

CITY OF WELLSVILLE
WELLSVILLE, KANSAS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
AND

INDEPENDENT AUDITORS' REPORTS

Gregg A. Neis CPA

CERTIFIED PUBLIC ACCOUNTANT

CITY OF WELLSVILLE
WELLSVILLE, KANSAS

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CITY OF WELLSVILLE
WELLSVILLE, KANSAS

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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

January 4, 2019

The Honorable Mayor and City Council
City of Wellsville, Kansas

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Wellsville, Kansas and related municipal entity (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 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.

Auditors' Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I 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 I 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, I 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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a regulatory 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my 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 my 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 *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Regulatory Required Supplementary Information

My 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 disbursements-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 *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my 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.

I also previously audited in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Wellsville, Kansas and related municipal entity, as of and for the year ended December 31, 2016(not presented herein), and issued my report thereon dated July 26, 2017, which contained an unmodified opinion on the basis 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 web address <http://admin.ks.gov/offices/chief-financial-officer/municipal-services> .The 2016 actual columns (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) are presented for 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 my opinion, the 2016 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the the year ended December 31, 2017, on the basis of accounting described in Note 1.


Gregg A. Neis CPA

CITY OF WELLSVILLE, KANSAS

Summary of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2017

<u>Funds</u>	Beginning Unencumbered Balance	Prior Year Cancelled Encumbrance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General	\$ 275,425	\$ -	\$ 862,486	\$ 825,237	\$ 312,674	\$ 13,000	\$ 325,674
Special Revenue Funds:							
Employee Benefit	54,472		82,059	52,997	83,534	-	83,534
Special Tort Claim	3,149		25,806	27,300	1,655	-	1,655
Library	3,404		75,416	74,625	4,195	-	4,195
Library Employee Benefit	356		7,357	7,265	448	-	448
Capital Improvement	49,282		2	-	49,284	-	49,284
Special Highway	557		48,404	47,366	1,595	-	1,595
Special Machinery	-		-	-	-	-	-
Combined Sales Tax Improvement	332,655		188,115	168,052	352,718	-	352,718
Fire Improvement Reserve	31,755		-	-	31,755	-	31,755
Police Improvement Reserve	39,708		26,626	17,776	48,558	-	48,558
Park Improvement Reserve	7,187		2	-	7,189	-	7,189
Street Improvement Reserve	134,000		42,500	-	176,500	-	176,500
Public Works Equipment Reserve	52,121		15,004	9,230	57,895	-	57,895
Employee Benefit Trust Reserve	15,449		18,944	21,119	13,274	-	13,274
Capital Improvement Engineer/Design Reserve	74,600		-	-	74,600	-	74,600
Capital Project Fund:							
Pool Improvement	-		42,032		42,032		42,032
Debt Service Fund:							
Bond and Interest	32,788		34,658	21,690	45,756	-	45,756
Proprietary Type Funds:							
Water/ Sewer Utility Operating	393,791		881,773	817,582	457,982	-	457,982
Water/ Sewer Utility Reserve	164,310		120	12,015	152,415	-	152,415
NonExpendable Trust Funds							
Cemetery Perpetual Care	42,683		57	25	42,715	-	42,715
Total Primary Government	<u>\$ 1,707,892</u>	<u>\$ -</u>	<u>\$ 2,351,361</u>	<u>\$ 2,102,279</u>	<u>\$ 1,956,774</u>	<u>\$ 13,000</u>	<u>\$ 1,969,774</u>
							<u>14,202</u>
Component Unit							
Library Board	95,869	-	105,790	108,732	92,727	-	92,727
Library Board Building Reserve	127,825	-	67,216	-	195,041	-	195,041
Total Component Unit	<u>223,494</u>	<u>-</u>	<u>173,006</u>	<u>108,732</u>	<u>287,768</u>	<u>-</u>	<u>287,768</u>
Total Reporting Entity	<u>\$ 1,931,186</u>	<u>\$ -</u>	<u>\$ 2,524,367</u>	<u>\$ 2,211,011</u>	<u>\$ 2,244,542</u>	<u>\$ 13,000</u>	<u>\$ 2,257,542</u>
							<u>\$ 1,969,774</u>
							<u>92,727</u>
							<u>195,041</u>
							<u>287,768</u>
							<u>\$ 2,257,542</u>
							<u>\$ 1,969,774</u>
							<u>92,727</u>
							<u>195,041</u>
							<u>287,768</u>
							<u>\$ 2,257,542</u>

Landmark National Bank, Wellsville, Kansas
Checking accounts \$ 1,312,180
Savings accounts 243,392
Certificates of deposit 400,000

The Gardner Bank
Certificates of deposit 14,202

Total Primary Government Cas 1,969,774
Total Component Unit Cash 287,768
Total Reporting Entity \$ 2,257,542

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

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

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

Related Municipal Entity. The Wellsville City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies taxes for the Library's operations. The Library is presented as a governmental fund type. Complete financial statements are available for the Library for the year ended December 31, 2017.

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 revenues 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.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES – Continued

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the City:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Fund - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Project Fund - – to account for resources designated to construct or acquire capital facilities and improvements (other than those financed by proprietary funds and trust funds).

Debt Service Fund - to account for the accumulation of resources for, and the payment of, general long-term obligation principal and interest, and the financing of special assessments which are general obligations of the city.

Proprietary funds:

Enterprise funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds

Trust and Agency Funds - to account for the assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds.

Deposits and Investments

Deposits

K.S. A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold 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.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES – Continued

Deposits and Investments Continued

Investments. K.S. A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US 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.

At year end the carrying amount of the City's deposits, was \$ 1,969,774. The bank balance was \$2,019,646. The majority of the bank balance was held at one bank resulting in a concentration of credit risk. Of the bank balance, \$264,202 was covered by FDIC insurance and the remaining \$1,755,444 was collateralized by securities held by the pledging institution's agents in the City's name.

Custodial credit risk- deposits. Custodial credit risk is the risk that in event of a bank failure, the City's deposits in financial institutions to be entirely covered by federal depository insurance(FDIC) or 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 December 31, 2017.

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the current year. The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures.

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

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES – Continued

A legal operating budget is not required for capital projects funds, agency funds and the following special revenue funds:

Utility Reserve Fund	Capital Improvement Design Reserve Fund
Special Machinery Fund	Fire Improvement Reserve Fund
Police Improvement Reserve Fund	Park Improvement Reserve Fund
Street Improvement Reserve Fund	Public Works Improvement Reserve

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

NOTE 2 – LONG TERM DEBT

On March 27, 2003, the city of Wellsville, Kansas issued general obligation bonds in the amount of \$209,163 with interest rate of 4.25% to 5.00% to provide funds for the retirement of the 2002 Temporary Note issued for the West Wellsville Benefit District capital project. Principal of, and interest on, the bonds are payable from special assessment's ad valorem taxes which have been levied on property located within the Benefit District. Principal payments of \$4,163 begin September 1, 2004 and are due annually thereafter thru September 1, 2018. At December 31, 2017, the remaining principal balance was \$20,000.

The City has entered into lease agreements for the acquisition of equipment in the current and prior years including police cars, automated water meters, and computer software. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of lease term).

The City of Wellsville, Kansas entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) effective as of May 26, 2001 and Amendment No.3 effective as of September 6, 2016 whereby KDHE will loan an amount not to exceed \$2,791,976 to the City for the purpose of financing wastewater treatment facilities. The loan agreement provides for interest at 3.11% per annum on the unpaid principal balance and requires the City to collect revenues from the wastewater treatment system sufficient in amount to pay the cost of the operation and maintenance of the wastewater treatment system, pay the principal of and interest on the loan as and when the same become due, and pay all other amounts due under the loan agreement. Loan payments of \$99,209 began March 1, 2016 and are due semi-annually thereafter thru March 1, 2024. At December 31, 2017, the remaining principal balance was \$1,210,157. The following schedule shows the changes in long-term debt and related maturities.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 2 – LONG TERM DEBT – Continued

Issue and Date	Interest Rate	Original Amount	Balance 1/1/2017	Additions	Principal Payments	Balance 12/31/2017	Interest Paid
3/1/2003 Special Assessment	4.25% - 5.00%	\$ 209,163	\$ 40,000	\$ -	\$ 20,000	\$ 20,000	\$ 1,690
Equipment Capital Leases	2.71% - 5.00%	\$ 407,101	\$ 281,791	\$ 83,242	\$ 72,853	\$ 292,180	\$ 8,432
5/31/2001 KDHE Revolving Loan	3.11%	\$ 2,651,611	\$ 1,210,157	\$ -	\$ 166,248	\$ 1,043,909	\$ 36,371
Total Indebtedness		\$ 3,269,875	\$ 1,531,948	\$ 83,242	\$ 259,101	\$ 1,356,089	\$ 46,493

Maturity Schedule

	Principal Due	Interest Due
2018	\$274,758	\$42,469
2019	\$263,080	\$32,460
2020	\$252,805	\$23,867
2021	\$240,365	\$15,923
2022	\$161,736	\$8,835
thereafter	<u>\$163,345</u>	<u>\$3,819</u>
	<u>\$ 1,356,089</u>	<u>\$ 127,373</u>

NOTE 3- DEFINED BENEFIT PENSION PLAN

The City of Wellsville Kansas 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 KPERS (611 South Kansas Avenue; Topeka, KS 66603-3803) 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 structure 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 on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 3 – DEFINED BENEFIT PENSION PLAN – Continued

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0 % moratorium for the period of January 1, 2017 to 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. The City's employer contributions to KPERS for the year ending December 31, 2017, were \$ 33,876 equal to the statutory required contributions for the year.

Net Pension Liability: At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$ 324,541. 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 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 contribution to KPERS relative to the total employer and non-employer contributions of the Local subgroup of KPERS. Since the KMMAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements. The complete actuarial valuation report may be obtained from the web site of KPERS at the following link www.kpers.org.

NOTE 4 - COMPENSATED ABSENCES

The City's policy regarding vacation leave allows employees to earn vacation time based upon length of service. Annual vacation time is payable upon termination of employment. Sick leave may be accumulated to a maximum of 90 days. Upon termination of employment, all accrued sick leave shall be lost and have no monetary value except when the employee retires, is permanently disabled or dies. At December 31, 2017, the City has estimated the cost of accumulated sick pay or vacation time at \$ 7,108.

NOTE 5 – CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Pool Improvement	\$ 99,000	\$ -
Water Tower Improvement	<u>89,950</u>	<u>-</u>
	<u>\$ 188,950</u>	<u>\$ -</u>

CITY OF WELLSVILLE
WELLSVILLE, KANSAS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

NOTE 6 - INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Public Works Equip Reserve	K.S.A. 12-1117	\$ 15,000
General Fund	Street Improvement Reserve	K.S.A. 12-1119	40,000
General Fund	Police Improvement Reserve	K.S.A. 12-1117	20,000
General Fund	Pool Improvement Project	K.S.A. 12-1118	<u>42,032</u>
Total General Fund Transfers			\$ <u>117,032</u>
Employee Benefit	Employee Benefit Trust	K.S.A. 12-16,102	\$ <u>2,000</u>

NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance-Related Legal and Contractual Provisions

Management was not aware of statutory violations.

NOTE 8 – LITIGATION

The City is a party to various claims, none of which is expected to have a material financial impact on the City.

NOTE 9 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through November 28, 2018, the date which the financial statements were available to be issued. The water tower improvement project approved in August 2017 was completed in May 2018 for \$95,250. The pool improvement project approved in November 2017 was completed in May 2018 for \$ 110,046. On November 20, 2018 the City issued \$1,940,000 Series 2018 general obligation bonds to finance capital improvements with annual payments due of \$184,625 beginning in 2020 with an interest rate of 3.5 to 5 %.

CITY OF WELLSVILLE, KANSAS

Summary of Expenditures – Actual and Budget
 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 Favorable (Unfavorable)</u>
Governmental Type Funds:					
General	\$ 843,074	\$ -	\$ 843,074	\$ 825,237	\$ 17,837
Special Revenue Funds:					
Employee Benefit	105,060	-	105,060	50,997	54,063
Special Tort Claim	27,300	-	27,300	27,300	-
Library	74,625	-	74,625	74,625	-
Library Employee Benefit	7,265	-	7,265	7,265	-
Capital Improvement	88,470	-	88,470	-	88,470
Special Highway	47,366	-	47,366	47,366	-
Special Machinery	-	-	-	-	-
Combined Sales Tax Improvement	509,529	-	509,529	78,906	430,623
Debt Service Fund:					
Bond and Interest	27,100	-	27,100	21,690	5,410
Proprietary Type Funds:					
Water/ Sewer Utility Operating	1,138,650	-	1,138,650	817,582	321,068

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS
General Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For the year ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Current Year		Variance	Prior Year
	Budget	Actual	Favorable (Unfavorable)	Actual
Cash Receipts				
Ad Valorem Property Taxes	\$ 398,842	\$ 403,698	\$ 4,856	\$ 362,634
Delinquent Property Tax	-	4,948	4,948	7,939
Motor Vehicle Taxes	48,382	52,869	4,487	46,310
Rec. Vehicle Tax	907	1,184	277	828
Commercial Vehicle/Watercraft	714	1,983	1,269	1,476
Local Sales Tax	125,000	186,622	61,622	177,697
Local Alcoholic Liquor Tax	550	585	35	580
Utility Franchise Tax	45,000	58,543	13,543	61,008
Police Fines	18,000	22,729	4,729	37,979
Building Permits	2,000	30,824	28,824	22,979
License and Permits	-	983	983	1,275
Swimming Pool Admissions	7,500	9,806	2,306	11,439
Cemetery Fees	2,500	7,725	5,225	8,000
Fire Station Rent	26,400	26,400	-	26,400
Reimbursed Expenses	-	52,949	52,949	27,784
Interest on Idle Funds	-	638	638	612
Total Cash Receipts	<u>675,795</u>	<u>862,486</u>	<u>186,691</u>	<u>794,940</u>
Expenditures				
General Administration	134,000	129,307	4,693	142,173
General Administration Court	11,400	5,916	5,484	
Police Department	264,000	308,727	(44,727)	260,670
Fire Department	20,000	5,537	14,463	5,248
Parks Department	24,300	15,212	9,088	6,160
Pool Operations	34,000	33,802	198	40,969
Street Department	137,200	105,883	31,317	119,236
Planning Department	37,800	37,174	626	36,292
Public Works - Salary Benefits	23,032			
Public Works - Engineering and Design	34,530	5,850	28,680	5,855
Police Communications	28,000	42,412	(14,412)	9,839
Bea Peck Animal Shelter	1,030	1,000	30	-
Cemetery Maintenance	25,750	17,385	8,365	24,513
Total expenditures	<u>775,042</u>	<u>708,205</u>	<u>66,837</u>	<u>650,955</u>
Receipts Over (Under) Expenditures	<u>(99,247)</u>	<u>154,281</u>	<u>253,528</u>	<u>143,985</u>
Other Financing Sources (Uses)				
Capital Lease Proceeds		-	-	
Operating transfers out	(68,032)	(117,032)	(49,000)	(163,670)
Total other financing sources (uses)	<u>(68,032)</u>	<u>(117,032)</u>	<u>(49,000)</u>	<u>(163,670)</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>(167,279)</u>	<u>37,249</u>	<u>204,528</u>	<u>(19,685)</u>
Unencumbered Cash Balance - Beginning	167,279	275,425	108,146	295,110
Prior Year Cancelled Encumbrance		-	-	-
Unencumbered Cash Balance - Ending	<u>\$ -</u>	<u>\$ 312,674</u>	<u>\$ 312,674</u>	<u>\$ 275,425</u>

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Employee Benefit FundSchedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			
	Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
Cash Receipts				
Ad Valorem Property Taxes	\$ 67,815	\$ 68,662	\$ 847	\$ 79,546
Delinquent Property Tax		1,131	1,131	1,978
Motor Vehicle Taxes	10,606	11,577	971	9,539
Commercial Vehicle/Watercraft	157	430		335
Rec. Vehicle Tax	199	259		169
Interest on Idle Funds	-	-	-	
Total Cash Receipts	<u>78,777</u>	<u>82,059</u>	<u>3,282</u>	<u>91,567</u>
Expenditures				
Social Security Payroll Taxes	37,000	27,821	9,179	23,509
Unemployment Taxes	4,000	345	3,655	558
KPERS Retirement	29,060	22,831	6,229	23,808
Insurance Health Life	35,000	-	35,000	24,859
Employee Retirement Benefit	-	-	-	
Total expenditures	<u>105,060</u>	<u>50,997</u>	<u>54,063</u>	<u>72,734</u>
Receipts Over (Under) Expenditures	<u>(26,283)</u>	<u>31,062</u>	<u>57,345</u>	<u>18,833</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Operating transfers out		(2,000)	2,000	-
Total other financing sources (uses)	<u>-</u>	<u>(2,000)</u>	<u>2,000</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>(26,283)</u>	<u>29,062</u>	<u>59,345</u>	<u>18,833</u>
Unencumbered Cash Balance - Beginning	<u>26,283</u>	<u>54,472</u>	<u>28,189</u>	<u>35,639</u>
Unencumbered Cash Balance - Ending	<u>\$ -</u>	<u>\$ 83,534</u>	<u>\$ 87,534</u>	<u>\$ 54,472</u>

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Special Tort Claim FundSchedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			
	Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
Cash Receipts				
Ad Valorem Property Taxes	\$ 22,348	\$ 22,620	\$ 272	\$ 16,381
Delinquent Property Tax		278	278	502
Special Assessment Weed Control		360	360	1,148
Motor Vehicle Taxes	2,183	2,400	217	2,863
Commercial Vehicle/Watercraft	32	106		93
Rec. Vehicle Tax & 60/2	41	42	1	51
Total Cash Receipts	<u>24,604</u>	<u>25,806</u>	<u>1,202</u>	<u>21,038</u>
Expenditures				
Insurance Property and Liability	<u>27,300</u>	<u>27,300</u>	-	<u>26,500</u>
Total expenditures	<u>27,300</u>	<u>27,300</u>	-	<u>26,500</u>
Receipts Over (Under) Expenditures	<u>(2,696)</u>	<u>(1,494)</u>	<u>1,202</u>	<u>(5,462)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) and Expenditures and Other Uses	<u>(2,696)</u>	<u>(1,494)</u>	<u>1,202</u>	<u>(5,462)</u>
Unencumbered Cash Balance - Beginning	<u>2,696</u>	<u>3,149</u>	<u>453</u>	<u>8,611</u>
Unencumbered Cash Balance - Ending	<u>\$ -</u>	<u>\$ 1,655</u>	<u>\$ 1,655</u>	<u>\$ 3,149</u>

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Library Levy Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			
	Budget	Actual	Variance Favorable (Unfavorable)	Prior Year Actual
LIBRARY FUND				
Cash Receipts				
Ad Valorem Property Taxes	\$ 64,913	\$ 65,714	\$ 801	\$ 57,318
Delinquent Property Tax		819	819	1,383
Motor Vehicle Taxes	7,645	8,375	730	8,414
Commercial Vehicle/Watercraft	113	320		267
Rec. Vehicle Tax	143	188	45	151
Total Cash Receipts	72,814	75,416	2,395	67,533
Expenditures				
Appropriation to Library Board	74,625	74,625	-	72,450
Total expenditures	74,625	74,625	-	72,450
Receipts Over (Under) Expenditures	(1,811)	791	2,602	(4,917)
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(1,811)	791	2,602	(4,917)
Unencumbered Cash Balance - Beginning	1,811	3,404	1,593	8,321
Unencumbered Cash Balance - Ending	\$ -	\$ 4,195	\$ 4,195	\$ 3,404
LIBRARY EMPLOYEE BENEFITS				
Cash Receipts				
Ad Valorem Property Taxes	\$ 6,351	\$ 6,427	\$ 76	\$ 5,437
Delinquent Property Tax		85	85	153
Motor Vehicle Taxes	726	796	70	918
Commercial Vehicle/Watercraft	11	31	20	29
Rec. Vehicle Tax & 60/2	14	18	4	16
Total Cash Receipts	7,102	7,357	255	6,553
Expenditures				
Appropriation to Library Board	7,265	7,265	-	7,265
Total expenditures	7,265	7,265	-	7,265
Receipts Over (Under) Expenditures	(163)	92	255	(712)
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(163)	92	255	(712)
Unencumbered Cash Balance - Beginning	163	356	193	1,068
Unencumbered Cash Balance - Ending	\$ -	\$ 448	\$ 448	\$ 356

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Capital Improvement FundSchedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2017

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

	<u>Current Year</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Cash Receipts				
Park Impact Fees	\$ -	\$ -	\$ -	\$ -
Reimbursed Expenses	-	-	-	37,629
Investment Income	-	2	2	2
Total Cash Receipts	<u>-</u>	<u>2</u>	<u>2</u>	<u>37,631</u>
 Expenditures				
Roof Replacement	-	-	-	52,985
Building Improvements	88,470	-	88,470	15,815
Total expenditures	<u>88,470</u>	<u>-</u>	<u>88,470</u>	<u>68,800</u>
 Receipts Over (Under) Expenditures	<u>(88,470)</u>	<u>2</u>	<u>88,472</u>	<u>(31,169)</u>
 Other Financing Sources (Uses)				
Operating transfers in	21,670	-	(21,670)	21,670
Total other financing sources (uses)	<u>21,670</u>	<u>-</u>	<u>(21,670)</u>	<u>21,670</u>
 Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>(66,800)</u>	<u>2</u>	<u>66,802</u>	<u>(9,499)</u>
Unencumbered Cash Balance - Beginning	66,800	49,282	(7,601)	58,781
Prior Year Cancelled Encumbrance			-	
 Unencumbered Cash Balance - Ending	<u>\$ -</u>	<u>\$ 49,284</u>	<u>\$ 59,201</u>	<u>\$ 49,282</u>

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Special Highway Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			
	Budget	Actual	Variance- Favorable (Unfavorable)	Prior Year Actual
Cash Receipts				
State Payments Gas Tax	\$ 47,290	\$ 48,404	\$ 1,114	\$ 48,291
Total Cash Receipts	47,290	48,404	1,114	48,291
Expenditures				
Streets and Highways	47,366	47,366	-	48,300
Total expenditures	47,366	47,366	-	48,300
Receipts Over (Under) Expenditures	(76)	1,038	1,114	(9)
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(76)	1,038	1,114	(9)
Unencumbered Cash Balance - Beginning	76	557	481	566
Unencumbered Cash Balance - Ending	\$ -	\$ 1,595	\$ 1,595	\$ 557

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Special Machinery Fund

Schedule of Receipts and Expenditures – Actual and Budget

Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			Prior Year
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Cash Receipts				
Insurance reimbursement	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	-	-
Expenditures				
Streets and Highways	-	-	-	-
Public Works Equipment	-	-	-	4,198
Total expenditures	-	-	-	4,198
Receipts Over (Under) Expenditures	-	-	-	(4,198)
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Total other financing sources (used)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	-	-	-	(4,198)
Unencumbered Cash Balance - Beginning				4,198
Unencumbered Cash Balance - Ending	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Combined Sales Tax Improvement Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the year ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Current Year			Prior Year
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Cash Receipts				
Local Sales Tax	184,190	188,115	3,925	167,434
Reimbursed Expenses	-	-	-	-
Investment Income	-	-	-	-
Total Cash Receipts	<u>184,190</u>	<u>188,115</u>	<u>3,925</u>	<u>167,434</u>
Expenditures				
Street Improvements	-	-	-	-
Sidewalk Improvements	-	63,439	(63,439)	-
Building Improvements	-	-	-	-
Utility Improvements	531,835	15,467	516,368	266,312
Total expenditures	<u>531,835</u>	<u>78,906</u>	<u>452,929</u>	<u>266,312</u>
Receipts Over (Under) Expenditures	<u>(347,645)</u>	<u>109,209</u>	<u>456,854</u>	<u>(98,878)</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	-	-
Capital Lease Automated Utility		(53,670)	(53,670)	201,754
KDHE Revolving Loan Payments		(35,476)	(35,476)	(35,476)
Operating transfers out	(100,000)	-	100,000	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(89,146)</u>	<u>10,854</u>	<u>166,278</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>(447,645)</u>	<u>20,063</u>	<u>467,708</u>	<u>67,400</u>
Unencumbered Cash Balance - Beginning	<u>447,645</u>	<u>332,655</u>	<u>(114,990)</u>	<u>265,255</u>
Prior Year Cancelled Encumbrance			-	
Unencumbered Cash Balance - Ending	<u>\$ -</u>	<u>\$ 352,718</u>	<u>\$ 352,718</u>	<u>\$ 332,655</u>

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Equipment Reserve Fund

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2017

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

	Current Year Actual	Prior Year Actual
Fire Improvement Reserve		
Cash Receipts		
Memorials and other donations	\$ -	\$ -
Equipment grant	-	-
Total Cash Receipts	-	-
Expenditures		
Capital Improvements	-	-
Total expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	-	-
Unencumbered Cash Balance - Beginning	31,755	31,755
Unencumbered Cash Balance - Ending	\$ 31,755	\$ 31,755
<i>*This fund is not required to be budgeted.</i>		
	Current Year Actual	Prior Year Actual
Police Improvement Reserve		
Cash Receipts		
Reimbursed Expenses	\$ 6,626	\$ 7,815
Memorials and other donations	-	5,000
Total Cash Receipts	6,626	12,815
Expenditures		
Capital Improvements	17,776	25,975
Total expenditures	17,776	25,975
Receipts Over (Under) Expenditures	(11,150)	(13,160)
Other Financing Sources (Uses)		
Operating transfers in	20,000	20,000
Total other financing sources (uses)	20,000	20,000
Receipts and Other Sources Over (Under) Expenditures and Other Uses	8,850	6,840
Unencumbered Cash Balance - Beginning	39,708	32,868
Unencumbered Cash Balance - Ending	\$ 48,558	\$ 39,708
<i>*This fund is not required to be budgeted.</i>		

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Equipment Reserve Fund
Schedule of Receipts and Expenditures – Actual Only*
Regulatory Basis
For the year ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Current Year Actual	Prior Year Actual
Park Improvement Reserve		
Cash Receipts		
Memorials and other donations	\$ -	\$ -
Park Impact Fees	-	-
Investment Income	2	2
Total Cash Receipts	<u>2</u>	<u>2</u>
Expenditures		
Capital Improvements	-	-
Total expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	<u>2</u>	<u>2</u>
Other Financing Sources (Uses)		
Operating transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>2</u>	<u>2</u>
Unencumbered Cash Balance - Beginning	<u>7,187</u>	<u>7,185</u>
Unencumbered Cash Balance - Ending	<u>\$ 7,189</u>	<u>\$ 7,187</u>

*This fund is not required to be budgeted.

	Current Year Actual	Prior Year Actual
Street Improvement Reserve		
Cash Receipts		
Reimbursed Expenses	\$ 2,500	\$ 2,500
Memorials and other donations	-	-
Total Cash Receipts	<u>2,500</u>	<u>2,500</u>
Expenditures		
Capital Improvements	-	-
Total expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	<u>2,500</u>	<u>2,500</u>
Other Financing Sources (Uses)		
Operating transfers in	40,000	40,000
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>42,500</u>	<u>42,500</u>
Unencumbered Cash Balance - Beginning	<u>134,000</u>	<u>91,500</u>
Unencumbered Cash Balance - Ending	<u>\$ 176,500</u>	<u>\$ 134,000</u>

*This fund is not required to be budgeted.

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Equipment and Employee Benefit Trust Reserve
Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2017

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

	Current Year Actual	Prior Year Actual
Public Works Equipment Reserve		
Cash Receipts		
Investment Income	\$ 4	\$ 3
Equipment grant	-	-
Total Cash Receipts	<u>4</u>	<u>3</u>
Expenditures		
Capital Improvements	<u>9,230</u>	<u>13,641</u>
Total expenditures	<u>9,230</u>	<u>13,641</u>
Receipts Over (Under) Expenditures	<u>(9,226)</u>	<u>(13,638)</u>
Other Financing Sources (Uses)		
Operating transfers in	<u>15,000</u>	<u>15,000</u>
Total other financing sources (uses)	<u>15,000</u>	<u>15,000</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>5,774</u>	<u>1,362</u>
Unencumbered Cash Balance - Beginning	<u>52,121</u>	<u>50,759</u>
Unencumbered Cash Balance - Ending	<u>\$ 57,895</u>	<u>\$ 52,121</u>

**This fund is not required to be budgeted.*

	Current Year Actual	Prior Year Actual
Employee Benefit Trust Reserve		
Cash Receipts		
Investment Income	\$ 1	\$ 2
Employee medical deductible contributions	<u>16,943</u>	<u>31,843</u>
Total Cash Receipts	<u>16,944</u>	<u>31,845</u>
Expenditures		
Employee medical deductible payments	<u>21,119</u>	<u>20,356</u>
Total expenditures	<u>21,119</u>	<u>20,356</u>
Receipts Over (Under) Expenditures	<u>(4,175)</u>	<u>11,489</u>
Other Financing Sources (Uses)		
Operating transfers in	<u>2,000</u>	<u>2,000</u>
Operating transfers out	<u>-</u>	<u>(5,410)</u>
Total other financing sources (uses)	<u>2,000</u>	<u>(3,410)</u>
Receipts and Other Sources Over (Under) Expenditures and Other Uses	<u>(2,175)</u>	<u>8,079</u>
Unencumbered Cash Balance - Beginning	<u>15,449</u>	<u>7,370</u>
Unencumbered Cash Balance - Ending	<u>\$ 13,274</u>	<u>\$ 15,449</u>

**This fund is not required to be budgeted.*

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Capital Improvement Engineer/Design Reserve
 Schedule of Receipts and Expenditures – Actual Only*
 Regulatory Basis

For the year ended December 31, 2017

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

	Current Year Actual	Prior Year Actual
Capital Improvement Engineer/Design Reserve		
Cash Receipts		
Investment Income	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures		
Capital Improvements	-	-
Total expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Other Financing Sources (Uses)		
Operating transfers in	-	65,000
Total other financing sources (uses)	-	65,000
Receipts and Other Sources Over (Under)		
Expenditures and Other Uses	-	65,000
Unencumbered Cash Balance - Beginning	74,600	9,600
Unencumbered Cash Balance - Ending	<u>\$ 74,600</u>	<u>\$ 74,600</u>

**This fund is not required to be budgeted.*

See independent auditor's report on the required supplementary information.

CITY OF WELLSVILLE, KANSAS

Bond and Interest FundSchedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			
	Budget	Actual	Variance- Favorable (Unfavorable)	Prior Year Actual
Cash Receipts				
Ad Valorem Property Taxes	\$ -	\$ -	\$ -	\$ -
Delinquent Property Tax		12,968	12,968	-
Motor Vehicle Taxes	-	-	-	-
Rec. Vehicle Tax & 60/2	-	-	-	-
West Benefit District Special Assessments		21,690	21,690	9,542
Total Cash Receipts	-	34,658	34,658	9,542
Expenditures				
Bond Principal	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Bond Interest	2,100	1,690	410	2,510
Temporary Note Interest	-	-	-	-
Bond Commission and Fees	-	-	-	-
Total expenditures	22,100	21,690	410	22,510
Receipts Over (Under) Expenditures	(22,100)	12,968	35,068	(12,968)
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(22,100)	12,968	35,068	(12,968)
Unencumbered Cash Balance - Beginning	32,410	32,788	378	45,756
Unencumbered Cash Balance - Ending	\$ 10,310	\$ 45,756	\$ 35,446	\$ 32,788

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Water/Sewer Utility Operating Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis

For the year ended December 31, 2017

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

	Current Year			
	Budget	Actual	Variance- Favorable (Unfavorable)	Prior Year Actual
Cash Receipts				
Utility Usage Charges	\$ 730,000	\$ 875,242	\$ 145,242	\$ 754,422
Utility Connection Tap Fees		-	-	3,720
Tank Collections	-	632	632	-
Utility Deposits and Charges		5,352	5,352	11,385
Refuse Charges	100,000		(100,000)	
Reimbursed Expenses	32,500	141	(32,359)	27,339
Investment income		406	406	771
Total Cash Receipts	862,500	881,773	19,273	797,637
Operating Expenditures				
Cost of Water	250,000	241,278	8,722	187,547
Water Office Payroll	36,000	29,859	6,141	33,321
Water Office Services and Supplies	37,000	47,203	(10,203)	46,236
Payroll Taxes and Benefits	51,500	29,679	21,821	48,461
Transmission and Distribution Payroll	134,000	94,126	39,874	106,289
Transmission and Distribution Services	36,000	26,193	9,807	25,619
Transmission and Distribution Supplies	45,000	23,035	21,965	23,586
Sewer Operation Expenses	144,200	59,974	84,226	110,573
Contractual Refuse Service	100,000	93,205		
Improvements	114,800		114,800	
Sales Tax	5,150	5,887	(737)	4,622
Total Operating expenditures	953,650	650,439	296,416	586,254
Receipts Over (Under) Expenditures	(91,150)	231,334	322,484	211,383
Other Financing Sources (Uses)				
KDHE Revolving Loan Payments	(185,000)	(167,143)	17,857	(167,143)
Operating transfers in	100,000	-	(100,000)	5,410
Operating transfers out	-	-	-	-
Total other financing sources (uses)	(85,000)	(167,143)	(82,143)	(161,733)
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(176,150)	64,191	240,341	49,650
Unencumbered Cash Balance - Beginning	204,908	393,791	188,883	344,141
Unencumbered Cash Balance - Ending	\$ 28,758	\$ 457,982	\$ 429,224	\$ 393,791

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS
Capital Project Fund
 Pool Improvement
 Schedule of Receipts and Expenditures – Actual Only*
 Regulatory Basis
 For the year ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>
Cash Receipts		
Miscellaneous	\$ -	\$ -
Total Cash Receipts		
Expenditures		
Capital Improvements	-	-
Total expenditures	-	-
Receipts Over (Under) Expenditures		
Other Financing Sources (Uses)		
Operating transfers in	42,032	
Total other financing sources (uses)	42,032	-
Receipts and Other Sources Over (Under)		
Expenditures and Other Uses	42,032	
Unencumbered Cash Balance - Beginning		
Unencumbered Cash Balance - Ending	<u>\$ 42,032</u>	<u>\$ -</u>

*This fund is not required to be budgeted.

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Water/Sewer Utility Reserve Fund

Schedule of Receipts and Expenditures – Actual Only*

Regulatory Basis

For the year ended December 31, 2017

(With Comparative Actual Amounts for the Year Ended December 31, 2015)

	Current Year Actual	Prior Year Actual
Cash Receipts		
Utility Connection Impact Fees	\$ -	\$ -
Investment Income	120	45
Total Cash Receipts	<u>120</u>	<u>45</u>
Expenditures		
Capital Improvements	12,015	-
Total expenditures	<u>12,015</u>	<u>-</u>
Receipts Over (Under) Expenditures	<u>(11,895)</u>	<u>45</u>
Other Financing Sources (Uses)		
Operating transfers out	-	-
Operating transfers in	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Receipts and Other Sources Over (Under)		
Expenditures and Other Uses	(11,895)	45
Unencumbered Cash Balance - Beginning	<u>164,310</u>	<u>164,265</u>
Unencumbered Cash Balance - Ending	<u>\$ 152,415</u>	<u>\$ 164,310</u>

**This fund is not required to be budgeted.*

CITY OF WELLSVILLE, KANSAS

Cemetery Perpetual Care FundSchedule of Receipts and Expenditures – Actual Only*
Regulatory Basis

For the year ended December 31, 2017

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

	Current Year Actual	Prior Year Actual
Cash Receipts		
Perpetual care Fees	\$ 25	\$ 225
Investment Income	32	33
Total Cash Receipts	57	258
Expenditures		
Cemetery Maintenance	25	25
Total expenditures	25	25
Receipts Over (Under) Expenditures	32	233
Unencumbered Cash Balance - Beginning	42,683	42,450
Unencumbered Cash Balance - Ending	<u>\$ 42,715</u>	<u>\$ 42,683</u>

**This fund is not required to be budgeted.*

See independent auditor's report on required supplementary information.

CITY OF WELLSVILLE, KANSAS

Schedule of Receipts and Expenditures – Actual Only*
Regulatory Basis

Related Municipal Entity- Wellsville City Library

For the year ended December 31, 2017

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

	Current Year		Prior Year	
	General Actual	Building Reserve Actual	General Actual	Building Reserve Actual
Cash Receipts				
City tax appropriation Library	\$ 74,625	\$ -	\$ 73,852	\$ -
City tax appropriations Employee Benefit	7,265	-	7,416	-
Northeast Kansas Library Association	15,922	-	15,687	-
Grants	2,874	-	1,292	-
State Aid	548	-	572	-
Memorials and other donations	1,396	65,589	10,129	2,610
Interest	505	1,627	295	1,396
Library fines and other	1,955	-	1,962	-
Rental income	700	-	840	-
Total Cash Receipts	105,790	67,216	112,045	4,006
Expenditures				
Salaries and wages	60,084	-	55,993	-
Payroll taxes and retirement	9,734	-	9,460	-
Supplies	1,242	-	1,697	-
Utilities	11,003	-	11,258	-
Inservice/Children services	4,553	-	3,778	-
Books and periodicals	15,457	-	11,864	-
Office expense	536	-	-	-
Miscellaneous	583	-	232	-
Insurance	100	-	100	-
Equipment	2,290	-	1,250	-
Contract services	1,150	-	1,232	-
Repairs and maintenance	2,000	-	136	-
Total Expenditures	108,732	-	97,000	-
Receipts Over (Under) Expenditures	(2,942)	67,216	15,045	4,006
Other Financing Sources (Uses)				
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Receipts and Other Sources Over (Under) Expenditures and Other Uses	(2,942)	67,216	15,045	4,006
Unencumbered Cash Balance - Beginning	95,669	127,825	80,624	123,819
Unencumbered Cash Balance - Ending	\$ 92,727	\$ 195,041	\$ 95,669	\$ 127,825

*This fund is not required to be budgeted.

See independent auditor's report on the required supplementary information.