

CITY OF MOUNT HOPE, KANSAS

Financial Statement

For the Year Ended December 31, 2017

City of Mount Hope, Kansas  
For the Year Ended December 31, 2017

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
 <b><u>Financial Section</u></b>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Statement 1            3
Notes to Financial Statement	4-9
 <b><u>Supplementary Information</u></b>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	Schedule 1            10
Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis	Schedule 2
General Fund	11-12
Special Purpose Funds	13-14
Bond and Interest Fund	15
Capital Project Fund	16
Business Funds	17-21
Trust Fund	22
Schedule of Receipts and Expenditures – Regulatory Basis	Schedule 3
Related Municipal Entity – Library Board	23
Schedule of Receipts and Disbursements	Schedule 4
Agency Funds	24

# Knudsen Monroe & Company LLC

## INDEPENDENT AUDITOR'S REPORT

City Council  
City of Mount Hope  
Mount Hope, Kansas 67108

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

### ***Management's Responsibility for the Financial Statement***

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

### ***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 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, 2017, or changes in financial position and cash flows thereof for the year then ended.

### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-actual-related municipal entity, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for additional analysis and are not a required part of the 2017 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 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 as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated March 10, 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/chieffinancial-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, 2016 (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.

*Krudsen, Monroe & Company, LLC*

Certified Public Accountants  
February 9, 2018

## City of Mount Hope, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
Regulatory Basis  
For the Year Ended December 31, 2017

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Fund</b>	\$ 46,624	451,154	449,894	47,884	4,342	52,226
<b>Special Purpose Funds</b>						
Employee Benefit	22,107	79,760	82,243	19,624	-	19,624
Library	1,432	21,009	21,836	605	-	605
Special Street and Highway	21,467	51,249	-	72,716	-	72,716
Ambulance	-	1,073	1,073	-	-	-
Total Special Purpose Funds	45,006	153,091	105,152	92,945	-	92,945
<b>Bond and Interest Fund</b>	17,330	90,880	85,435	22,775	-	22,775
<b>Capital Project Funds</b>						
Equipment Replacement	44,248	18,763	2,147	60,864	-	60,864
<b>Business Funds</b>						
Electric Utility	46,169	720,401	703,864	62,706	1,100	63,806
Sewer Utility	11,164	62,327	53,700	19,791	65	19,856
Solid Waste Utility	10,060	70,388	69,978	10,470	-	10,470
Water Utility	39,358	130,190	128,077	41,471	155	41,626
Electric Maintenance Reserve	86,691	-	-	86,691	-	86,691
Sewer Utility Reserve	15,340	-	-	15,340	-	15,340
Water Utility Reserve	39,730	5,000	-	44,730	-	44,730
Total Business Funds	248,512	988,306	955,619	281,199	1,320	282,519
<b>Trust Fund</b>						
Special Law Enforcement Trust Fund	-	1,718	-	1,718	-	1,718
<b>Related Municipal Entity</b>						
Library Board	23,098	38,547	49,699	11,946	761	12,707
<b>Total Reporting Entity</b> (Excluding Agency funds)	\$ 424,818	1,742,459	1,647,946	519,331	6,423	525,754
<b>Composition of Cash:</b>						
Cash on hand						\$ 200
First National Bank of Hutchinson						
Checking						164,420
Savings						20,820
Money Market						66,888
Certificates of Deposit						109,478
Legacy Bank, Certificate of Deposit						168,128
First National Bank of Hutchinson, Library						12,707
Total Cash						542,641
Less Agency Funds per Schedule 4						16,887
<b>Total Reporting Entity</b>						<u>\$ 525,754</u>

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

NOTES TO FINANCIAL STATEMENT

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

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

Library Board – The City of Mount Hope Library Board operates the City's public library. The City provides funding for the library through special purpose and general fund appropriations. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

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.

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

Agency Fund – used to report assets held by the City in a purely custodial capacity.

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.

NOTES TO FINANCIAL STATEMENT

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 the 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 fund, equipment reserve fund, business reserve funds, and agency funds.

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

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as 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.

NOTES TO FINANCIAL STATEMENT

December 31, 2017

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Management is not aware of any statutory violation incurred in the year ended December 31, 2017.

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

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

At December 31, 2017, the City's carrying amount, including related municipal entities, was \$542,441 and the bank balance was \$577,346. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$418,128 was covered by federal depository insurance and the remaining \$159,218 was collateralized with securities held by the pledging financial institutions' agents in the City's name.



City of Mount Hope, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2017

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Maturity Date	Balance 12-31-16	Additions	Reductions /Payments	Balance 12-31-17	Interest Paid 2017
<b>General Obligation Bonds:</b>									
Series 2005	3.55-4.45%	08/17/05	335,000	12/01/20	\$ 115,000	-	25,000	90,000	5,035
Series 2010	4.00%	06/29/10	685,000	12/01/30	510,000	-	35,000	475,000	20,400
					625,000	-	60,000	565,000	25,435
<b>Capital Leases Payable:</b>									
Altec Capital Services	3.20%	12/31/16	52,563	01/01/20	38,785	-	38,785	-	-
Altec Capital Services	3.20%	04/01/17	45,892	01/01/20	-	45,892	12,056	33,836	-
First National Bank	3.75%	05/21/14	500,000	05/21/24	419,226	-	50,536	368,690	15,059
					458,011	45,892	101,377	402,526	15,059
Total Long-Term Debt					\$ 1,083,011	45,892	161,377	967,526	40,494

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

	Year ending December 31							
	2018	2019	2020	2021	2022	2023-2027	2028-2030	Total
<b>Principal</b>								
General Obligation Bonds	\$ 65,000	70,000	70,000	45,000	45,000	195,000	75,000	565,000
Capital Leases Payable	63,397	65,798	68,258	58,822	61,097	85,154	-	402,526
Total principal	128,397	135,798	138,258	103,822	106,097	280,154	75,000	967,526
<b>Interest</b>								
General Obligation Bonds	22,960	20,255	17,335	14,400	12,600	36,000	6,000	129,550
Capital Leases Payable	14,254	11,853	9,393	6,774	4,498	2,317	-	49,089
Total interest	37,214	32,108	26,728	21,174	17,098	38,317	6,000	178,639
Total principal and interest	\$ 165,611	167,906	164,986	124,996	123,195	318,471	81,000	1,146,165

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Street and Highway	K.S.A 12-825d	\$ 20,000
General	Equipment Reserve	K.S.A 12-825d	15,000
Electric Utility	General	K.S.A 12-825d	25,000
Electric Utility	Employee Benefit	K.S.A 12-825d	40,000
Sewer	Bond and Interest	K.S.A 12-825d	15,000
Water	Bond and Interest	K.S.A 12-825d	30,000
Water	Water Reserve	K.S.A 12-825d	5,000
Total			\$ 150,000

## NOTES TO FINANCIAL STATEMENT

December 31, 2017

## 6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5400, 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.

Other Employee Benefits

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

Years of continuous service	0 to 5	5 to 10	10 to 20	20+
Hours earned each month	6.66	8.50	10.00	13.20
Maximum hours of accumulation	80.00	104.00	120.00	160.00

Unused vacation time has not been recorded as a liability in the accompanying financial statement.

Full-time employees earn eight hours of sick leave for each month of service which can be accumulated to a maximum of 480 hours. Unused sick leave is not paid to employees upon termination. Unused sick leave has not been recorded in the accompanying financial statement.

## 7. 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](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. 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 with a 0% moratorium from the period of January 1, 2017 through

NOTES TO FINANCIAL STATEMENT

December 31, 2017

7. DEFINED BENEFIT PENSION PLAN (Continued)

September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$18,953 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 \$161,575. 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 nonemployer 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. RISK MANAGEMENT

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.

9. DATE OF MANAGEMENT REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2017, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through February 9, 2018, which is the date at which the financial statement was available to be issued.

CITY OF MOUNT HOPE  
REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017

## City of Mount Hope, Kansas

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
(Budgeted Funds Only)

For the Year Ended December 31, 2017

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>GENERAL FUND</b>	<u>\$ 624,300</u>	<u>-</u>	<u>624,300</u>	<u>449,894</u>	<u>(174,406)</u>
<b>SPECIAL PURPOSE FUNDS</b>					
Employee benefit	132,000	-	132,000	82,243	(49,757)
Library	23,000	-	23,000	21,836	(1,164)
Special street and highway	106,800	-	106,800	-	(106,800)
Ambulance	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>1,073</u>	<u>(2,427)</u>
Total Special Purpose Funds	<u>265,300</u>	<u>-</u>	<u>265,300</u>	<u>105,152</u>	<u>(160,148)</u>
<b>BOND AND INTEREST FUND</b>	<u>85,435</u>	<u>-</u>	<u>85,435</u>	<u>85,435</u>	<u>-</u>
<b>BUSINESS FUNDS</b>					
Electric utility	908,939	-	908,939	703,864	(205,075)
Sewer utility	67,700	-	67,700	53,700	(14,000)
Solid waste utility	85,258	-	85,258	69,978	(15,280)
Water utility	<u>161,700</u>	<u>-</u>	<u>161,700</u>	<u>128,077</u>	<u>(33,623)</u>
Total Business Funds	<u>1,223,597</u>	<u>-</u>	<u>1,223,597</u>	<u>955,619</u>	<u>(267,978)</u>
Expenditures subject to current budget	<u>\$ 2,198,632</u>	<u>-</u>	<u>2,198,632</u>	<u>1,596,100</u>	<u>(602,532)</u>

## City of Mount Hope, Kansas

**General Fund**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
<b>RECEIPTS</b>				
Ad valorem property tax	\$ 152,071	161,372	174,133	(12,761)
Delinquent tax	4,298	6,794	-	6,794
Vehicle tax	27,326	31,573	31,542	31
Special assessments	250	-	-	-
State assessed utilities tax	5,136	5,440	4,000	1,440
Local sales tax	120,905	120,021	115,000	5,021
Township payments	7,262	7,373	6,500	873
Fines and fees	20,440	18,504	71,000	(52,496)
Fire protection fees	3,000	3,005	3,000	5
Licenses and permits	4,721	3,408	4,500	(1,092)
Franchise tax	15,627	16,919	18,000	(1,081)
Interest	1,148	1,670	1,000	670
Late charges	11,914	15,159	10,000	5,159
Swimming pool	8,103	8,852	7,500	1,352
Neighborhood revitalization	3,565	3,120	-	3,120
Grant income	1,601	-	30,000	(30,000)
Other	28,480	22,944	32,000	(9,056)
Transfer from Electric Fund	40,000	25,000	100,000	(75,000)
	<u>455,847</u>	<u>451,154</u>	<u>608,175</u>	<u>(157,021)</u>
EXPENDITURES, page 12	<u>442,202</u>	<u>449,894</u>		
Receipts over (under) expenditures	13,645	1,260		
UNENCUMBERED CASH, beginning	<u>32,979</u>	<u>46,624</u>		
UNENCUMBERED CASH, ending	<u>\$ 46,624</u>	<u>47,884</u>		

## City of Mount Hope, 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)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
<b>EXPENDITURES</b>				
Administrative	\$ 103,625	80,246	118,500	(38,254)
General business	5,991	8,689	-	8,689
Police	85,793	122,873	187,000	(64,127)
Fire	24,559	35,291	38,000	(2,709)
Ambulance subsidy	65,000	64,344	65,000	(656)
Swimming pool	42,264	41,015	35,000	6,015
Court	11,410	10,956	13,000	(2,044)
Park department	14,632	13,641	72,000	(58,359)
Ball park	4,621	2,122	3,500	(1,378)
Streets	7,396	5,137	14,300	(9,163)
Community projects	8,563	8,571	9,000	(429)
Economic development	13,195	5,159	15,000	(9,841)
Planning/zoning	1,565	1,114	1,500	(386)
Code enforcement	325	2,145	5,000	(2,855)
Library	5,314	5,424	6,500	(1,076)
Neighborhood revitalization	7,100	6,103	6,000	103
Tree board	5,849	2,064	4,000	(1,936)
Transfer to				
Special Street and Highway Fund	20,000	20,000	30,000	(10,000)
Equipment Reserve Fund	15,000	15,000	1,000	14,000
Total expenditures	<u>\$ 442,202</u>	<u>449,894</u>	<u>624,300</u>	<u>(174,406)</u>

## City of Mount Hope, Kansas

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
<b><u>EMPLOYEE BENEFIT</u></b>				
<b>RECEIPTS</b>				
Ad valorem property tax	\$ 28,076	29,810	32,167	(2,357)
Delinquent tax	980	1,411	1,000	411
State assessed utility tax	948	1,005	1,000	5
Vehicle tax	7,373	5,905	5,824	81
Other	-	1,629	-	1,629
Transfer from Electric Fund	35,000	40,000	50,000	(10,000)
	<u>72,377</u>	<u>79,760</u>	<u>89,991</u>	<u>(10,231)</u>
<b>EXPENDITURES</b>				
Health insurance premiums	35,287	42,861	60,000	(17,139)
Unemployment tax	438	276	16,000	(15,724)
KPERS	18,487	18,953	28,000	(9,047)
Social security	19,209	20,153	28,000	(7,847)
	<u>73,421</u>	<u>82,243</u>	<u>132,000</u>	<u>(49,757)</u>
Receipts over (under) expenditures	(1,044)	(2,483)		
UNENCUMBERED CASH, beginning	<u>23,151</u>	<u>22,107</u>		
UNENCUMBERED CASH, ending	<u>\$ 22,107</u>	<u>19,624</u>		
<b><u>LIBRARY</u></b>				
<b>RECEIPTS</b>				
Ad valorem property tax	\$ 17,594	15,943	17,204	(1,261)
Delinquent tax	588	847	-	847
State assessed utility tax	594	538	500	38
Vehicle tax	4,018	3,681	3,650	31
	<u>22,794</u>	<u>21,009</u>	<u>21,354</u>	<u>(345)</u>
<b>EXPENDITURES</b>				
Appropriations to Library Board	<u>23,000</u>	<u>21,836</u>	<u>23,000</u>	<u>(1,164)</u>
Receipts over (under) expenditures	(206)	(827)		
UNENCUMBERED CASH, beginning	<u>1,638</u>	<u>1,432</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,432</u>	<u>605</u>		



## City of Mount Hope, Kansas

**Special Purpose Fund**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016 Actual	Actual	Budget	Over (Under)
<b><u>SPECIAL STREET AND HIGHWAY</u></b>				
<b>RECEIPTS</b>				
State payments	\$ 21,585	21,595	21,130	465
County payments	9,389	9,654	9,320	334
Other receipts	11,140	-	-	-
Transfer from General Fund	20,000	20,000	30,000	(10,000)
	<u>62,114</u>	<u>51,249</u>	<u>60,450</u>	<u>(9,201)</u>
<b>EXPENDITURES</b>				
Contractual services	178,953	-	106,800	(106,800)
Receipts over (under) expenditures	(116,839)	51,249		
UNENCUMBERED CASH, beginning	138,306	21,467		
UNENCUMBERED CASH, ending	<u>\$ 21,467</u>	<u>72,716</u>		
<b><u>AMBULANCE</u></b>				
<b>RECEIPTS</b>				
Sedgwick County	\$ 2,248	1,073	3,500	(2,427)
<b>EXPENDITURES</b>				
Contractual services	2,248	1,073	3,500	(2,427)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>		

## City of Mount Hope, Kansas

**Bond and Interest Fund**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
<b>RECEIPTS</b>				
Special assessments	\$ 45,116	45,880	43,000	2,880
Transfer from				
Water Fund	31,000	30,000	30,000	-
Sewer Fund	22,000	15,000	-	15,000
	<u>98,116</u>	<u>90,880</u>	<u>73,000</u>	<u>17,880</u>
<b>EXPENDITURES</b>				
Principal	60,000	60,000	60,000	-
Interest	27,885	25,435	25,435	-
Commission and postage	1	-	-	-
	<u>87,886</u>	<u>85,435</u>	<u>85,435</u>	<u>-</u>
Receipts over (under) expenditures	10,230	5,445		
UNENCUMBERED CASH, beginning	<u>7,100</u>	<u>17,330</u>		
UNENCUMBERED CASH, ending	<u>\$ 17,330</u>	<u>22,775</u>		

## City of Mount Hope, Kansas

**Capital Project Fund**

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL  
 Regulatory Basis  
 For the Year Ended December 31, 2017  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>
<b><u>EQUIPMENT REPLACEMENT</u></b>		
<b>RECEIPTS</b>		
Proceeds from sale of equipment	\$ 1,900	3,763
Forfeiture revenue	64	-
Transfer from General Fund	<u>15,000</u>	<u>15,000</u>
	<u>16,964</u>	<u>18,763</u>
<b>EXPENDITURES</b>		
Forfeiture funds	1,370	1,718
Capital outlay - park	3,810	429
Capital outlay - police	823	-
Capital outlay - fire	<u>1,602</u>	<u>-</u>
	<u>7,605</u>	<u>2,147</u>
Receipts over (under) expenditures	9,359	16,616
UNENCUMBERED CASH, beginning	<u>34,889</u>	<u>44,248</u>
UNENCUMBERED CASH, ending	<u><u>\$ 44,248</u></u>	<u><u>60,864</u></u>

## City of Mount Hope, Kansas

**Business Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
<b><u>ELECTRIC</u></b>				
<b>RECEIPTS</b>				
Sales to consumers	\$ 698,489	686,152	780,000	(93,848)
Miscellaneous	1,767	3,043	6,000	(2,957)
Reimbursements	25,462	31,206	25,000	6,206
	<u>725,718</u>	<u>720,401</u>	<u>811,000</u>	<u>(90,599)</u>
<b>EXPENDITURES</b>				
Personnel services	70,878	36,250	70,000	(33,750)
Contractual services	2,285	18,939	-	18,939
Commodities	98,310	65,048	163,344	(98,296)
Wholesale electricity	426,692	453,032	460,000	(6,968)
Interest expense	16,523	15,059	15,222	(163)
Burial lease purchase payment	62,850	50,536	50,373	163
Transfer to				
General Fund	40,000	25,000	100,000	(75,000)
Employee Benefit Fund	35,000	40,000	50,000	(10,000)
	<u>752,538</u>	<u>703,864</u>	<u>908,939</u>	<u>(205,075)</u>
Receipts over (under) expenditures	(26,820)	16,537		
UNENCUMBERED CASH, beginning	72,989	46,169		
UNENCUMBERED CASH, ending	<u>\$ 46,169</u>	<u>62,706</u>		

## City of Mount Hope, Kansas

**Business Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
<b><u>SEWER</u></b>				
<b>RECEIPTS</b>				
Sales to consumers	\$ 53,989	61,188	60,000	1,188
Reimbursements	118	168	-	168
Other	61	971	300	671
	<u>54,168</u>	<u>62,327</u>	<u>60,300</u>	<u>2,027</u>
<b>EXPENDITURES</b>				
Personnel services	8,201	15,243	9,000	6,243
Contractual services	7,298	5,868	18,000	(12,132)
Commodities	10,752	17,589	10,700	6,889
Transfer to				
Bond & Interest Fund	22,000	15,000	20,000	(5,000)
Sewer Reserve Fund	-	-	10,000	(10,000)
	<u>48,251</u>	<u>53,700</u>	<u>67,700</u>	<u>(14,000)</u>
Receipts over (under) expenditures	5,917	8,627		
UNENCUMBERED CASH, beginning	<u>5,247</u>	<u>11,164</u>		
UNENCUMBERED CASH, ending	<u>\$ 11,164</u>	<u>19,791</u>		

## City of Mount Hope, Kansas

**Business Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
<b><u>SOLID WASTE</u></b>				
<b>RECEIPTS</b>				
User fees	\$ 65,887	67,741	74,000	(6,259)
Other	<u>2,654</u>	<u>2,647</u>	<u>2,700</u>	<u>(53)</u>
	<u>68,541</u>	<u>70,388</u>	<u>76,700</u>	<u>(6,312)</u>
<b>EXPENDITURES</b>				
Personnel services	5,416	6,242	3,900	2,342
Contractual services	<u>62,423</u>	<u>63,736</u>	<u>81,358</u>	<u>(17,622)</u>
	<u>67,839</u>	<u>69,978</u>	<u>85,258</u>	<u>(15,280)</u>
Receipts over (under) expenditures	702	410		
UNENCUMBERED CASH, beginning	<u>9,358</u>	<u>10,060</u>		
UNENCUMBERED CASH, ending	<u>\$ 10,060</u>	<u>10,470</u>		

## City of Mount Hope, Kansas

**Business Funds**

## SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

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

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
<b><u>WATER</u></b>				
<b>RECEIPTS</b>				
Sales	\$ 112,959	123,327	119,000	4,327
Other	6,533	6,863	2,000	4,863
	<u>119,492</u>	<u>130,190</u>	<u>121,000</u>	<u>9,190</u>
<b>EXPENDITURES</b>				
Personnel services	20,317	33,467	15,000	18,467
Contractual services	43,657	35,709	51,200	(15,491)
Commodities	16,008	23,901	40,500	(16,599)
Transfer to				
Bond and Interest fund	31,000	30,000	30,000	-
Water Reserve fund	-	5,000	25,000	(20,000)
	<u>110,982</u>	<u>128,077</u>	<u>161,700</u>	<u>(33,623)</u>
Receipts over (under) expenditures	8,510	2,113		
UNENCUMBERED CASH, beginning	30,848	39,358		
UNENCUMBERED CASH, ending	<u>\$ 39,358</u>	<u>41,471</u>		

## City of Mount Hope, Kansas

**Business Funds****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)

	2016	2017
<b><u>ELECTRIC MAINTENANCE RESERVE</u></b>		
<b>RECEIPTS</b>	\$ -	-
<b>EXPENDITURES</b>	-	-
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	86,691	86,691
UNENCUMBERED CASH, ending	<u>\$ 86,691</u>	<u>86,691</u>
<b><u>SEWER RESERVE</u></b>		
<b>RECEIPTS</b>	\$ -	-
<b>EXPENDITURES</b>	-	-
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	15,340	15,340
UNENCUMBERED CASH, ending	<u>\$ 15,340</u>	<u>15,340</u>
<b><u>WATER RESERVE</u></b>		
<b>RECEIPTS</b>		
Transfer from Water Fund	\$ -	5,000
<b>EXPENDITURES</b>	-	-
Receipts over (under) expenditures	-	5,000
UNENCUMBERED CASH, beginning	39,730	39,730
UNENCUMBERED CASH, ending	<u>\$ 39,730</u>	<u>44,730</u>



## City of Mount Hope, Kansas

**Trust Fund**

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL  
Regulatory Basis  
For the Year Ended December 31, 2017

	<u>2017</u>
<b><u>SPECIAL LAW ENFORCEMENT TRUST FUND</u></b>	
<b>RECEIPTS</b>	
Monies seized	<u>\$ 1,718</u>
<b>EXPENDITURES</b>	<u>-</u>
Receipts over (under) expenditures	1,718
UNENCUMBERED CASH, beginning	<u>-</u>
UNENCUMBERED CASH, ending	<u><u>\$ 1,718</u></u>

## City of Mount Hope, Kansas

## Related Municipal Entity

## Library Board

## SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Years ended December 31, 2017 and 2016

**LIBRARY BOARD**

	<u>2016</u>	<u>2017</u>
<b>RECEIPTS</b>		
City of Mt. Hope	\$ 23,000	21,836
SCKLS and other grants	6,010	5,192
State of Kansas	326	313
Township appropriation	7,500	6,612
Fundraising	-	337
Interest	9	7
Other	<u>3,520</u>	<u>4,250</u>
Total cash receipts	<u>40,365</u>	<u>38,547</u>
<b>EXPENDITURES</b>		
Personnel services	17,162	17,014
Books, periodicals and materials	18,399	14,404
Operating supplies and commodities	4,831	16,346
Telephone and utilities	<u>1,736</u>	<u>1,935</u>
Total expenditures	<u>42,128</u>	<u>49,699</u>
Receipts over (under) expenditures	(1,763)	(11,152)
UNENCUMBERED CASH, beginning	<u>24,861</u>	<u>23,098</u>
UNENCUMBERED CASH, ending	<u>\$ 23,098</u>	<u>11,946</u>

## City of Mount Hope, Kansas

**Agency Fund**

## SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year ended December 31, 2017

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Ambulance Escrow Department of Labor	\$ 4,176	45	-	4,221
Meter Deposit Fund	<u>10,362</u>	<u>5,400</u>	<u>3,096</u>	<u>12,666</u>
	<u>\$ 14,538</u>	<u>5,445</u>	<u>3,096</u>	<u>16,887</u>