

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

**CITY OF MARION, KANSAS  
CITY OF THE SECOND CLASS  
For the Year Ended December 31, 2017**

**CITY COUNCIL**

**Chris Costello**

**Todd Heitschmidt  
Mayor**

**John Wheeler**

**Jerry Kline**

**Melissa Mermis**

**CITY OFFICERS**

**Rebecca Makovec  
Treasurer/Asst. Clerk**

**Roger Holter  
Administrator**

**Susan Robson  
Attorney**

**Tyler Mermis  
Police Chief**

**Tiffany Jeffrey  
Clerk**

**Randy Pankratz  
Municipal Judge**

# CITY OF MARION, KANSAS

For the Year Ended December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Marion, Kansas 66861

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Marion, Kansas, a Municipality, 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 Marion, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

*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 Marion, Kansas 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 Marion, Kansas 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 balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 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 Marion, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated April 12, 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://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (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) is presented for purposes of additional analysis and is 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*

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Swindoll, Janzen, Hawk & Loyd, LLC  
McPherson, Kansas  
March 22, 2018

## CITY OF MARION, KANSAS

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

For the Year Ended December 31, 2017

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<b>GENERAL FUND:</b>						
General Fund	\$ 77,001	\$ 1,822,898	\$ 1,592,043	\$ 107,856	\$ 4,166	\$ 112,022
<b>SPECIAL PURPOSE FUNDS:</b>						
Library Fund	60,477	90,630	148,856	2,251	3,342	5,593
Special City Highway Fund	226,843	71,653	272,840	25,656	-	25,656
Special Park and Recreation Fund	1,738	68,044	67,668	2,114	-	2,114
Equipment Reserve Fund	12,683	180,264	168,700	24,247	-	24,247
Total Special Purpose Funds	301,741	410,591	658,064	54,268	3,342	57,610
<b>BOND AND INTEREST FUND:</b>						
Bond and Interest Fund	6,036	412,257	412,008	6,285	-	6,285
<b>CAPITAL PROJECTS FUND:</b>						
Capital Improvement Fund	24,218	405,583	332,655	97,146	-	97,146
<b>BUSINESS FUND:</b>						
Utilities Fund	1,085,924	3,362,828	3,178,441	1,270,311	112,220	1,382,531
<b>TRUST FUND:</b>						
Special Law Enforcement Trust Fund	14,119	40,941	46,238	8,822	-	8,822
Total Reporting Entity	\$ 1,509,039	\$ 6,255,098	\$ 6,219,449	\$ 1,544,688	\$ 119,728	\$ 1,664,416
<b>COMPOSITION OF CASH:</b>						
Petty Cash						\$ 200
Checking Accounts						1,664,216
Total Reporting Entity						\$ 1,664,416

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

**CITY OF MARION, 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 Marion is a municipal corporation governed by an elected mayor and elected four-member Council. The regulatory financial statement presents the City of Marion (the municipality) and does not include any related municipal entities.

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

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

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

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

**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.).

**(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.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

### **(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 was one such budget amendment for the year 2017.

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 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 budgeted 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 are 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 statute violations were noted during 2017.

## **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.



### **3. DEPOSITS AND INVESTMENTS (CONT.)**

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 \$1,664,216 and the bank balance was \$1,825,146. The bank balance was held by two bank resulting in a concentration of credit risk. Of the bank balance, \$250,944 was covered by federal depository insurance, and the remaining \$1,574,202 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. OTHER RELATIONSHIPS**

#### ***USD No. 408 and City of Marion***

The City of Marion approved the proposal from Unified School District No. 408 for the City to utilize the school districts' indoor swimming pool facility for public and City recreation use, with the City agreeing to pay \$100,000 annually to the USD No. 408 for the life of the bonds (until 2024) and also split net expenses each year equally with the school district, to be re-evaluated in three years.

The City of Marion along with USD No. 408 entered into an interlocal agreement on October 23, 2006, regarding the cooperative use of facilities, equipment, and personnel. The purpose of the agreement states the parties agree to execute one or more letter agreements that shall become a part of this agreement. The letters of understanding shall address issues relating to sharing facilities and resources controlled or owned by the parties, and may include use of facilities, equipment personnel; access to facilities, equipment, personnel; charges, costs, or fees; site improvements; maintenance responsibilities; duration of use or access; and times and dates of use or access.

On June 4, 2007, the City of Marion approved Resolution No. 07-02, authorizing the payment of \$100,000 from the City to Marion to USD No. 408 pursuant to the interlocal agreement for financing, building and operation of a swimming pool structure. The authorized payment of \$100,000 annually will be made on or about the 15th day of July.

The City of Marion approved on July 16, 2007, Resolution No. 07-03, to augment the prior interlocal agreement between the parties regarding the cooperative use of facilities, equipment, and personnel. The subject of the agreement is to facilitate the joint planning, construction, maintenance, and scheduling and operations of the district owned gymnasium/swimming facilities. The agreement states the parties will develop agreements, policies and procedures that recognize that facilities are intended to be used jointly for school and community recreation purposes for the benefit of district students, the district, and the city at large. In this endeavor, the security, academic, athletic and recreational needs and opportunities of school aged children will be the highest priority and adequately protected.

#### 4. OTHER RELATIONSHIPS (CONT.)

##### *USD No. 408 and City of Marion (Cont.)*

An agreement dated December 31, 2008 between the City and USD No. 408 was signed serving as written documentation of the procedures and payment dates regarding the 50%-50% shared expenses of the aquatic center. The agreement states "Invoices for 50% of net expenses and documentation of revenue received during the same period will be submitted bi-annually from the School District to the City for the operation period of July 1st thru December 31st and January 1st thru June 30th of each calendar year. Payment for said invoices will be made on or before August 1st and February 1st of each year. In the event that the aquatic center generates a profit during either of the above mentioned six month periods, a check for 50% of the profit will be submitted to the City instead of an invoice."

#### 5. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Equipment Reserve	K.S.A. 12-1,117	\$ 4,520
General	Special Park and Recreation	K.S.A. 12-6a,16	34,209
Special Park and Rec	General	K.S.A. 12-6a,16	33,384
Special City Highway	Bond and Interest	Debt service	47,840
Special City Highway	Capital Improvement	K.S.A. 12-1,118	225,000
Utilities	General	K.S.A. 12-825d	150,000
Utilities	Bond and Interest	K.S.A. 12-825d	310,000
Utilities	Equipment Reserve	K.S.A. 12-825d	<u>103,744</u>
Total			<u>\$ 908,697</u>

## 6. LONG-TERM DEBT

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2007	4.90%	2007	\$ 81,000	2018	\$ 20,000	\$ -	\$ 10,000	\$ 10,000	\$ 980
Series 2009	5.25%	2009	70,000	2019	26,000	-	8,000	18,000	1,365
Series 2010	1.95-3.5%	2010	585,000	2020	225,000	-	70,000	155,000	6,480
Series 2011	.05-2.2%	2011	840,000	2021	475,000	-	85,000	390,000	9,355
Series 2012	2.0-4.0%	2012	2,230,000	2040	1,860,000	-	95,000	1,765,000	55,800
Series 2013	0.6-3.8%	2013	840,000	2028	<u>690,000</u>	<u>-</u>	<u>50,000</u>	<u>640,000</u>	<u>20,025</u>
Total General Obligation Bonds					<u>3,296,000</u>	<u>-</u>	<u>318,000</u>	<u>2,978,000</u>	<u>94,005</u>
Loans:									
KS Water Pollution Control Revolving	2.42%	2013	346,482	2033	299,569	-	14,436	285,133	7,163
KS Public Water Supply	2.43%	2013	108,451	2022	<u>67,818</u>	<u>-</u>	<u>10,632</u>	<u>57,186</u>	<u>1,584</u>
Total Loans					<u>367,387</u>	<u>-</u>	<u>25,068</u>	<u>342,319</u>	<u>8,747</u>
Capital Leases:									
828 N. Roosevelt	3.25%	2013	235,200	2033	205,170	-	9,459	195,711	6,618
John Deere Backhoe	2.39%	2014	60,000	2019	32,892	-	12,090	20,802	654
Police Radios	3.08%	2017	21,836	2022	-	21,836	2,296	19,540	46
Trash Truck	2.52%	2017	72,000	2020	-	72,000	1,929	70,071	149
Fire Truck Radios	0.00%	2017	32,263	2019	<u>-</u>	<u>32,263</u>	<u>-</u>	<u>32,263</u>	<u>-</u>
Total Capital Leases					<u>238,062</u>	<u>126,099</u>	<u>25,774</u>	<u>338,387</u>	<u>7,467</u>
Total Contractual Indebtedness					<u>\$ 3,901,449</u>	<u>\$ 126,099</u>	<u>\$ 368,842</u>	<u>\$ 3,658,706</u>	<u>\$ 110,219</u>

## 6. LONG-TERM DEBT (CONT.)

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 2040	
<b>PRINCIPAL:</b>										
General Obligation Bonds:										
Series 2007	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Series 2009	9,000	9,000	-	-	-	-	-	-	-	18,000
Series 2010	50,000	50,000	55,000	-	-	-	-	-	-	155,000
Series 2011	95,000	95,000	100,000	100,000	-	-	-	-	-	390,000
Series 2012	95,000	100,000	100,000	100,000	105,000	570,000	235,000	280,000	180,000	1,765,000
Series 2013	50,000	50,000	55,000	55,000	55,000	305,000	70,000	-	-	640,000
<b>Total General Obligation Bonds</b>	<b>309,000</b>	<b>304,000</b>	<b>310,000</b>	<b>255,000</b>	<b>160,000</b>	<b>875,000</b>	<b>305,000</b>	<b>280,000</b>	<b>180,000</b>	<b>2,978,000</b>
Loans:										
KS Water Pollution Control Revolving	14,788	15,148	15,517	15,895	16,282	87,550	98,740	21,213	-	285,133
KS Public Water Supply	10,892	11,158	11,431	11,710	11,995	-	-	-	-	57,186
<b>Total Loans</b>	<b>25,680</b>	<b>26,306</b>	<b>26,948</b>	<b>27,605</b>	<b>28,277</b>	<b>87,550</b>	<b>98,740</b>	<b>21,213</b>	<b>-</b>	<b>342,319</b>
Capital Leases:										
828 N. Roosevelt	9,775	10,102	10,424	10,789	11,150	61,588	72,605	9,278	-	195,711
John Deere Backhoe	12,382	8,420	-	-	-	-	-	-	-	20,802
Police Radios	4,113	4,241	4,372	4,508	2,306	-	-	-	-	19,540
Trash Truck	23,447	24,045	22,579	-	-	-	-	-	-	70,071
Fire Truck Radios	16,131	16,132	-	-	-	-	-	-	-	32,263
<b>Total Capital Leases</b>	<b>65,848</b>	<b>62,940</b>	<b>37,375</b>	<b>15,297</b>	<b>13,456</b>	<b>61,588</b>	<b>72,605</b>	<b>9,278</b>	<b>-</b>	<b>338,387</b>
<b>TOTAL PRINCIPAL</b>	<b>400,528</b>	<b>393,246</b>	<b>374,323</b>	<b>297,902</b>	<b>201,733</b>	<b>1,024,138</b>	<b>476,345</b>	<b>310,491</b>	<b>180,000</b>	<b>3,658,706</b>
<b>INTEREST:</b>										
General Obligation Bonds:										
Series 2007	490	-	-	-	-	-	-	-	-	490
Series 2009	945	473	-	-	-	-	-	-	-	1,418
Series 2010	4,660	3,260	1,760	-	-	-	-	-	-	9,680
Series 2011	7,910	6,295	4,300	2,200	-	-	-	-	-	20,705
Series 2012	53,900	52,000	50,000	48,000	46,000	184,175	116,675	70,200	14,200	635,150
Series 2013	19,400	18,450	17,500	16,125	14,750	47,025	2,660	-	-	135,910
<b>Total General Obligation Bonds</b>	<b>87,305</b>	<b>80,478</b>	<b>73,560</b>	<b>66,325</b>	<b>60,750</b>	<b>231,200</b>	<b>119,335</b>	<b>70,200</b>	<b>14,200</b>	<b>803,353</b>
Loans:										
KS Water Pollution Control Revolving	6,811	6,451	6,082	5,705	5,318	20,445	9,257	386	-	60,455
KS Public Water Supply	1,324	1,058	785	505	219	-	-	-	-	3,891
<b>Total Loans</b>	<b>8,135</b>	<b>7,509</b>	<b>6,867</b>	<b>6,210</b>	<b>5,537</b>	<b>20,445</b>	<b>9,257</b>	<b>386</b>	<b>-</b>	<b>64,346</b>
Capital Leases:										
828 N. Roosevelt	6,302	5,975	5,653	5,288	4,927	18,799	7,781	102	-	54,827
John Deere Backhoe	362	75	-	-	-	-	-	-	-	437
Police Radios	571	443	312	176	36	-	-	-	-	1,538
Trash Truck	1,496	898	286	-	-	-	-	-	-	2,680
<b>Total Capital Leases</b>	<b>8,731</b>	<b>7,391</b>	<b>6,251</b>	<b>5,464</b>	<b>4,963</b>	<b>18,799</b>	<b>7,781</b>	<b>102</b>	<b>-</b>	<b>59,482</b>
<b>TOTAL INTEREST</b>	<b>104,171</b>	<b>95,378</b>	<b>86,678</b>	<b>77,999</b>	<b>71,250</b>	<b>270,444</b>	<b>136,373</b>	<b>70,688</b>	<b>14,200</b>	<b>927,181</b>
<b>TOTAL PRINCIPAL AND INTEREST</b>	<b>\$ 504,699</b>	<b>\$ 488,624</b>	<b>\$ 461,001</b>	<b>\$ 375,901</b>	<b>\$ 272,983</b>	<b>\$ 1,294,582</b>	<b>\$ 612,718</b>	<b>\$ 381,179</b>	<b>\$ 194,200</b>	<b>\$ 4,585,887</b>

## **7. PENSION COSTS AND EMPLOYEE BENEFITS**

### ***Defined Benefit Pension Plan***

**Plan Description.** The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of 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 and KP&F issue 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](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% 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 8.46% for KPERS and 19.03% for KP&F the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$66,038 for KPERS and \$37,512 for KP&F 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 \$662,205 and \$378,427 for KP&F. 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](http://www.kpers.org) or can be obtained as described above.

## **8. 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 City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

## 8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

### *(b) Other Employee Benefits*

Vacation – Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter. If not taken, vacation leave shall accrue from year to year up to the maximum provided, based upon the employee's years of service. No vacation leave shall be taken until a new employee has completed one year of employment.

Each permanent full-time employee will accrue vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>	<u>Maximum Accumulation</u>
2 to 9 years	80 working hours	None
10 to 19 years	120 working hours	None
After 20 years	160 working hours	None

An employee shall be paid for all accumulated unused vacation leave upon termination.

## 9. 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 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.

## 10. 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>
KLINK Project	\$ 346,299	\$ 249,682
East Park Project	246,600	229,089
Streetscape Project	<u>974,780</u>	<u>73,044</u>
Total	<u>\$ 1,567,679</u>	<u>\$ 551,815</u>

## 11. RELATED PARTY

An official of the City is an officer in one of the financial institutions where the City has funds deposited. At December 31, 2017, funds deposited at this institution totaled \$1,663,273.

## 12. SUBSEQUENT EVENTS

Management has evaluated the effects on 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 MARION, KANSAS**  
**REGULATORY – REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

## City of Marion, Kansas

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET****Regulatory Basis****(Budgeted Funds Only)****For the Year Ended December 31, 2017**

	<u>Certified Budget</u>	<u>Adjustment for for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
<b>GENERAL FUND:</b>					
General Fund	\$ 1,608,819	\$ -	\$ 1,608,819	\$ 1,592,043	\$ (16,776)
<b>SPECIAL PURPOSE FUNDS:</b>					
Library Fund	155,600	-	155,600	148,856	(6,744)
Special City Highway Fund	272,840	-	272,840	272,840	-
Special Park and Recreation Fund	68,209	-	68,209	67,668	(541)
Equipment Reserve Fund	171,744	-	171,744	168,700	(3,044)
<b>BOND AND INTEREST FUND:</b>					
Bond and Interest Fund	415,005	-	415,005	412,008	(2,997)
<b>CAPITAL PROJECT FUND:</b>					
Capital Improvement Fund	994,900	-	994,900	332,655	(662,245)
<b>BUSINESS FUNDS:</b>					
Utilities Fund	3,268,334	-	3,268,334	3,178,441	(89,893)



**CITY OF MARION, 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)**

	<b>2017</b>			<b>Variance -</b>
	<b>2016</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Receipts</b>				
<b>Taxes -</b>				
Ad valorem property tax	\$ 623,736	\$ 559,545	\$ 573,084	\$ (13,539)
Back tax collections	-	16,409	15,000	1,409
Motor vehicle tax	87,300	97,031	92,414	4,617
Recreational vehicle tax	2,067	1,861	1,331	530
16/20M vehicle tax	388	1,270	1,883	(613)
Commercial vehicle tax	116	3,991	-	3,991
Watercraft tax	-	709	550	159
Neighborhood revitalization rebate	(28,058)	(25,482)	(25,000)	(482)
Alcoholic liquor fund	833	451	1,368	(917)
Local sales tax	127,752	119,525	135,000	(15,475)
Local sales tax- industrial revenue bonds	175,979	170,976	170,000	976
Excise tax	153	9	100	(91)
<b>Total Taxes</b>	<b>990,266</b>	<b>946,295</b>	<b>965,730</b>	<b>(19,435)</b>
<b>Intergovernmental Revenues -</b>				
Highway connecting links	302	302	302	-
State connecting links	9,877	9,863	9,800	63
<b>Total Intergovernmental Revenues</b>	<b>10,179</b>	<b>10,165</b>	<b>10,102</b>	<b>63</b>
<b>Licenses and Permits -</b>				
Licenses and permits	7,099	6,141	5,800	341
Utility franchise fees	37,387	35,669	44,764	(9,095)
Dog tags, impounds, adoption fees	2,343	1,909	2,800	(891)
<b>Total Licenses and Permits</b>	<b>46,829</b>	<b>43,719</b>	<b>53,364</b>	<b>(9,645)</b>
<b>Charges for Services -</b>				
Cemetery fees	4,650	4,279	3,100	1,179
Rural fire contracts	17,659	18,058	12,000	6,058
<b>Total Charges for Services</b>	<b>22,309</b>	<b>22,337</b>	<b>15,100</b>	<b>7,237</b>
<b>Use of Money and Property -</b>				
Interest received	5,914	19,217	4,000	15,217
City building rent	1,399	949	1,000	(51)
Spec building rent	9,317	5,310	6,880	(1,570)
828 N. Roosevelt rent	25,686	11,133	8,460	2,673
Land and hanger rent	13,500	20,302	15,000	5,302
<b>Total Use of Money and Property</b>	<b>55,816</b>	<b>56,911</b>	<b>35,340</b>	<b>21,571</b>
<b>Court fines and bonds</b>	<b>12,914</b>	<b>11,767</b>	<b>17,500</b>	<b>(5,733)</b>

## CITY OF MARION, 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)

		<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 (cont.)				
Other Income -				
School lease	\$ -	\$ -	\$ 2,000	\$ (2,000)
Sales tax collected	73,194	70,620	65,000	5,620
Other reimbursements	61,990	98,296	82,126	16,170
Housing reimbursement	64,289	65,770	57,706	8,064
Library reimbursement	-	60,000	-	60,000
Business park lot rent	4,181	-	11,000	(11,000)
Recreation - baseball complex	8,170	613	600	13
Recreation	76,853	48,752	64,200	(15,448)
Miscellaneous	1,490	4,269	3,775	494
Total Other Income	290,167	348,320	286,407	61,913
Operating Transfers -				
Transfer from Utilities Fund	150,000	150,000	150,000	-
Transfer from Special Park and Recreation Fund	-	33,384	-	33,384
Total Operating Transfers	150,000	183,384	150,000	33,384
Total Receipts	1,578,480	1,622,898	\$ 1,533,543	\$ 89,355
Expenditures				
General Administrative -				
Personal services	175,473	179,556	\$ 191,109	\$ (11,553)
Contractual services	42,320	33,700	35,025	(1,325)
Commodities	40,584	42,083	39,697	2,386
Sales tax	73,027	70,382	68,000	2,382
Total General Administrative	331,404	325,721	333,831	(8,110)
Senior Citizens Housing Authority -				
Personal services	64,646	68,243	57,706	10,537
Cemetery -				
Personal services	19,584	27,049	29,293	(2,244)
Commodities	6,047	8,284	6,775	1,509
Capital outlay	154	386	300	86
Total Cemetery	25,785	35,719	36,368	(649)

**CITY OF MARION, 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)**

		<b>2017</b>		
	<b>2016</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
Expenditures (cont.)				
City Building -				
Personal services	\$ 3,342	\$ 3,131	\$ 3,553	\$ (422)
Commodities	25,324	28,361	21,150	7,211
				-
Total City Building	28,666	31,492	24,703	6,789
Flood Control Project -				
Commodities	13,169	10,302	12,400	(2,098)
Capital outlay	2,224	687	12,100	(11,413)
				-
Total Flood Control Project	15,393	10,989	24,500	(13,511)
Fire -				
Personal services	15,632	13,676	16,050	(2,374)
Commodities	17,969	18,270	20,150	(1,880)
Capital outlay	1,276	1,579	1,300	279
Total Fire	34,877	33,525	37,500	(3,975)
Library Program -				
Personal services	65,594	66,151	59,976	6,175
Commodities	6,981	5,926	5,700	226
Total Library Program	72,575	72,077	65,676	6,401
Museum -				
Personal services	4,910	7,210	7,428	(218)
Commodities	2,875	3,843	2,572	1,271
				-
Total Museum	7,785	11,053	10,000	1,053
Park -				
Personal services	10,933	22,296	21,945	351
Commodities	20,042	15,047	11,735	3,312
Capital outlay	32	545	350	195
Total Park	31,007	37,888	34,030	3,858
Municipal Court -				
Personal services	2,400	2,400	2,400	-
Contractual services	360	455	1,600	(1,145)
Commodities	1,767	2,661	1,725	936
Total Municipal Court	4,527	5,516	5,725	(209)

**CITY OF MARION, 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)**

		<b>2017</b>		
	<b>2016</b>			<b>Variance -</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
Expenditures (cont.)				
Street and Alley -				
Personal services	\$ 78,552	\$ 69,988	\$ 100,830	\$ (30,842)
Commodities	63,177	65,624	77,545	(11,921)
Capital outlay	11,277	24,416	13,250	11,166
Total Street and Alley	153,006	160,028	191,625	(31,597)
Swimming Pool -				
Commodities	31,874	36,224	35,000	1,224
Industrial Development -				
Personal services	41,338	51,280	50,991	289
Contractual services	655	188	450	(262)
Commodities	13,934	13,283	16,559	(3,276)
Arlie's building expense	885	-	750	(750)
Taxes	13,379	21,832	23,300	(1,468)
Total Industrial Development	70,191	86,583	92,050	(5,467)
Planning -				
Personal services	4,967	5,239	5,130	109
Commodities	1,265	2,178	70	2,108
Total Planning	6,232	7,417	5,200	2,217
EMS -				
Commodities	4,539	2,724	2,400	324
Police -				
Personal services	293,570	287,799	297,178	(9,379)
Contractual services	19,069	17,805	17,827	(22)
Commodities	11,493	8,474	7,770	704
Capital outlay	2,125	1,956	1,000	956
Car expense	13,310	13,184	14,000	(816)
Total Police	339,567	329,218	337,775	(8,557)
Airport -				
Contractual services	4,465	2,061	4,000	(1,939)
Commodities	30,205	9,024	10,050	(1,026)
Total Airport	34,670	11,085	14,050	(2,965)

**CITY OF MARION, 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)**

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Expenditures				
Baseball Complex -				
Personal services	\$ -	\$ 13,669	\$ 15,838	\$ (2,169)
Commodities	24,431	12,295	9,837	2,458
Total Baseball Complex	24,431	25,964	25,675	289
Recreation -				
Personal services	109,749	92,853	111,979	(19,126)
Contractual services	3,154	2,321	3,330	(1,009)
Commodities	18,477	26,812	23,076	3,736
Total Recreation	131,380	121,986	138,385	(16,399)
Other -				
Spec. building lease	15,400	-	-	-
828 N. Roosevelt lease	16,077	16,077	16,100	(23)
Swimming pool lease to USD	100,000	100,000	100,000	-
County Economic Development Appropriation	-	7,500	-	7,500
Neighborhood Revitalization Rebate	-	-	8,000	(8,000)
Miscellaneous	6,840	16,285	8,000	8,285
Total Other	138,317	139,862	132,100	7,762
Operating Transfers -				
Transfer to Special Park and Recreation Fund	-	34,209	-	34,209
Transfer to Equipment Reserve Fund	-	4,520	4,520	-
Transfer to Bond and Interest Fund	89,804	-	-	-
Total Operating Transfers	89,804	38,729	4,520	34,209
Total Expenditures	1,640,676	1,592,043	\$ 1,608,819	\$ (16,776)
Receipts Over (Under) Expenditures	(62,196)	30,855		
Unencumbered Cash, Beginning	139,197	77,001		
Unencumbered Cash, Ending	\$ 77,001	\$ 107,856		

## CITY OF MARION, 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	\$ 80,075	\$ 77,567	\$ 79,000	\$ (1,433)
Back tax collections	-	2,386	2,386	-
Motor vehicle tax	12,805	12,913	13,000	(87)
Recreational vehicle tax	303	270	270	-
16/20M vehicle tax	218	186	186	-
Commercial vehicle tax	17	282	-	282
Neighborhood revitalization rebate	(4,420)	(3,626)	-	(3,626)
Watercraft tax	-	63	63	-
Reimbursements	60,870	589	-	589
Total Receipts	149,868	90,630	\$ 94,905	\$ (4,275)
Expenditures				
Personal services	77	20	\$ -	\$ 20
Miscellaneous	315	202	-	202
Reimbursements	-	60,000	60,000	-
Appropriation to Library Board	88,999	88,634	95,600	(6,966)
Total Expenditures	89,391	148,856	\$ 155,600	\$ (6,744)
Receipts Over (Under) Expenditures	60,477	(58,226)		
Unencumbered Cash, Beginning	-	60,477		
Unencumbered Cash, Ending	\$ 60,477	\$ 2,251		

## CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDSPECIAL CITY 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				
Special assessments- streets	\$ 17,045	\$ 22,596	\$ -	\$ 22,596
State of Kansas gas tax	49,121	49,057	48,770	287
Total Receipts	66,166	71,653	\$ 48,770	\$ 22,883
Expenditures				
Transfer to Bond and Interest Fund	47,840	47,840	\$ 47,840	\$ -
Transfer to Capital Improvement Fund	30,000	225,000	225,000	-
Total Expenditures	77,840	272,840	\$ 272,840	\$ -
Receipts Over (Under) Expenditures	(11,674)	(201,187)		
Unencumbered Cash, Beginning	238,517	226,843		
Unencumbered Cash, Ending	\$ 226,843	\$ 25,656		

**CITY OF MARION, KANSAS**

**SPECIAL PURPOSE FUND**

**SPECIAL PARK AND RECREATION FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**Regulatory Basis**

**For the Year Ended December 31, 2017**

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

		<b>2017</b>		
	<b>2016 Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance - Over (Under)</b>
Receipts				
State of Kansas - liquor tax	\$ 489	\$ 451	\$ 107	\$ 344
East Park CDBG Grant Match Transfer	176,259	33,384	33,384	-
Transfer from General Fund	-	34,209	34,209	-
<b>Total Receipts</b>	<b>176,748</b>	<b>68,044</b>	<b>\$ 67,700</b>	<b>\$ 344</b>
Expenditures				
Commodities	194,806	34,284	\$ 34,000	\$ 284
Transfer to General Fund	-	33,384	34,209	(825)
<b>Total Expenditures</b>	<b>194,806</b>	<b>67,668</b>	<b>\$ 68,209</b>	<b>\$ (541)</b>
Receipts Over (Under) Expenditures	(18,058)	376		
Unencumbered Cash, Beginning	19,796	1,738		
Unencumbered Cash, Ending	<b>\$ 1,738</b>	<b>\$ 2,114</b>		



## CITY OF MARION, 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				
Miscellaneous revenue-loan proceeds	\$ -	\$ 72,000	\$ 72,000	\$ -
Transfer from General Fund	-	4,520	4,520	-
Transfer from Utilities Fund	37,000	103,744	103,744	-
Transfer from Special Law Enforcement Trust Fund	19,995	-	-	-
Total Receipts	<u>56,995</u>	<u>180,264</u>	<u>\$ 180,264</u>	<u>\$ -</u>
Expenditures				
Capital outlay	49,458	155,956	\$ 159,000	\$ (3,044)
John Deere backhoe lease purchase	<u>12,744</u>	<u>12,744</u>	<u>12,744</u>	<u>-</u>
Total Expenditures	<u>62,202</u>	<u>168,700</u>	<u>\$ 171,744</u>	<u>\$ (3,044)</u>
Receipts Over (Under) Expenditures	(5,207)	11,564		
Unencumbered Cash, Beginning	<u>17,890</u>	<u>12,683</u>		
Unencumbered Cash, Ending	<u>\$ 12,683</u>	<u>\$ 24,247</u>		

## CITY OF MARION, 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 property tax	\$ 1,000	\$ 53,512	\$ 45,998	\$ 7,514
Back tax collections	-	881	500	381
Motor vehicle tax	10,632	2,311	1,500	811
Recreational vehicle tax	282	18	50	(32)
16/20M vehicle tax	18	190	400	(210)
Commercial vehicle tax	17	-	-	-
Watercraft tax	3	7	-	7
Neighborhood revitalization rebate	-	(2,502)	(5,000)	2,498
Special assessments	-	-	10,400	(10,400)
Transfer from Special City Highway Fund	47,840	47,840	47,840	-
Transfer from General Fund	89,804	-	-	-
Transfer from Utilities Fund	223,364	310,000	295,000	15,000
Total Receipts	<u>372,960</u>	<u>412,257</u>	<u>\$ 396,688</u>	<u>\$ 15,569</u>
Expenditures				
Principal	321,000	318,000	\$ 320,000	\$ (2,000)
Interest	<u>100,101</u>	<u>94,008</u>	<u>95,005</u>	<u>(997)</u>
Total Expenditures	<u>421,101</u>	<u>412,008</u>	<u>\$ 415,005</u>	<u>\$ (2,997)</u>
Receipts Over (Under) Expenditures	(48,141)	249		
Unencumbered Cash, Beginning	<u>54,177</u>	<u>6,036</u>		
Unencumbered Cash, Ending	<u>\$ 6,036</u>	<u>\$ 6,285</u>		

## CITY OF MARION, KANSAS

CAPITAL PROJECT 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				
CDBG KLINK Grant	\$ 1,583	\$ 173,387	\$ -	\$ 173,387
KDOT Transportation Alt Grant	-	-	715,904	(715,904)
Transfer from Special City Highway Fund	30,000	225,000	225,000	-
Transfer from Utilities Fund	-	-	100,000	(100,000)
Reimbursements	3,285	4,271	-	4,271
Donations/Memorials	3,111	2,925	-	2,925
Total Receipts	37,979	405,583	\$ 1,040,904	\$ (635,321)
Expenditures				
Capital outlay	6,591	5,395	\$ -	\$ 5,395
Streetscape project	22,105	50,939	894,900	(843,961)
KLINK project	18,500	231,182	-	231,182
Sewer line replacement	-	42,640	75,000	(32,360)
CDBG sidewalk project	-	2,499	-	2,499
Electrical 12.5 line upgrade	-	-	25,000	(25,000)
Total Expenditures	47,196	332,655	\$ 994,900	\$ (662,245)
Receipts Over (Under) Expenditures	(9,217)	72,928		
Unencumbered Cash, Beginning	33,435	24,218		
Unencumbered Cash, Ending	\$ 24,218	\$ 97,146		

# CITY OF MARION, KANSAS

## BUSINESS FUND

### UTILITIES 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)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
<b>Receipts</b>				
Electric revenue	\$ 2,326,517	\$ 2,305,173	\$ 2,358,000	\$ (52,827)
Refuse revenue	168,387	170,898	172,647	(1,749)
Sewer revenue	319,142	316,002	244,835	71,167
Water revenue	588,424	570,755	569,337	1,418
<b>Total Receipts</b>	<b>3,402,470</b>	<b>3,362,828</b>	<b>\$ 3,344,819</b>	<b>\$ 18,009</b>
<b>Expenditures</b>				
Electric -				
Production Expense -				
Contractual services	4,903	3,584	\$ 8,000	\$ (4,416)
Commodities	42,967	61,912	93,100	(31,188)
Purchased power	1,328,472	1,509,474	1,375,000	134,474
Water and utilities	6,805	6,971	7,000	(29)
Transmission and Distribution Expense -				
Personal services	248,604	231,895	279,717	(47,822)
Commodities and insurance	26,537	34,322	33,450	872
Capital outlay	81,639	82,583	105,000	(22,417)
Equipment expense/gasoline	19,311	7,342	15,600	(8,258)
<b>Total Electric</b>	<b>1,759,238</b>	<b>1,938,083</b>	<b>1,916,867</b>	<b>21,216</b>
Water -				
Plant Expense -				
Personal services	70,153	92,419	87,621	4,798
Contractual services	29,638	21,336	33,300	(11,964)
Commodities	17,582	14,972	42,975	(28,003)
Capital outlay	14,757	12,225	21,200	(8,975)
Insurance	14,965	15,879	15,000	879
Utilities	28,300	26,548	23,000	3,548
Equipment	998	1,508	2,000	(492)
Purchased water-state	11,875	11,875	12,000	(125)
Chemicals	39,426	35,187	30,100	5,087
Distribution Expense -				
Personal services	74,738	57,543	69,700	(12,157)
Contractual services	719	799	525	274
Commodities	40,078	26,945	39,541	(12,596)
Capital outlay	173	-	1,700	(1,700)
Insurance	10,608	11,539	10,814	725
Utilities	3,664	3,726	4,000	(274)
Equipment	4,797	13,975	7,250	6,725
<b>Total Water</b>	<b>362,471</b>	<b>346,476</b>	<b>400,726</b>	<b>(54,250)</b>

## CITY OF MARION, KANSAS

### BUSINESS FUND

### UTILITIES 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)

		<u>2017</u>		
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Expenditures (cont.)				
Sewer -				
Personal services	\$ 113,403	\$ 114,389	\$ 115,873	\$ (1,484)
Contractual services	17,214	10,748	17,000	(6,252)
Commodities	17,136	22,084	32,675	(10,591)
Capital outlay	2,343	-	2,000	(2,000)
Insurance	7,197	7,812	8,000	(188)
Utilities	23,175	34,153	22,000	12,153
Equipment	4,480	3,607	14,100	(10,493)
Revolving loan payment	21,599	21,599	-	21,599
Total Sewer	206,547	214,392	211,648	2,744
Refuse -				
Personal services	79,387	81,071	68,724	12,347
Contractual services	36	19	50	(31)
Commodities	16,819	18,907	31,175	(12,268)
Insurance	6,776	7,513	7,900	(387)
Trash bags	6,400	6,528	10,000	(3,472)
Equipment	12,830	1,708	3,500	(1,792)
Total Refuse	122,248	115,746	121,349	(5,603)
Operating Transfers -				
Transfer to General Fund	150,000	150,000	150,000	-
Transfer to Bond and Interest Fund	223,364	310,000	295,000	15,000
Transfer to Capital Improvement Fund	-	-	100,000	(100,000)
Transfer to Equipment Reserve Fund	37,000	103,744	72,744	31,000
Total Operating Transfers	410,364	563,744	617,744	(54,000)
Total Expenditures	2,860,868	3,178,441	\$ 3,268,334	\$ (89,893)
Receipts Over (Under) Expenditures	541,602	184,387		
Unencumbered Cash, Beginning	544,322	1,085,924		
Unencumbered Cash, Ending	\$ 1,085,924	\$ 1,270,311		

## CITY OF MARION, KANSAS

TRUST FUNDSPECIAL LAW ENFORCEMENT TRUST 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 Actual</u>	<u>2017 Actual</u>
Receipts		
Lease proceeds	\$ -	\$ 21,821
Grant proceeds	-	11,400
Forfeited property	14,478	-
VIN inspection fees	<u>10,040</u>	<u>7,720</u>
Total Receipts	<u>24,518</u>	<u>40,941</u>
Expenditures		
Commodities	526	772
Equipment	2,471	10,530
Radio lease	-	34,936
Transfer to Equipment Reserve Fund	<u>19,995</u>	<u>-</u>
Total Expenditures	<u>22,992</u>	<u>46,238</u>
Receipts Over (Under) Expenditures	1,526	(5,297)
Unencumbered Cash, Beginning	<u>12,593</u>	<u>14,119</u>
Unencumbered Cash, Ending	<u>\$ 14,119</u>	<u>\$ 8,822</u>