

CITY OF HALSTEAD, KANSAS

Financial Statement

For the Year Ended December 31, 2018

City of Halstead, Kansas
For the Year Ended December 31, 2018

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
 <u>Financial Section</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Statement 1 3
Notes to Financial Statement	4-10
 <u>Regulatory – Required Supplementary Information</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	Schedule 1 11
Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis	Schedule 2
General Fund	12-13
Special Purpose Funds	14-19
Capital Project Fund	20
Bond and Interest Fund	21
Business Funds	22-26
Trust Funds	27
Schedule of Receipts and Expenditures – Related Municipal Entities	Schedule 3 28

INDEPENDENT AUDITOR'S REPORT

City Council
City of Halstead
Halstead, Kansas 67056

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Halstead, Kansas (City), and its related municipal entities, as of and for the year ended December 31, 2018, 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

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 that 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 City'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 City'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 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2018, 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 2018 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, and schedule of regulatory basis receipts and expenditures-related municipal entities (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the 2018 basic financial statement, but 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 2018 basic financial statement. The 2018 information has been subjected to the auditing procedures applied in the audit of the 2018 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 2018 basic financial statement or to the 2018 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 2018 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 as and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated May 11, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form on the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and the schedules of receipts and expenditures-related municipal entities for the year ended December 31, 2018 (Schedules 2 and 3 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 2017 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 2017 basic financial statement. The 2017 comparative information was 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 2017 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, 2017, on the basis of accounting described in Note 1.

Knudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
March 8, 2019

City of Halstead, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund:	\$ 1,013,361	2,855,101	2,715,716	1,152,746	-	1,152,746
Special Purpose Funds:						
Library	12,041	143,832	144,786	11,087	-	11,087
Special liability	5,060	2,537	3,473	4,124	-	4,124
Special street and highway	105,232	56,242	22,360	139,114	-	139,114
Special parks and recreation	1,526	1,115	500	2,141	-	2,141
Recreation	3,537	75,319	68,559	10,297	-	10,297
VIN inspection	16,407	22,900	21,685	17,622	-	17,622
Sales tax revenue reserve	-	153,000	153,000	-	-	-
Capital improvement	568,372	574,875	473,535	669,712	-	669,712
City equipment reserve	726,969	365,817	222,441	870,345	-	870,345
Cemetery perpetual care	40,613	3,587	2,367	41,833	-	41,833
Capital Project Fund:	6,390	20,572	26,962	-	-	-
Bond and Interest Fund:	155,047	263,716	313,141	105,622	-	105,622
Business Funds:						
Waterworks operating	217,448	751,582	739,751	229,279	-	229,279
Waste water operating	120,548	325,851	331,317	115,082	-	115,082
Gas plant operating	320,544	1,443,406	1,477,974	285,976	-	285,976
Refuse	22,062	136,715	126,872	31,905	-	31,905
Storm water	24,955	18,699	18,477	25,177	-	25,177
Depreciation/replacement reserve	281,122	54,000	-	335,122	-	335,122
Gas reserve	121,290	50,000	-	171,290	-	171,290
Storm water reserve	-	5,000	-	5,000	-	5,000
Trust Funds:						
Drug forfeiture	510	2,558	10	3,058	-	3,058
Land bank	-	10,000	-	10,000	-	10,000
Related Municipal Entities:						
Halstead Public Library	76,103	116,520	101,051	91,572	-	91,572
Halstead Recreation	62,054	73,852	71,389	64,517	-	64,517
Total Reporting Entity	<u>\$ 3,901,191</u>	<u>7,526,796</u>	<u>7,035,366</u>	<u>4,392,621</u>	<u>-</u>	<u>4,392,621</u>

Composition of cash:

Cash in bank, The Halstead Bank	
General checking	\$ 3,931,659
Certificates of Deposit	263,040
Cash in bank, Central National Bank	
Certificates of Deposit	41,833
Related Municipal Entities:	
General checking	102,908
Savings	32,985
Certificates of Deposit	20,196
Total Reporting Entity	<u>\$ 4,392,621</u>

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

NOTES TO FINANCIAL STATEMENT

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

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

Halstead Library Board - The City of Halstead Library Board operates the City's public library. The City provides funding for the library through special revenue and general fund appropriations.

Halstead Recreation Commission - The City of Halstead Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the City levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Related Organization

The Halstead Housing Authority is a related organization that is not included in the financial reporting entity. The Authority was created to administer public housing programs authorized by the United States Housing Act of 1937, as amended. Revenues consist of housing assistance payments from the U.S. Department of Housing and Urban Development and rent received from eligible low income tenants.

Regulatory Basis Fund Types

General 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.

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.

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.

Business Fund – used to account for fees charged to users of the goods or services (i.e. water fund, gas fund, etc.)

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

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

NOTES TO FINANCIAL STATEMENT

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Fund and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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.

A legal operating budget is not required for capital project funds, business reserve accounts, and certain special purpose funds as noted in the presentation of the appropriate Schedules 2 and 3.

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

NOTES TO FINANCIAL STATEMENT

December 31, 2018

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

Compliance with Kansas Statutes

Management is not aware of any statutory violations occurring in the year ended December 31, 2018.

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the carrying amount of the City's deposits, including related municipal entities, was \$4,392,621 and the bank balance was \$4,440,533. The majority of the balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$446,718 was covered by federal depository insurance and the remaining \$3,993,815 was collateralized with securities held by the pledging financial institution's agents in the City's name.

City of Halstead, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2018

4. CAPITAL IMPROVEMENT PROJECT

Capital improvement authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>	<u>Excess Authorization</u>
Cedar Meadows II addition	<u>\$ 422,500</u>	<u>298,535</u>	<u>123,965</u>

5. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2018, 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>
Temporary Improvement Notes: Series 2015, Cedar Meadows II	0.89%	5/13/2015	\$ 300,000	5/13/2018	<u>\$ 300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>8,010</u>
General Obligation Bonds:									
2012 Refunding	1.50-2.50%	11/20/2012	2,540,000	10/1/2029	1,135,000	-	105,000	1,030,000	24,125
2016 Refunding	1.00-2.50%	7/19/2016	1,380,000	10/1/2030	1,350,000	-	90,000	1,260,000	28,013
2018 Series A	2.50-3.50%	5/9/2018	235,000	9/1/2033	-	235,000	-	235,000	-
					<u>2,485,000</u>	<u>235,000</u>	<u>195,000</u>	<u>2,525,000</u>	<u>52,138</u>
KDHE Loans:									
Waste Water Treatment Upgrade	3.33%	1/11/2000	793,585	9/1/2020	178,877	-	57,668	121,209	5,069
Water Pollution Control	2.50%	2/7/2007	325,000	3/1/2028	180,982	-	15,275	165,707	3,987
					<u>359,859</u>	<u>-</u>	<u>72,943</u>	<u>286,916</u>	<u>9,056</u>
Total contractual indebtedness					<u>\$ 3,144,859</u>	<u>235,000</u>	<u>567,943</u>	<u>2,811,916</u>	<u>69,204</u>

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

	<u>Year ending December 31</u>							
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024- 2028</u>	<u>2029- 2033</u>	<u>Total</u>
Principal								
General Obligation Bonds	\$ 185,000	200,000	200,000	200,000	210,000	1,110,000	420,000	2,525,000
KDHE Loans	75,263	77,658	16,457	16,871	17,295	83,372	-	286,916
Total Principal	<u>260,263</u>	<u>277,658</u>	<u>216,457</u>	<u>216,871</u>	<u>227,295</u>	<u>1,193,372</u>	<u>420,000</u>	<u>2,811,916</u>
Interest								
General Obligation Bonds	58,488	53,188	49,587	45,563	41,537	137,825	20,988	407,176
KDHE Loans	7,590	5,194	3,248	2,834	2,409	5,297	-	26,572
Total Interest	<u>66,078</u>	<u>58,382</u>	<u>52,835</u>	<u>48,397</u>	<u>43,946</u>	<u>143,122</u>	<u>20,988</u>	<u>433,748</u>
Total Principal and Interest	<u>\$ 326,341</u>	<u>336,040</u>	<u>269,292</u>	<u>265,268</u>	<u>271,241</u>	<u>1,336,494</u>	<u>440,988</u>	<u>3,245,664</u>

NOTES TO FINANCIAL STATEMENT

December 31, 2018

6. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Contributions

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

State law provides that the employer contribution rates for KPERS 1, 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 for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$103,262, for the year ended December 31, 2018.

Net Pension Liability

At December 31, 2018, the City's proportionate share, including its related municipal entity, of the collective net pension liability reported by KPERS was \$903,162. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTES TO FINANCIAL STATEMENT

December 31, 2018

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members of the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

Compensated Absences

Full-time employees are entitled to paid vacation according to the following schedule:

<u>Year of service</u>	<u>Accrual</u>
After 1 year	1 week
Years 2 through 10	2 weeks
Years 11 through 15	3 weeks
After 15 years	4 weeks

Employees may carryover 120 hours of vacation leave regardless of years of service, hours in excess of 120 are forfeited. Accrued vacation time has not been recorded as a liability in the accompanying financial statements.

Full-time employees earn 4 hours of sick leave for each 2 week pay period worked, which can be accumulated to a maximum of 720 hours. Unused sick leave is not paid to employees upon termination. On retirement at age 62 or after 20 years of service to the City, payment for unused sick leave will be made at a ratio of 1 day per 4 days of accrued leave. Unused sick leave has not been recorded in the accompanying financial statement.

8. COMMITMENTS

Public Wholesale Water Supply District No. 17

In February 1997, the City entered into an agreement with the cities of Newton, North Newton and Sedgwick to organize the Public Wholesale Water Supply District No. 17 (the District). The purpose of the District is to secure adequate sources of water for the member cities, to transport and distribute the water to purchasers, and to increase efficiency in providing public water supplies through sharing of facilities and resources. The district began pumping and distributing water to the member cities during 2000.

In order to purchase water rights and to construct facilities necessary for transportation and distribution, the District incurred debt through a loan from the Kansas Rural Water Finance Authority in February 2000. At December 31, 2018, the District owed approximately \$417,975 on this loan. This loan is scheduled to be paid in full in August 2020. As specified in the organization agreement, should the District terminate or otherwise fail to meet debt service requirements, the member cities are required to tender their pro rata share of the deficiency as determined by the membership percentages stated in the agreement. The City's stated membership percentage is 11.85%.

The City is paying the District for its portion of the total debt service as it comes due. At December 31, 2018, the remaining balance of the City's portion was \$49,530. Water line payments totaling \$30,417 are included in Waterworks fund capital outlay expenditures in the accompanying financial statement for the year ended December 31, 2018.

NOTES TO FINANCIAL STATEMENT

December 31, 2018

9. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Total
General	Sales tax revenue reserve	K.S.A. 12-197	\$ 153,000
General	Capital improvement	K.S.A. 12-1,118	417,500
General	City equipment reserve	K.S.A. 12-1,117	156,500
General	Cemetery perpetual care	Ordinance #860	1,050
Special parks and recreation	City equipment reserve	K.S.A. 12-1,117	500
Sales tax revenue reserve	Capital improvement	K.S.A. 12-197	44,875
Sales tax revenue reserve	Bond and Interest	K.S.A. 12-197	108,125
Waterworks operating	General	K.S.A. 12-825d	237,500
Waterworks operating	Capital improvement	K.S.A. 12-1,118	50,000
Waterworks operating	City equipment reserve	K.S.A. 12-1,117	50,000
Waterworks operating	Depreciation/replacement reserve	K.S.A. 12-825d	36,000
Waste water operating	General	K.S.A. 12-825d	15,000
Waste water operating	Capital improvement	K.S.A. 12-1,118	10,000
Waste water operating	City equipment reserve	K.S.A. 12-1,117	10,000
Waste water operating	Depreciation/replacement reserve	K.S.A. 12-825d	18,000
Gas plant operating	General	K.S.A. 12-825d	350,000
Gas plant operating	Capital improvement	K.S.A. 12-1,118	50,000
Gas plant operating	City equipment reserve	K.S.A. 12-1,117	50,000
Gas plant operating	Gas Reserve	K.S.A. 12-825d	50,000
Storm water	Capital improvement	K.S.A. 12-1,118	2,500
Storm water	City equipment reserve	K.S.A. 12-1,117	2,500
Storm water	Storm water reserve	K.S.A. 12-825d	5,000
			<u>\$1,091,050</u>

10. CLAIMS AND JUDGEMENTS

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

11. MANAGEMENT'S DATE OF REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2018, to determine the need for any adjustments to and/or disclosures within the audited financial statement.

Management has performed their analysis through March 8, 2019, which is the date at which the financial statement was available to be issued.

CITY OF HALSTEAD
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

City of Halstead, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended December 31, 2018

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund:	\$ 3,282,500	-	3,282,500	2,715,716	(566,784)
Special Purpose Funds:					
Library	159,444	-	159,444	144,786	(14,658)
Special liability	7,500	-	7,500	3,473	(4,027)
Special street and highway	147,500	-	147,500	22,360	(125,140)
Special parks and recreation	1,500	-	1,500	500	(1,000)
Recreation	76,000	-	76,000	68,559	(7,441)
VIN inspection	22,000	-	22,000	21,685	(315)
Sales tax revenue reserve	153,000	-	153,000	153,000	-
Bond and Interest Fund:	343,200	-	343,200	313,141	(30,059)
Business Funds:					
Waterworks operating	907,700	-	907,700	739,751	(167,949)
Waste water operating	415,900	-	415,900	331,317	(84,583)
Gas plant operating	1,775,400	-	1,775,400	1,477,974	(297,426)
Refuse	153,000	-	153,000	126,872	(26,128)
Storm water	39,500	-	39,500	18,477	(21,023)

City of Halstead, Kansas

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

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year			Variance -
	Actual	Actual	Budget	Over
				(Under)
RECEIPTS				
Ad valorem property tax	\$ 790,183	795,279	766,406	28,873
Vehicle tax	102,707	119,313	118,324	989
Local sales tax	427,943	423,789	440,000	(16,211)
Liquor tax	1,115	1,115	500	615
Transient guest tax	263	309	500	(191)
Franchise tax	148,249	158,204	140,000	18,204
Fines and fees	153,141	208,317	173,300	35,017
Ambulance - Harvey County	97,172	255,029	255,000	29
Fire protection fees	68,480	73,959	69,500	4,459
Interest	35,123	81,337	15,200	66,137
Cemetery fees and charges	14,360	19,200	20,500	(1,300)
Golf course fees	126,104	102,266	120,000	(17,734)
Rent	2,935	3,600	3,500	100
Sale of assets	7,896	7,896	6,500	1,396
Other	2,813	2,988	2,000	988
Transfer from Waterworks operating	200,000	237,500	200,000	37,500
Transfer from Waste Water operating	15,000	15,000	15,000	-
Transfer from Gas plant operating	350,000	350,000	350,000	-
	2,543,484	2,855,101	2,696,230	158,871
EXPENDITURES, page 13	2,218,643	2,715,716		
Receipts over (under) expenditures	324,841	139,385		
UNENCUMBERED CASH, beginning	688,520	1,013,361		
UNENCUMBERED CASH, ending	\$ 1,013,361	1,152,746		

City of Halstead, Kansas

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

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
EXPENDITURES				
Administration	\$ 163,713	181,517	212,500	(30,983)
Court and legal	44,830	47,545	52,000	(4,455)
City hall/support services	73,708	65,053	95,000	(29,947)
Police	277,290	294,909	303,500	(8,591)
Street	33,862	33,701	62,500	(28,799)
Fire	106,961	160,649	159,500	1,149
Park	99,872	99,099	134,000	(34,901)
Golf	163,127	179,353	175,000	4,353
Emergency medical services	170,075	270,624	339,000	(68,376)
Community betterment	65,312	109,111	215,000	(105,889)
Street lighting	44,069	43,189	47,500	(4,311)
Cemetery	51,655	50,689	76,500	(25,811)
Employee benefits	381,605	429,350	800,500	(371,150)
Flood control maintenance	18,924	22,877	30,000	(7,123)
Transfer to Sales tax revenue reserve	153,000	153,000	153,000	-
Transfer to Capital improvement	245,000	417,500	317,500	100,000
Transfer to City equipment reserve	124,500	156,500	106,500	50,000
Transfer to Cemetery perpetual care	1,140	1,050	3,000	(1,950)
TOTAL EXPENDITURES	<u>\$ 2,218,643</u>	<u>2,715,716</u>	<u>3,282,500</u>	<u>(566,784)</u>

City of Halstead, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year			Variance -
	Actual	Actual	Budget	Over
				(Under)
<u>LIBRARY</u>				
RECEIPTS				
Ad valorem property tax	\$ 84,455	82,044	78,000	4,044
Vehicle tax	12,080	12,156	11,903	253
Reimbursements and other	-	49,632	51,394	(1,762)
	<u>96,535</u>	<u>143,832</u>	<u>141,297</u>	<u>2,535</u>
EXPENDITURES				
Appropriations to Library Board	88,000	95,005	104,444	(9,439)
Salaries and benefits	-	49,631	55,000	(5,369)
Commodities and other	-	150	-	150
	<u>88,000</u>	<u>144,786</u>	<u>159,444</u>	<u>(14,658)</u>
Receipts over (under) expenditures	8,535	(954)		
UNENCUMBERED CASH, beginning	<u>3,506</u>	<u>12,041</u>		
UNENCUMBERED CASH, ending	<u>\$ 12,041</u>	<u>11,087</u>		
 <u>SPECIAL LIABILITY</u>				
RECEIPTS				
Ad valorem property tax	\$ 3,779	2,124	1,951	173
Vehicle tax	<u>165</u>	<u>413</u>	<u>410</u>	<u>3</u>
	<u>3,944</u>	<u>2,537</u>	<u>2,361</u>	<u>176</u>
EXPENDITURES				
Insurance premiums	<u>3,350</u>	<u>3,473</u>	<u>7,500</u>	<u>(4,027)</u>
Receipts over (under) expenditures	594	(936)		
UNENCUMBERED CASH, beginning	<u>4,466</u>	<u>5,060</u>		
UNENCUMBERED CASH, ending	<u>\$ 5,060</u>	<u>4,124</u>		

City of Halstead, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
<u>SPECIAL STREET AND HIGHWAY</u>				
RECEIPTS				
Gasoline tax	\$ 55,641	56,242	55,510	732
EXPENDITURES				
Contractual services	85,675	18,192	106,000	(87,808)
Commodities	4,936	4,168	10,500	(6,332)
Capital outlay	-	-	31,000	(31,000)
	90,611	22,360	147,500	(125,140)
Receipts over (under) expenditures	(34,970)	33,882		
UNENCUMBERED CASH, beginning	140,202	105,232		
UNENCUMBERED CASH, ending	\$ 105,232	139,114		

City of Halstead, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
<u>SPECIAL PARKS AND RECREATION</u>				
RECEIPTS				
Liquor tax	\$ 1,115	1,115	600	515
EXPENDITURES				
Capital outlay	-	-	1,000	(1,000)
Transfer to City equipment reserve	1,000	500	500	-
	1,000	500	1,500	(1,000)
Receipts over (under) expenditures	115	615		
UNENCUMBERED CASH, beginning	1,411	1,526		
UNENCUMBERED CASH, ending	\$ 1,526	2,141		
 <u>RECREATION</u>				
RECEIPTS				
Ad valorem property tax	\$ 27,376	26,522	25,794	728
Vehicle tax	3,849	3,800	3,766	34
Reimbursements and other	39,728	44,997	45,000	(3)
	70,953	75,319	74,560	759
EXPENDITURES				
Appropriation to Recreation Commission	36,106	31,200	27,500	3,700
Salaries and benefits	32,054	37,035	45,500	(8,465)
Supplies and other	324	324	3,000	(2,676)
	68,484	68,559	76,000	(7,441)
Receipts over (under) expenditures	2,469	6,760		
UNENCUMBERED CASH, beginning	1,068	3,537		
UNENCUMBERED CASH, ending	\$ 3,537	10,297		

City of Halstead, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year			Variance -
	Actual	Actual	Budget	Over
				(Under)
<u>VIN INSPECTION</u>				
RECEIPTS				
Fees collected	\$ 13,300	22,900	10,500	12,400
EXPENDITURES				
Contractual service	9,798	21,685	22,000	(315)
Receipts over (under) expenditures	3,502	1,215		
UNENCUMBERED CASH, beginning	12,905	16,407		
UNENCUMBERED CASH, ending	\$ 16,407	17,622		
 <u>SALES TAX REVENUE RESERVE</u>				
RECEIPTS				
Transfer from General	\$ 153,000	153,000	153,000	-
EXPENDITURES				
Transfer to Capital improvement	44,875	44,875	44,875	-
Transfer to Bond and Interest	108,125	108,125	108,125	-
	153,000	153,000	153,000	-
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	-		

City of Halstead, Kansas

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
<u>CAPITAL IMPROVEMENT</u>		
RECEIPTS		
Transfer from General	\$ 245,000	417,500
Transfer from Sales tax revenue reserve	44,875	44,875
Transfer from Waterworks operating	40,000	50,000
Transfer from Waste water operating	10,000	10,000
Transfer from Gas plant operating	65,000	50,000
Transfer from Storm water	1,000	2,500
Reimbursements and Other	<u>11,216</u>	<u>-</u>
	417,091	574,875
EXPENDITURES		
Capital outlay and maintenance	<u>417,722</u>	<u>473,535</u>
Receipts over (under) expenditures	(631)	101,340
UNENCUMBERED CASH, beginning	<u>569,003</u>	<u>568,372</u>
UNENCUMBERED CASH, ending	<u><u>\$ 568,372</u></u>	<u><u>669,712</u></u>
 <u>CITY EQUIPMENT RESERVE</u>		
RECEIPTS		
Transfer from General	\$ 124,500	156,500
Transfer from Special parks and recreation	1,000	500
Transfer from Waterworks operating	80,000	50,000
Transfer from Waste water operating	10,000	10,000
Transfer from Gas plant operating	40,000	50,000
Transfer from Storm water	3,000	2,500
Sale of equipment and other	<u>123,776</u>	<u>96,317</u>
	382,276	365,817
EXPENDITURES		
Capital outlay and maintenance	<u>354,090</u>	<u>222,441</u>
Receipts over (under) expenditures	28,186	143,376
UNENCUMBERED CASH, beginning	<u>698,783</u>	<u>726,969</u>
UNENCUMBERED CASH, ending	<u><u>\$ 726,969</u></u>	<u><u>870,345</u></u>

City of Halstead, Kansas

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
<u>CEMETERY PERPETUAL CARE</u>		
RECEIPTS		
Transfer from General	\$ 1,140	1,050
Interest	256	170
Other	<u>1,467</u>	<u>2,367</u>
	<u>2,863</u>	<u>3,587</u>
EXPENDITURES		
Appropriation to Halstead Cemetery Assn	<u>1,664</u>	<u>2,367</u>
Receipts over (under) expenditures	1,199	1,220
UNENCUMBERED CASH, beginning	<u>39,414</u>	<u>40,613</u>
UNENCUMBERED CASH, ending	<u><u>\$ 40,613</u></u>	<u><u>41,833</u></u>

City of Halstead, Kansas

Capital Project Fund

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
<u>CEDAR MEADOWS II ADDITION</u>		
RECEIPTS		
Other revenue	\$ 4,925	20,572
EXPENDITURES		
Wire to State of Kansas	<u>-</u>	<u>26,962</u>
Receipts over (under) expenditures	4,925	(6,390)
UNENCUMBERED CASH, beginning	<u>1,465</u>	<u>6,390</u>
UNENCUMBERED CASH, ending	<u>\$ 6,390</u>	<u>-</u>

City of Halstead, Kansas

Bond and Interest Fund

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year			Variance -
	Actual	Actual	Budget	Over
				(Under)
RECEIPTS				
Ad valorem property tax	\$ 171,298	125,648	115,743	9,905
Special assessments	13,696	12,617	14,000	(1,383)
Vehicle tax	19,344	17,326	17,152	174
Other	2,676	-	-	-
Transfer from General	-	-	-	-
Transfer from Sales tax revenue reserve	108,125	108,125	108,125	-
	<u>315,139</u>	<u>263,716</u>	<u>255,020</u>	<u>8,696</u>
EXPENDITURES				
Bond principal	190,000	195,000	195,000	-
Interest	56,575	52,138	60,200	(8,062)
Commission and fees	-	66,003	-	66,003
Cash basis reserve	-	-	88,000	(88,000)
	<u>246,575</u>	<u>313,141</u>	<u>343,200</u>	<u>(30,059)</u>
Receipts over (under) expenditures	68,564	(49,425)		
UNENCUMBERED CASH, beginning	<u>86,483</u>	<u>155,047</u>		
UNENCUMBERED CASH, ending	<u>\$ 155,047</u>	<u>105,622</u>		

City of Halstead, Kansas

Business Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
<u>WATERWORKS OPERATING</u>				
RECEIPTS				
Sales	\$ 698,724	730,679	714,650	16,029
Service and other	23,080	20,903	17,000	3,903
	<u>721,804</u>	<u>751,582</u>	<u>731,650</u>	<u>19,932</u>
EXPENDITURES				
Personal services	119,284	119,630	162,500	(42,870)
Contractual services	72,757	72,539	180,500	(107,961)
Water purchases	95,621	97,860	105,500	(7,640)
Commodities	37,415	21,977	49,000	(27,023)
Capital outlay	47,315	54,245	154,200	(99,955)
Transfer to General	200,000	237,500	120,000	117,500
Transfer to City equipment reserve	80,000	50,000	50,000	-
Transfer to Capital improvement	40,000	50,000	50,000	-
Transfer to Depreciation/replacement reserve	18,000	36,000	36,000	-
	<u>710,392</u>	<u>739,751</u>	<u>907,700</u>	<u>(167,949)</u>
Receipts over (under) expenditures	11,412	11,831		
UNENCUMBERED CASH, beginning	<u>206,036</u>	<u>217,448</u>		
UNENCUMBERED CASH, ending	\$ 217,448	229,279		

City of Halstead, Kansas

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

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
<u>WASTE WATER OPERATING</u>				
RECEIPTS				
User fees	\$ 312,638	325,542	323,240	2,302
Service and other	478	309	100	209
	<u>313,116</u>	<u>325,851</u>	<u>323,340</u>	<u>2,511</u>
EXPENDITURES				
Personal services	74,212	79,935	96,000	(16,065)
Contractual services	72,867	89,504	136,500	(46,996)
Commodities	25,164	26,026	33,000	(6,974)
Capital outlay	-	-	4,000	(4,000)
Transfer to General	15,000	15,000	-	15,000
Transfer to City equipment reserve	10,000	10,000	10,000	-
Transfer to Capital equipment	10,000	10,000	10,000	-
Transfer to Depreciation/replacement reserve	6,000	18,000	18,000	-
Debt service	82,851	82,852	82,853	(1)
Capital reserve	-	-	25,547	(25,547)
	<u>296,094</u>	<u>331,317</u>	<u>415,900</u>	<u>(84,583)</u>
Receipts over (under) expenditures	17,022	(5,466)		
UNENCUMBERED CASH, beginning	<u>103,526</u>	<u>120,548</u>		
UNENCUMBERED CASH, ending	<u>\$ 120,548</u>	<u>115,082</u>		

City of Halstead, Kansas

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

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
<u>GAS PLANT OPERATING</u>				
RECEIPTS				
Sales	\$ 1,472,298	1,424,766	1,488,900	(64,134)
Service and other	19,181	18,640	15,000	3,640
	<u>1,491,479</u>	<u>1,443,406</u>	<u>1,503,900</u>	<u>(60,494)</u>
EXPENDITURES				
Personal services	116,015	107,341	150,000	(42,659)
Contractual services	106,220	114,359	288,000	(173,641)
Commodities	22,897	35,257	49,000	(13,743)
Gas purchased	696,675	716,329	820,000	(103,671)
Capital outlay	3,125	4,688	80,000	(75,312)
Transfer to General	350,000	350,000	225,000	125,000
Transfer to City equipment reserve	40,000	50,000	50,000	-
Transfer to Capital improvement	65,000	50,000	50,000	-
Transfer to Gas reserve	20,000	50,000	50,000	-
Capital reserve	-	-	13,400	(13,400)
	<u>1,419,932</u>	<u>1,477,974</u>	<u>1,775,400</u>	<u>(297,426)</u>
Receipts over (under) expenditures	71,547	(34,568)		
UNENCUMBERED CASH, beginning	<u>248,997</u>	<u>320,544</u>		
UNENCUMBERED CASH, ending	<u>\$ 320,544</u>	<u>285,976</u>		

City of Halstead, Kansas

Business Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		Current Year		
	Prior Year	Actual	Budget	Variance -
	Actual			Over
				(Under)
<u>REFUSE</u>				
RECEIPTS				
User fees	\$ 100,569	99,051	101,710	(2,659)
Recycle fees	38,280	37,564	38,500	(936)
Service and other	-	100	-	100
	<u>138,849</u>	<u>136,715</u>	<u>140,210</u>	<u>(3,495)</u>
EXPENDITURES				
Personal services	9,999	10,323	19,000	(8,677)
Contractual services	110,078	116,549	128,000	(11,451)
Commodities and other	-	-	1,000	(1,000)
Capital reserve	-	-	5,000	(5,000)
	<u>120,077</u>	<u>126,872</u>	<u>153,000</u>	<u>(26,128)</u>
Receipts over (under) expenditures	18,772	9,843		
UNENCUMBERED CASH, beginning	<u>3,290</u>	<u>22,062</u>		
UNENCUMBERED CASH, ending	<u>\$ 22,062</u>	<u>31,905</u>		
<u>STORM WATER</u>				
RECEIPTS				
User fees	\$ 15,826	18,699	16,000	2,699
EXPENDITURES				
Contractual services	2,723	1,375	5,000	(3,625)
Commodities	15,772	7,102	24,500	(17,398)
Transfer to City equipment reserve	3,000	2,500	2,500	-
Transfer to Capital improvement	1,000	2,500	2,500	-
Transfer to Storm water reserve	-	5,000	-	5,000
Capital reserve	-	-	5,000	(5,000)
	<u>22,495</u>	<u>18,477</u>	<u>39,500</u>	<u>(21,023)</u>
Receipts over (under) expenditures	(6,669)	222		
UNENCUMBERED CASH, beginning	<u>31,624</u>	<u>24,955</u>		
UNENCUMBERED CASH, ending	<u>\$ 24,955</u>	<u>25,177</u>		

City of Halstead, Kansas

Business Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
<u>DEPRECIATION/REPLACEMENT RESERVE</u>		
RECEIPTS		
Transfer from Waterworks operating	\$ 18,000	36,000
Transfer from Waste water operating	<u>6,000</u>	<u>18,000</u>
	<u>24,000</u>	<u>54,000</u>
EXPENDITURES		
Commodities	23,589	-
Capital outlay	<u>6,000</u>	<u>-</u>
	<u>29,589</u>	<u>-</u>
Receipts over (under) expenditures	(5,589)	54,000
UNENCUMBERED CASH, beginning	<u>286,711</u>	<u>281,122</u>
UNENCUMBERED CASH, ending	<u><u>\$ 281,122</u></u>	<u><u>335,122</u></u>
 <u>GAS RESERVE</u>		
RECEIPTS		
Transfer from Gas plant operating	\$ 20,000	50,000
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	20,000	50,000
UNENCUMBERED CASH, beginning	<u>101,290</u>	<u>121,290</u>
UNENCUMBERED CASH, ending	<u><u>\$ 121,290</u></u>	<u><u>171,290</u></u>
 <u>STORM WATER RESERVE</u>		
RECEIPTS		
Transfer from Storm water	\$ -	5,000
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	5,000
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u><u>\$ -</u></u>	<u><u>5,000</u></u>

City of Halstead, Kansas

Trust Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
<u>DRUG FORFEITURE</u>		
RECEIPTS		
Asset forfeiture funds	\$ 1,000	2,558
EXPENDITURES		
Commodities	<u>1,379</u>	<u>10</u>
Receipts over (under) expenditures	(379)	2,548
UNENCUMBERED CASH, beginning	<u>889</u>	<u>510</u>
UNENCUMBERED CASH, ending	<u><u>\$ 510</u></u>	<u><u>3,058</u></u>
 <u>LAND BANK</u>		
RECEIPTS		
City appropriation	\$ -	10,000
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	10,000
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u><u>\$ -</u></u>	<u><u>10,000</u></u>

City of Halstead, Kansas

Related Municipal Entities**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL**
Regulatory BasisFor the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
<u>HALSTEAD PUBLIC LIBRARY</u>		
RECEIPTS		
City of Halstead	\$ 88,000	99,129
SCKLS and other grants	11,799	11,141
State aid	631	597
Memorial income	3,821	588
Interest and other	<u>5,075</u>	<u>5,065</u>
	<u>109,326</u>	<u>116,520</u>
EXPENDITURES		
Personal services	59,122	64,480
Books, periodicals and materials	10,154	10,957
Operating supplies and commodities	8,363	5,647
Telephone and utilities	5,665	5,364
Capital outlay	24,151	7,869
Other	<u>7,699</u>	<u>6,734</u>
	<u>115,154</u>	<u>101,051</u>
Receipts over (under) expenditures	(5,828)	15,469
UNENCUMBERED CASH, beginning	<u>81,931</u>	<u>76,103</u>
UNENCUMBERED CASH, ending	<u>\$ 76,103</u>	<u>91,572</u>
<u>HALSTEAD RECREATION</u>		
RECEIPTS		
City of Halstead	\$ 36,106	31,200
Athletic programs and pool receipts	43,019	40,822
Interest and other	<u>780</u>	<u>1,830</u>
	<u>79,905</u>	<u>73,852</u>
EXPENDITURES		
Personal services	31,671	32,294
Athletic programs and pool	28,754	31,945
Other	<u>5,946</u>	<u>7,150</u>
	<u>66,371</u>	<u>71,389</u>
Receipts over (under) expenditures	13,534	2,463
UNENCUMBERED CASH, beginning	<u>48,520</u>	<u>62,054</u>
UNENCUMBERED CASH, ending	<u>\$ 62,054</u>	<u>64,517</u>