

**CITY OF OTIS, KANSAS**

Primary Government Financial Statement  
With Independent Auditors' Report

For the Year Ended December 31, 2018

**CITY OF OTIS, KANSAS**  
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For the Year Ended December 31, 2018

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
**City of Otis, Kansas**  
Otis, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Otis, Kansas**, 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

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

As described in Note 1, the financial statement is prepared by **City of Otis, Kansas** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of

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

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

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

*Adams, Brown, Beran & Ball, Chartered*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

January 8, 2020

**CITY OF OTIS, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2018

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Fund</b>	\$ 36,284	-	61,018	91,729	<b>5,573</b>	1,396	<b>6,969</b>
<b>Special Purpose Funds</b>							
Employee Benefit Fund	451	-	10,476	8,089	<b>2,838</b>	-	<b>2,838</b>
Library Fund	421	-	3,560	3,981	-	-	-
Special Highway Fund	15,002	-	7,171	9,829	<b>12,344</b>	-	<b>12,344</b>
Capital Improvement Fund	43,574	-	41,731	47,378	<b>37,927</b>	-	<b>37,927</b>
<b>Capital Project Fund</b>							
Water Improvement Fund	(59,619)	-	2,045,251	196,354	<b>1,789,278</b>	16,235	<b>1,805,513</b>
<b>Business Funds</b>							
Water Utility Fund	282,908	-	271,450	157,920	<b>396,438</b>	-	<b>396,438</b>
Sanitation Fund	5,111	-	33,200	36,332	<b>1,979</b>	-	<b>1,979</b>
Sewer Reserve Fund	72,986	-	187	5,331	<b>67,842</b>	-	<b>67,842</b>
<b>Total Primary Government</b>	<u>\$ 397,118</u>	<u>-</u>	<u>2,474,044</u>	<u>556,943</u>	<u><b>2,314,219</b></u>	<u>17,631</u>	<u><b>2,331,850</b></u>
<b>Composition of Cash</b>					Certificates of Deposit	\$	<b>54,893</b>
					Savings Accounts		<b>152,903</b>
					Checking Accounts		<b>2,124,054</b>
					Total Primary Government	\$	<u><b>2,331,850</b></u>

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

**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**City of Otis, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

**Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

**Financial Reporting Entity**

The City is a municipal corporation governed by an elected five-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

**Public Library**

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. Unaudited financial statements can be obtained by contacting the library.

The City is the primary government as defined in GASB #61. The City council is elected by the public. The council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

**Basis of Presentation – Fund Accounting**

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2018.

**Regulatory Basis Fund Types**

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund** – used to account for the proceeds of specific tax levies and other specific revenue 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 the acquisition or construction of major capital facilities or equipment.

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

**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

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**Basis of Accounting**

The 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.

**Departure From Accounting Principles Generally Accepted in the United States of America**

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

**Property Tax Calendar**

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts.

**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 of accounting.

**NOTE 2 – BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special

**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

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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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 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 revenues 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, trust funds, and the following special purpose fund: Capital Improvement Fund.

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.

### **NOTE 3 – DEPOSITS AND INVESTMENTS**

**City of Otis, Kansas** follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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.



**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

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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 K.S.A. 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, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$2,331,850 and the bank balance was \$2,346,405. The bank balance was held by two banks resulting in a concentration of credit risk. The entire bank balance was covered by federal depository insurance for the year ending December 31, 2018.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2018.

**NOTE 4 – CAPITAL PROJECTS**

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

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Water Project	\$ 3,345,000	\$ 255,973

**NOTE 5 – LITIGATION**

**City of Otis, Kansas** is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the City.

**NOTE 6 – RISK MANAGEMENT**

**City of Otis, Kansas** carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, workers' compensation, and employment practice liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

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**NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**City of Otis, Kansas** did not control expenditures so that no indebtedness was created in excess of budgeted limits, which is in violation of K.S.A. 79-2935. The Library Fund expenditures exceeded the authorized budget by \$461.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

Plan Description

**City of Otis, Kansas** participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://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 \$4,452 for the year ended December 31, 2018.

**Net Pension Liability**

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$40,016. 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](http://www.kpers.org) or can be obtained as described above.

**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

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**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, **City of Otis, Kansas** 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.

As provided by K.S.A.74-4927, disabled members in 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.

**NOTE 10 – COMPENSATED ABSENCES**

**Paid Time Off**

Regular full-time employees are entitled to 12 paid time off (PTO) days per year. Part-time employees do not earn PTO. Employees may not accrue more than 20 days of PTO. Employees are allowed to carryover 5 days of PTO to the next year. Upon termination, employees will be paid all accrued unused time off. The potential liability for paid time off at December 31, 2018 was \$1,544. This is not reflected in the financial statement.

**NOTE 11 – SUBSEQUENT EVENTS**

On September 26, 2019, **City of Otis, Kansas** issued \$2,383,000 in General Obligation Series 2019 Bonds for the use of paying off the Series 2018 Temporary Notes.

**NOTE 12 – LONG-TERM DEBT**

**City of Otis, Kansas** has the following type of long-term debt.

**Temporary Notes**

On April 12, 2018, the City issued \$2,030,000 in General Obligation Temporary Notes Series 2018 for acquiring, constructing, reconstructing, improving or enlarging the water system.

**CITY OF OTIS, KANSAS**  
Notes to Financial Statement  
December 31, 2018

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>Temporary Notes</b>									
Series 2018	2%	4/12/2018	\$ 2,030,000	10/01/2019	\$ -	2,030,000	-	<b>2,030,000</b>	-

Current maturities of long-term debt and interest through maturity are as follows:

	<u>2019</u>
<b>Principal</b>	
Temporary Notes	\$ 2,030,000
<b>Interest</b>	
Temporary Notes	<u>59,659</u>
<b>Total City Principal and Interest</b>	<b>\$ <u>2,089,659</u></b>

**CITY OF OTIS, KANSAS**

Regulatory-Required Supplementary Information

**CITY OF OTIS, KANSAS**  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
<b>Governmental Type Funds</b>					
<b>General Fund</b>	\$ 107,157	-	107,157	<b>91,729</b>	(15,428)
<b>Special Purpose Funds</b>					
Employee Benefit Fund	11,000	-	11,000	<b>8,089</b>	(2,911)
Library Fund	3,520	-	3,520	<b>3,981</b>	461
Special Highway Fund	16,667	-	16,667	<b>9,829</b>	(6,838)
<b>Business Funds</b>					
Water Utility Fund	504,764	-	504,764	<b>157,920</b>	(346,844)
Sanitation Fund	44,015	-	44,015	<b>36,332</b>	(7,683)

**CITY OF OTIS, KANSAS**  
**General Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Taxes	\$ 15,722	15,078	644
Franchise Tax	16,115	15,500	615
Licenses	25	300	(275)
Sewer Collections	26,504	14,500	12,004
Fines and Permits	185	500	(315)
Insurance	210	2,000	(1,790)
Interest	2,100	-	2,100
Miscellaneous	157	2,100	(1,943)
Transfers In	-	15,000	(15,000)
<b>Total Receipts</b>	<b>61,018</b>	<b>64,978</b>	<b>(3,960)</b>
<b>Expenditures</b>			
Salaries and Wages	8,993	6,000	2,993
Parks and Maintenance	1,951	4,000	(2,049)
Street Lights	7,392	8,000	(608)
Sewer	11,425	12,000	(575)
Liability Insurance	15,168	3,000	12,168
Insurance	3	1,800	(1,797)
Legal	3,322	6,000	(2,678)
Office Supplies	5,040	1,000	4,040
Repairs and Maintenance	4,744	3,000	1,744
Travel Expenses	1,545	2,000	(455)
Utilities	7,627	4,500	3,127
Rental Expenses	481	3,000	(2,519)
Library	6,000	3,600	2,400
Contractual Services	3,340	-	3,340
Miscellaneous	14,698	3,000	11,698
Capital Outlay	-	46,257	(46,257)
<b>Total Expenditures</b>	<b>91,729</b>	<b>107,157</b>	<b>(15,428)</b>
<b>Receipts Over (Under) Expenditures</b>	<b>(30,711)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>36,284</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 5,573</b>		

**CITY OF OTIS, KANSAS**  
**Employee Benefit Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Taxes	\$ <b>10,476</b>	10,027	449
<b>Expenditures</b>			
Health and Insurance	<b>1,700</b>	2,900	(1,200)
Employee Benefits	<b>6,389</b>	8,100	(1,711)
<b>Total Expenditures</b>	<b>8,089</b>	11,000	(2,911)
<b>Receipts Over (Under) Expenditures</b>	<b>2,387</b>		
<b>Unencumbered Cash - Beginning</b>	<b>451</b>		
<b>Unencumbered Cash - Ending</b>	\$ <b>2,838</b>		



**CITY OF OTIS, KANSAS**  
**Library Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>			
Taxes	\$ 3,560	<u>3,520</u>	<u>40</u>
<b>Expenditures</b>			
Appropriations	<u>3,981</u>	<u>3,520</u>	<u>461</u>
<b>Receipts Over (Under) Expenditures</b>	<b>(421)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>421</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>		

**CITY OF OTIS, KANSAS**  
**Special Highway Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
<b>Receipts</b>			
State Gasoline Tax	\$ 7,171	7,300	(129)
Transfers In	-	5,000	(5,000)
<b>Total Receipts</b>	<u>7,171</u>	<u>12,300</u>	<u>(5,129)</u>
<b>Expenditures</b>			
Salaries and Wages	7,196	4,300	2,896
Repairs and Maintenance	2,633	12,367	(9,734)
<b>Total Expenditures</b>	<u>9,829</u>	<u>16,667</u>	<u>(6,838)</u>
<b>Receipts Over (Under) Expenditures</b>	(2,658)		
<b>Unencumbered Cash - Beginning</b>	<u>15,002</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>12,344</u>		

**CITY OF OTIS, KANSAS**  
**Capital Improvement Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended December 31, 2018

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	<u>Current Year Actual</u>
<b>Receipts</b>	
Insurance Proceeds	\$       41,731
<b>Expenditures</b>	
Capital Outlay	<u>47,378</u>
<b>Receipts Over (Under) Expenditures</b>	(5,647)
<b>Unencumbered Cash - Beginning</b>	<u>43,574</u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>37,927</u></u>

**CITY OF OTIS, KANSAS**  
**Water Improvement Fund**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Current Year Actual</u>
<b>Receipts</b>	
Interest	\$ 15,251
Temporary Note Proceeds	<u>2,030,000</u>
<b>Total Receipts</b>	<u>2,045,251</u>
<b>Expenditures</b>	
Capital Outlay	159,727
Contractual	10,392
Legal Fees	11,950
Underwriter's Fees	14,210
Miscellaneous	<u>75</u>
<b>Total Expenditures</b>	<u>196,354</u>
<b>Receipts Over (Under) Expenditures</b>	1,848,897
<b>Unencumbered Cash - Beginning</b>	<u>(59,619)</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 1,789,278</u>

**CITY OF OTIS, KANSAS**  
**Water Utility Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
<b>Receipts</b>			
Charges to Customers	\$ 267,300	277,000	(9,700)
Interest	1,458	300	1,158
Deposits	1,500	900	600
Returned Check	30	-	30
Water Connections	-	800	(800)
Miscellaneous	1,162	-	1,162
<b>Total Receipts</b>	<b>271,450</b>	<b>279,000</b>	<b>(7,550)</b>
<b>Expenditures</b>			
Production	148,720	20,000	128,720
Distribution	6,302	25,000	(18,698)
Meter Refunds	326	400	(74)
Sales Tax	168	350	(182)
Miscellaneous	2,404	-	2,404
Capital Outlay	-	424,014	(424,014)
Transfers Out	-	35,000	(35,000)
<b>Total Expenditures</b>	<b>157,920</b>	<b>504,764</b>	<b>(346,844)</b>
<b>Receipts Over (Under) Expenditures</b>	<b>113,530</b>		
<b>Unencumbered Cash - Beginning</b>	<b>282,908</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 396,438</b>		

**CITY OF OTIS, KANSAS**  
**Sanitation Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
<b>Receipts</b>			
Charges to Customers	\$ 29,003	35,000	(5,997)
Polycarts and Dumpster Fees	3,194	4,000	(806)
Administration Fees	417	1,000	(583)
Miscellaneous	586	600	(14)
<b>Total Receipts</b>	<u>33,200</u>	<u>40,600</u>	<u>(7,400)</u>
<b>Expenditures</b>			
Contractual - Clean-Up	1,770	3,225	(1,455)
Contractual - Hauling	31,264	36,000	(4,736)
Contractual - Polycarts and Dumpsters	3,298	4,790	(1,492)
<b>Total Expenditures</b>	<u>36,332</u>	<u>44,015</u>	<u>(7,683)</u>
<b>Receipts Over (Under) Expenditures</b>	<b>(3,132)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>5,111</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>1,979</u>		

**CITY OF OTIS, KANSAS**  
**Sewer Reserve Fund**  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year Ended December 31, 2018

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	<u>Current Year Actual</u>
<b>Receipts</b>	
Interest	\$           187
<b>Expenditures</b>	
Capital Outlay	<u>5,331</u>
<b>Receipts Over (Under) Expenditures</b>	(5,144)
<b>Unencumbered Cash - Beginning</b>	<u>72,986</u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>67,842</u></u>