5 working days |
| 2 to 7 years of service | 10 working days |
| 8 plus years of service | 15 working days |

Vacation may have up to 40 hours carried forward. If more than 40 hours is accumulated, it is lost. No employee may choose to receive pay instead of vacation. Any employee who resigns or is discharged for unsatisfactory performance or is laid off will receive pay for the unused vacation earned. Any employee discharged for dishonesty forfeits all vacation pay. Any retiring employee is to be paid all earned and unused vacation.

Part-time, temporary, and seasonal employees are not eligible for paid vacation leave.

Sick leave – Employees receive eight hours of sick leave for each month of employment with a maximum accumulation of 60 working days. Accrued sick leave credits are cancelled without compensation upon either the voluntary or involuntary termination of employment.

8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2016 to 2017 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF NICKERSON, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

CITY OF NICKERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2017

| | <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: | | | | | |
| General Fund | \$ 750,222 | \$ - | \$ 750,222 | \$ 484,134 | \$ (266,088) |
| SPECIAL PURPOSE FUNDS: | | | | | |
| Capital Improvement Fund | 180,449 | - | 180,449 | 28,574 | (151,875) |
| Capital Improvements 1% Sales Tax Fund | 179,344 | - | 179,344 | 39,566 | (139,778) |
| Equipment Reserve Fund | 131,211 | - | 131,211 | 5,609 | (125,602) |
| Library Fund | 28,863 | - | 28,863 | 20,466 | (8,397) |
| Special Highway Fund | 30,968 | - | 30,968 | 24,466 | (6,502) |
| Special Parks and Recreation Fund | 4,618 | - | 4,618 | 3,999 | (619) |
| BOND AND INTEREST FUND: | | | | | |
| Bond and Interest Fund | 183,838 | - | 183,838 | 183,838 | - |
| BUSINESS FUNDS: | | | | | |
| Sewer Utility Fund | 337,528 | - | 337,528 | 327,725 | (9,803) |
| Sewer System Replacement Fund | 3,115 | - | 3,115 | - | (3,115) |
| Solid Waste Utility Fund | 81,531 | - | 81,531 | 62,793 | (18,738) |
| Water Utility Fund | 352,971 | - | 352,971 | 171,246 | (181,725) |

CITY OF NICKERSON, KANSAS

GENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | 2016 Actual | 2017 | | Variance - Over (Under) |
|--|----------------|------------|------------|-------------------------------|
| | | Actual | Budget | |
| Receipts | | | | |
| Taxes - | | | | |
| Ad valorem property tax | \$ 238,401 | \$ 229,625 | \$ 236,027 | \$ (6,402) |
| Delinquent tax | 18,852 | 12,299 | 4,373 | 7,926 |
| Motor vehicle tax | 21,012 | 41,529 | 40,245 | 1,284 |
| Recreational vehicle tax | 295 | 730 | 752 | (22) |
| 16/20M vehicle tax | 147 | 572 | 247 | 325 |
| Commercial vehicle tax | 262 | 94 | 391 | (297) |
| Watercraft tax | - | - | 268 | (268) |
| Local sales tax | 130,533 | 123,996 | 135,000 | (11,004) |
| Special assessments | - | 200 | - | 200 |
| Total Taxes | 409,502 | 409,045 | 417,303 | (8,258) |
| Licenses and Permits - | | | | |
| Franchise taxes | 76,006 | 72,417 | 77,000 | (4,583) |
| Licenses and permits | 1,290 | 905 | - | 905 |
| Building permits | 1,066 | 1,822 | 2,000 | (178) |
| Inspections | 1,325 | 1,050 | - | 1,050 |
| Dog tags, impounds, adoption fees | 392 | 417 | 1,000 | (583) |
| Total Licenses and Permits | 80,079 | 76,611 | 80,000 | (3,389) |
| Charges for Services - | | | | |
| EMS runs | 3,280 | 2,100 | - | 2,100 |
| Cemetery | 1,375 | 475 | 3,000 | (2,525) |
| Charges for services | - | - | 1,000 | (1,000) |
| Total Charges for Services | 4,655 | 2,575 | 4,000 | (1,425) |
| Fines, Forfeitures and Penalties - | | | | |
| Court fines | 250 | - | 4,000 | (4,000) |
| Copying fees | 21 | 32 | - | 32 |
| Total Fines, Forfeitures and Penalties | 271 | 32 | 4,000 | (3,968) |
| Use of Money and Property - | | | | |
| Interest received | 1,548 | 1,611 | 5,200 | (3,589) |
| Other - | | | | |
| Reimbursements | 1,897 | 9,604 | 5,000 | 4,604 |
| Reimbursed payroll | 1,660 | 1,214 | - | 1,214 |
| Miscellaneous | 6,267 | 854 | - | 854 |
| Cemetery lot sales | 315 | 210 | - | 210 |
| Community Center | 4,914 | 5,210 | - | 5,210 |
| Zoning fees | 125 | 225 | - | 225 |
| Total Other | 15,178 | 17,317 | 5,000 | 12,317 |

CITY OF NICKERSON, 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)

| | | 2017 | | |
|--|----------------|----------|------------|-------------------------------|
| | 2016 Actual | Actual | Budget | Variance - Over (Under) |
| Receipts (Cont.) | | | | |
| Transfers In - | | | | |
| Transfer from Capital Improvements 1% Sales Tax Fund | \$ 7,506 | \$ 7,506 | \$ 7,506 | \$ - |
| Total Receipts | 518,739 | 514,697 | \$ 523,009 | \$ (8,312) |
| Expenditures | | | | |
| General Administrative - | | | | |
| Personal services | 53,551 | 53,794 | \$ 48,795 | \$ 4,999 |
| Contractual services | 31,014 | 70,246 | 150,000 | (79,754) |
| Commodities | 18,493 | 26,747 | 14,980 | 11,767 |
| Capital outlay | 1,176 | 5,680 | 115,900 | (110,220) |
| Total General Administrative | 104,234 | 156,467 | 329,675 | (173,208) |
| Law Enforcement - | | | | |
| Contractual services | 989 | 539 | 22,000 | (21,461) |
| Street - | | | | |
| Personal services | 102,364 | 95,051 | - | 95,051 |
| Contractual services | 13,686 | 4,215 | 105,052 | (100,837) |
| Commodities | 82,921 | 106,240 | 62,025 | 44,215 |
| Capital outlay | 4,170 | 713 | 62,175 | (61,462) |
| Total Street | 203,141 | 206,219 | 229,252 | (23,033) |
| Court - | | | | |
| Contractual services | 100 | 302 | 210 | 92 |
| Commodities | - | - | 4,780 | (4,780) |
| Total Court | 100 | 302 | 4,990 | (4,688) |
| EMTs - | | | | |
| Personal services | 13,588 | 13,395 | 14,200 | (805) |
| Contractual services | 9,090 | - | 12,231 | (12,231) |
| Commodities | 4,066 | 2,984 | 5,400 | (2,416) |
| Capital outlay | - | - | 520 | (520) |
| Total EMTs | 26,744 | 16,379 | 32,351 | (15,972) |
| Cemetery - | | | | |
| Contractual services | 367 | 166 | - | 166 |

CITY OF NICKERSON, KANSAS

GENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | 2016 Actual | 2017 | | Variance - Over (Under) |
|------------------------------------|----------------|------------|------------|-------------------------------|
| | | Actual | Budget | |
| Expenditures (cont.) | | | | |
| City Treasurer - | | | | |
| Personal services | \$ 223 | \$ 2,673 | \$ 3,280 | \$ (607) |
| Contractual services | - | 1,160 | - | 1,160 |
| Commodities | - | 726 | 80 | 646 |
| Total City Treasurer | 223 | 4,559 | 3,360 | 1,199 |
| Council - | | | | |
| Personal services | 2,052 | 1,911 | 4,990 | (3,079) |
| Commodities | - | - | 210 | (210) |
| Total Council | 2,052 | 1,911 | 5,200 | (3,289) |
| Planning commission- | | | | |
| Contractual services | 14,926 | 5,857 | - | 5,857 |
| Commodities | 25 | 273 | - | 273 |
| Total Planning Commission | 14,951 | 6,130 | - | 6,130 |
| Community Building - | | | | |
| Personal services | (470) | - | - | - |
| Contractual services | 4,361 | 3,900 | - | 3,900 |
| Commodities | 3,890 | 4,438 | - | 4,438 |
| Capital outlay | 3,494 | 547 | - | 547 |
| Total Community Building | 11,275 | 8,885 | - | 8,885 |
| Employee Benefits - | | | | |
| Health insurance | 42,874 | 41,049 | 43,550 | (2,501) |
| Workmen's compensation | - | - | 8,300 | (8,300) |
| KPERS | 14,431 | 12,732 | 22,500 | (9,768) |
| Payroll taxes | 12,499 | 18,796 | 22,500 | (3,704) |
| Total Employee Benefits | 69,804 | 72,577 | 96,850 | (24,273) |
| Other - | | | | |
| Lease Purchase - PD Radios | - | - | 857 | (857) |
| Planning Commission | - | - | 15,000 | (15,000) |
| Transfer to Equipment Reserve | 10,000 | 10,000 | 10,000 | - |
| Miscellaneous | - | - | 687 | (687) |
| Total Other | 10,000 | 10,000 | 26,544 | (16,544) |
| Total Expenditures | 443,880 | 484,134 | \$ 750,222 | \$ (266,088) |
| Receipts Over (Under) Expenditures | 74,859 | 30,563 | | |
| Unencumbered Cash, Beginning | 255,696 | 330,555 | | |
| Unencumbered Cash, Ending | \$ 330,555 | \$ 361,118 | | |

CITY OF NICKERSON, KANSAS

SPECIAL PURPOSE FUNDCAPITAL IMPROVEMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | 2016 Actual | 2017 | | Variance - Over (Under) |
|---------------------------------------|----------------|-----------|------------|-------------------------------|
| | | Actual | Budget | |
| Receipts | | | | |
| Transfer from Sewer Utility Fund | \$ - | \$ 25,000 | \$ 50,000 | \$ (25,000) |
| Transfer from Sales Tax Clearing Fund | - | 507 | - | 507 |
| Transfer from Deposit Clearing Fund | - | 204 | - | 204 |
| Transfer from Payroll Clearing Fund | - | 1,001 | - | 1,001 |
| Total Receipts | - | 26,712 | \$ 50,000 | \$ (23,288) |
| Expenditures | | | | |
| Contractual services | - | 28,131 | \$ - | \$ 28,131 |
| Capital outlay | 1,569 | 443 | 180,449 | (180,006) |
| Total Expenditures | 1,569 | 28,574 | \$ 180,449 | \$ (151,875) |
| Receipts Over (Under) Expenditures | (1,569) | (1,862) | | |
| Unencumbered Cash, Beginning | 90,449 | 88,880 | | |
| Unencumbered Cash, Ending | \$ 88,880 | \$ 87,018 | | |

CITY OF NICKERSON, KANSAS

SPECIAL PURPOSE FUNDCAPITAL IMPROVEMENTS 1% SALES TAX FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016</u> | | | <u>Variance -</u> |
|--------------------------------------|-------------|---------------|---------------|-------------------|
| | <u>2016</u> | <u>Actual</u> | <u>Budget</u> | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Receipts | | | | |
| Sales tax | \$ 72,611 | \$ 71,361 | \$ 72,000 | \$ (639) |
| Expenditures | | | | |
| Contractual services | 639 | - | \$ - | \$ - |
| Capital outlay | 6,677 | - | 171,838 | (171,838) |
| Transfer to Walking Trail Grant Fund | 10,852 | 32,060 | - | 32,060 |
| Transfer to General Fund | 7,506 | 7,506 | 7,506 | - |
| Transfer to Community Center Fund | 114,786 | - | - | - |
| Total Expenditures | 140,460 | 39,566 | \$ 179,344 | \$ (139,778) |
| Receipts Over (Under) Expenditures | (67,849) | 31,795 | | |
| Unencumbered Cash, Beginning | 67,850 | 1 | | |
| Unencumbered Cash, Ending | \$ 1 | \$ 31,796 | | |

CITY OF NICKERSON, KANSAS

SPECIAL PURPOSE FUNDEQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | | <u>2017</u> | | |
|-------------------------------------|------------------|------------------|-------------------|---------------------|
| | <u>2016</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance -</u> |
| | <u>Actual</u> | | | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Receipts | | | | |
| Transfer from Sewer Utility Fund | \$ - | \$ 25,000 | \$ 50,000 | \$ (25,000) |
| Transfer from Penalty Clearing Fund | 10,571 | 11,412 | - | 11,412 |
| Transfer from General Fund | 10,000 | 10,000 | - | 10,000 |
| | | | | |
| Total Receipts | <u>20,571</u> | <u>46,412</u> | <u>\$ 50,000</u> | <u>\$ (3,588)</u> |
| Expenditures | | | | |
| Commodities | - | 761 | \$ - | \$ 761 |
| Capital outlay | <u>53,545</u> | <u>4,848</u> | <u>131,211</u> | <u>(126,363)</u> |
| | | | | |
| Total Expenditures | <u>53,545</u> | <u>5,609</u> | <u>\$ 131,211</u> | <u>\$ (125,602)</u> |
| Receipts Over (Under) Expenditures | (32,974) | 40,803 | | |
| Unencumbered Cash, Beginning | <u>60,211</u> | <u>27,237</u> | | |
| Unencumbered Cash, Ending | <u>\$ 27,237</u> | <u>\$ 68,040</u> | | |

CITY OF NICKERSON, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | | <u>2017</u> | | |
|------------------------------------|-----------------|-----------------|------------------|-------------------|
| | <u>2016</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance -</u> |
| | <u>Actual</u> | | | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Receipts | | | | |
| Ad valorem property tax | \$ 19,188 | \$ 18,287 | \$ 18,841 | \$ (554) |
| Delinquent tax | 1,475 | 982 | 592 | 390 |
| Motor vehicle tax | 1,681 | 3,323 | 3,241 | 82 |
| Recreational vehicle tax | 23 | 58 | 61 | (3) |
| 16/20M vehicle tax | 11 | 46 | 20 | 26 |
| Commercial motor vehicle tax | 21 | 8 | 32 | (24) |
| Watercraft tax | - | - | 22 | (22) |
| Total Receipts | <u>22,399</u> | <u>22,704</u> | <u>\$ 22,809</u> | <u>\$ (105)</u> |
| Expenditures | | | | |
| Library appropriations | <u>19,200</u> | <u>20,466</u> | <u>\$ 28,863</u> | <u>\$ (8,397)</u> |
| Receipts Over (Under) Expenditures | 3,199 | 2,238 | | |
| Unencumbered Cash, Beginning | <u>3,232</u> | <u>6,431</u> | | |
| Unencumbered Cash, Ending | <u>\$ 6,431</u> | <u>\$ 8,669</u> | | |

CITY OF NICKERSON, KANSAS

SPECIAL PURPOSE FUNDSPECIAL HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | 2016 Actual | 2017 | | Variance - Over (Under) |
|------------------------------------|----------------|-----------|-----------|-------------------------------|
| | | Actual | Budget | |
| Receipts | | | | |
| City-County highway gas tax | \$ 6,199 | \$ 5,108 | \$ 3,840 | \$ 1,268 |
| State of Kansas gas tax | 27,554 | 27,418 | 27,020 | 398 |
| Reimbursed expenses | - | 1,912 | - | 1,912 |
| Total Receipts | 33,753 | 34,438 | \$ 30,860 | \$ 3,578 |
| Expenditures | | | | |
| Contractual services | 6,000 | 20,000 | \$ 30,000 | \$ (10,000) |
| Commodities | 26,470 | 4,466 | 968 | 3,498 |
| Total Expenditures | 32,470 | 24,466 | \$ 30,968 | \$ (6,502) |
| Receipts Over (Under) Expenditures | 1,283 | 9,972 | | |
| Unencumbered Cash, Beginning | 4,968 | 6,251 | | |
| Unencumbered Cash, Ending | \$ 6,251 | \$ 16,223 | | |

CITY OF NICKERSON, KANSAS

SPECIAL PURPOSE FUNDSPECIAL PARKS AND RECREATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | 2016 Actual | 2017 | | Variance - Over (Under) |
|-------------------------------------|-----------------|-----------------|-----------------|-------------------------------|
| | | Actual | Budget | |
| Receipts | | | | |
| Ad valorem property tax | \$ 3,749 | \$ 3,020 | \$ 3,066 | \$ (46) |
| Delinquent tax | 316 | 150 | 100 | 50 |
| Motor vehicle tax | 328 | 649 | 633 | 16 |
| Recreational vehicle tax | 5 | 11 | 12 | (1) |
| 16/20M vehicle tax | 3 | 9 | 4 | 5 |
| Commercial vehicle tax | 4 | 2 | 6 | (4) |
| Watercraft Tax | - | - | 4 | (4) |
| Total Receipts | <u>4,405</u> | <u>3,841</u> | <u>\$ 3,825</u> | <u>\$ 16</u> |
| Expenditures | | | | |
| Recreation Commission appropriation | 4,000 | 3,999 | \$ - | \$ 3,999 |
| Contractual services | - | - | 4,618 | (4,618) |
| Commodities | 74 | - | - | - |
| Total Expenditures | <u>4,074</u> | <u>3,999</u> | <u>\$ 4,618</u> | <u>\$ (619)</u> |
| Receipts Over (Under) Expenditures | 331 | (158) | | |
| Unencumbered Cash, Beginning | <u>852</u> | <u>1,183</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,183</u> | <u>\$ 1,025</u> | | |

CITY OF NICKERSON, KANSAS

BOND AND INTEREST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | | <u>2017</u> | | |
|------------------------------------|----------------|----------------|-------------------|-------------------|
| | <u>2016</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance -</u> |
| | <u>Actual</u> | | | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Receipts | | | | |
| Ad valorem tax | \$ 25,261 | \$ 29,502 | \$ 30,183 | \$ (681) |
| Delinquent tax | 1,475 | 1,333 | - | 1,333 |
| Motor vehicle tax | 3,569 | 4,020 | 4,188 | (168) |
| 16/20M vehicle tax | 53 | 55 | 26 | 29 |
| Recreational vehicle tax | 58 | 71 | 78 | (7) |
| Watercraft tax | - | - | 28 | (28) |
| Commercial vehicle tax | 25 | 9 | 41 | (32) |
| Transfer from Water Utility Fund | 5,400 | 5,400 | 5,400 | - |
| Transfer from Sewer Utility Fund | 143,185 | 143,185 | 143,185 | - |
| Total Receipts | <u>179,026</u> | <u>183,575</u> | <u>\$ 183,129</u> | <u>\$ 446</u> |
| Expenditures | | | | |
| Principal | 71,672 | 73,048 | \$ 73,048 | \$ - |
| Interest | 112,691 | 110,790 | 110,790 | - |
| Total Expenditures | <u>184,363</u> | <u>183,838</u> | <u>\$ 183,838</u> | <u>\$ -</u> |
| Receipts Over (Under) Expenditures | (5,337) | (263) | | |
| Unencumbered Cash, Beginning | <u>6,208</u> | <u>871</u> | | |
| Unencumbered Cash, Ending | <u>\$ 871</u> | <u>\$ 608</u> | | |

CITY OF NICKERSON, KANSAS

CAPITAL PROJECTS FUNDCOMMUNITY CENTER GRANT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016</u> | <u>2017</u> |
|--|------------------|-------------|
| Receipts | | |
| Transfer from Capital Improvements 1% Sales Tax Fund | \$ 114,786 | \$ - |
| Federal sources | <u>5,000</u> | <u>-</u> |
| Total Receipts | <u>119,786</u> | <u>-</u> |
| Expenditures | | |
| Contractual services | <u>5,000</u> | <u>-</u> |
| Receipts Over (Under) Expenditures | 114,786 | - |
| Unencumbered Cash, Beginning | <u>(114,786)</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ -</u> |

CITY OF NICKERSON, KANSAS

CAPITAL PROJECTS FUNDWALKING TRAIL GRANT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016</u> | <u>2017</u> |
|--|--------------------|-----------------|
| Receipts | | |
| Transfer from Capital Improvements 1% Sales Tax Fund | \$ 10,852 | \$ 32,060 |
| Grant | 39,933 | - |
| Total Receipts | <u>50,785</u> | <u>32,060</u> |
| Expenditures | | |
| Contractual services | 82,365 | - |
| Commodities | 480 | - |
| Total Expenditures | <u>82,845</u> | <u>-</u> |
| Receipts Over (Under) Expenditures | (32,060) | 32,060 |
| Unencumbered Cash, Beginning | <u>-</u> | <u>(32,060)</u> |
| Unencumbered Cash, Ending | <u>\$ (32,060)</u> | <u>\$ -</u> |

CITY OF NICKERSON, KANSAS

BUSINESS FUNDSEWER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | | <u>2017</u> | | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2016</u> | <u>Actual</u> | <u>Budget</u> | <u>Variance -</u> |
| | <u>Actual</u> | | | <u>Over</u> |
| | | | | <u>(Under)</u> |
| Receipts | | | | |
| Fees collected | \$ 183,981 | \$ 181,833 | \$ 191,000 | \$ (9,167) |
| Loan proceeds | 45,000 | 72,857 | - | 72,857 |
| Reimbursed expenses | - | 200 | - | 200 |
| Total Receipts | <u>228,981</u> | <u>254,890</u> | <u>\$ 191,000</u> | <u>\$ 63,890</u> |
| Expenditures | | | | |
| Personal services | 33,727 | 33,439 | \$ 46,000 | \$ (12,561) |
| Contractual services | 68,001 | 64,818 | 33,343 | 31,475 |
| Commodities | 26,307 | 36,283 | 15,000 | 21,283 |
| Capital outlay | 1,970 | - | - | - |
| Transfer to Capital Improvements | 50,000 | 25,000 | 50,000 | (25,000) |
| Transfer to Equipment Reserve Fund | (50,000) | 25,000 | 50,000 | (25,000) |
| Transfer to Bond and Interest Fund | 143,185 | 143,185 | 143,185 | - |
| Total Expenditures | <u>273,190</u> | <u>327,725</u> | <u>\$ 337,528</u> | <u>\$ (9,803)</u> |
| Receipts Over (Under) Expenditures | (44,209) | (72,835) | | |
| Unencumbered Cash, Beginning | <u>405,196</u> | <u>360,987</u> | | |
| Unencumbered Cash, Ending | <u>\$ 360,987</u> | <u>\$ 288,152</u> | | |

CITY OF NICKERSON, KANSAS

BUSINESS FUNDSEWER SYSTEM REPLACEMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016 Actual</u> | <u>2017</u> | | <u>Variance - Over (Under)</u> |
|------------------------------------|------------------------|-----------------|---------------|--|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - |
| Expenditures | | | | |
| Contracted Services | - | - | \$ 3,115 | \$ (3,115) |
| Receipts Over (Under) Expenditures | - | - | | |
| Unencumbered Cash, Beginning | <u>3,115</u> | <u>3,115</u> | | |
| Unencumbered Cash, Ending | <u>\$ 3,115</u> | <u>\$ 3,115</u> | | |

CITY OF NICKERSON, KANSAS

BUSINESS FUNDSOLID WASTE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | 2016 Actual | 2017 | | Variance - Over (Under) |
|------------------------------------|----------------|-----------|-----------|-------------------------------|
| | | Actual | Budget | |
| Receipts | | | | |
| Trash service fees | \$ 62,416 | \$ 64,030 | \$ 61,000 | \$ 3,030 |
| Expenditures | | | | |
| Contractual services | 61,379 | 62,793 | \$ 81,531 | \$ (18,738) |
| Receipts Over (Under) Expenditures | 1,037 | 1,237 | | |
| Unencumbered Cash, Beginning | 24,531 | 25,568 | | |
| Unencumbered Cash, Ending | \$ 25,568 | \$ 26,805 | | |

CITY OF NICKERSON, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | | <u>2017</u> | | <u>Variance - Over (Under)</u> |
|------------------------------------|-------------------|-------------------|-------------------|--|
| | <u>2016</u> | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Sale of water | \$ 178,024 | \$ 179,484 | \$ 200,000 | \$ (20,516) |
| Hookup fees | 2,500 | 2,000 | - | 2,000 |
| Franchise fees | 9,408 | 9,428 | - | 9,428 |
| | | | | |
| Total Receipts | <u>189,932</u> | <u>190,912</u> | <u>\$ 200,000</u> | <u>\$ (9,088)</u> |
| Expenditures | | | | |
| Personal services | 84,322 | 83,599 | \$ 76,222 | \$ 7,377 |
| Contractual services | 31,435 | 20,938 | 80,000 | (59,062) |
| Commodities | 37,391 | 38,170 | 29,000 | 9,170 |
| Capital outlay | - | - | 140,112 | (140,112) |
| Miscellaneous | - | 127 | - | 127 |
| KDHE loan payment | 23,012 | 23,012 | 22,237 | 775 |
| Transfer to Bond and Interest Fund | 5,400 | 5,400 | 5,400 | - |
| | | | | |
| Total Expenditures | <u>181,560</u> | <u>171,246</u> | <u>\$ 352,971</u> | <u>\$ (181,725)</u> |
| Receipts Over (Under) Expenditures | 8,372 | 19,666 | | |
| Unencumbered Cash, Beginning | <u>202,926</u> | <u>211,298</u> | | |
| Unencumbered Cash, Ending | <u>\$ 211,298</u> | <u>\$ 230,964</u> | | |

CITY OF NICKERSON, KANSAS

TRUST FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016 Actual</u> | <u>2017 Actual</u> |
|------------------------------------|------------------------|------------------------|
| Receipts | | |
| Sale of lots | \$ 950 | \$ 1,300 |
| Expenditures | | |
| Contractual services | 3,000 | 1,540 |
| Commodities | - | 487 |
| Total expenditures | <u>3,000</u> | <u>2,027</u> |
| Receipts Over (Under) Expenditures | (2,050) | (727) |
| Unencumbered Cash, Beginning | <u>5,009</u> | <u>2,959</u> |
| Unencumbered Cash, Ending | <u>\$ 2,959</u> | <u>\$ 2,232</u> |

CITY OF NICKERSON, KANSAS

AGENCY FUNDSSCHEDULE OF RECEIPTS AND DISBURSEMENTSRegulatory Basis

For the Year Ended December 31, 2017

| <u>Fund</u> | <u>Beginning Cash Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Ending Cash Balance</u> |
|-------------------------|-----------------------------------|-------------------|----------------------|--------------------------------|
| Sales Tax Clearing Fund | \$ 378 | \$ 2,075 | \$ 2,453 | \$ - |
| Payroll Clearing Fund | 632 | 356,437 | 357,069 | - |
| Deposit Clearing Fund | 246 | 3,741 | 3,987 | - |
| Penalty Clearing Fund | - | 11,533 | 11,412 | 121 |
| Total | <u>\$ 1,256</u> | <u>\$ 373,786</u> | <u>\$ 374,921</u> | <u>\$ 121</u> |

CITY OF NICKERSON, KANSAS

RELATED MUNICIPAL ENTITYLIBRARY BOARDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016</u> | <u>2017</u> |
|------------------------------------|------------------|------------------|
| Receipts | | |
| Appropriations | \$ 19,200 | \$ 20,466 |
| Grants | 9,531 | 9,596 |
| Fines and donations | <u>1,914</u> | <u>1,309</u> |
| Total Receipts | <u>30,645</u> | <u>31,371</u> |
| Expenditures | | |
| Books and periodicals | 1,968 | 1,152 |
| Payroll | 14,879 | 15,209 |
| Payroll taxes | 3,258 | 4,100 |
| Supplies and materials | 3,289 | 2,462 |
| Capital outlay | - | 2,586 |
| Utilities | 4,484 | 4,349 |
| Grant Expenditures | <u>2,600</u> | <u>2,600</u> |
| Total Expenditures | <u>30,478</u> | <u>32,458</u> |
| Receipts Over (Under) Expenditures | 167 | (1,087) |
| Unencumbered Cash, Beginning | <u>11,545</u> | <u>11,712</u> |
| Unencumbered Cash, Ending | <u>\$ 11,712</u> | <u>\$ 10,625</u> |

CITY OF NICKERSON, KANSAS

RELATED MUNICIPAL ENTITYRECREATION COMMISSIONSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

| | <u>2016</u> | <u>2017</u> |
|------------------------------------|-----------------|-----------------|
| Receipts | | |
| Appropriations | \$ 4,000 | \$ 4,000 |
| Fees, etc. | <u>2,345</u> | <u>2,360</u> |
| Total Receipts | <u>6,345</u> | <u>6,360</u> |
| Expenditures | | |
| Payroll | 1,600 | 3,645 |
| Repairs | - | 28 |
| Miscellaneous | 243 | 803 |
| Program costs | <u>4,796</u> | <u>2,663</u> |
| Total Expenditures | <u>6,639</u> | <u>7,139</u> |
| Receipts Over (Under) Expenditures | (294) | (779) |
| Unencumbered Cash, Beginning | <u>2,350</u> | <u>2,056</u> |
| Unencumbered Cash, Ending | <u>\$ 2,056</u> | <u>\$ 1,277</u> |