

CITY OF MOUNT HOPE, KANSAS

Financial Statement

For the Year Ended December 31, 2018

City of Mount Hope, Kansas
For the Year Ended December 31, 2018

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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), and its related municipal entity, 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.

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, 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, 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 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 of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated February 9, 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 from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and the schedule of receipts and expenditures-related municipal entity for the year ended December 31, 2018 (Schedules 2 and 4 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.

Krudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
April 4, 2019

City of Mount Hope, 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	\$ 47,884	529,075	522,944	54,015	2,990	57,005
Special Purpose Funds						
Employee Benefit	19,624	83,208	70,277	32,555	-	32,555
Library	605	20,288	20,893	-	-	-
Special Street and Highway	72,716	52,420	8,385	116,751	-	116,751
Ambulance	-	3,515	3,000	515	-	515
Equipment Replacement	60,864	-	60,864	-	-	-
Equipment Replacement-Police	-	46,704	20,000	26,704	-	26,704
Equipment Replacement-Fire	-	23,517	2,918	20,599	-	20,599
Equipment Replacement-Utility	-	4,136	1,500	2,636	-	2,636
Bond and Interest Fund	22,775	91,580	87,960	26,395	-	26,395
Business Funds						
Electric	62,706	763,331	719,663	106,374	9,916	116,290
Sewer	19,791	64,631	70,000	14,422	2,434	16,856
Solid Waste	10,470	70,744	67,928	13,286	-	13,286
Water	41,471	130,411	145,000	26,882	5,413	32,295
Electric Maintenance Reserve	86,691	-	23,140	63,551	-	63,551
Sewer Reserve	15,340	-	10,000	5,340	-	5,340
Water Reserve	44,730	-	-	44,730	-	44,730
Trust Fund						
Special Law Enforcement Trust Fund	1,718	-	429	1,289	-	1,289
Related Municipal Entity						
Library Board	11,946	38,323	42,292	7,977	470	8,447
Total Reporting Entity (Excluding Agency funds)	\$ 519,331	1,921,883	1,877,193	564,021	21,223	585,244
Composition of Cash						
Cash on hand						\$ 200
First National Bank of Hutchinson						
Checking						246,721
Money Market						66,902
Certificates of Deposit						4,267
Legacy Bank, Certificate of Deposit						277,040
First National Bank of Hutchinson, Library						8,447
Total Cash						603,577
Less Agency Funds per Schedule 4						18,333
Total Reporting Entity						\$ 585,244

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

City of Mount Hope, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2018

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 regulatory 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.).

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.).

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.

City of Mount Hope, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2018

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 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 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 funds, equipment reserve funds, business reserve funds, trust 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 of accounting.

City of Mount Hope, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2018

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The City was not in compliance with K.S.A. 10-130, which requires the City to remit bond money to the state fiscal agent at least 20 days before maturity of any bonds or the interest thereon.

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 City's carrying amount, including related municipal entities, was \$603,377 and the bank balance was \$633,268. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining \$133,268 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, 2018

4. LONG-TERM DEBT

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	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions /Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2005	3.55-4.45%	08/17/05	\$ 335,000	12/01/20	\$ 90,000	-	30,000	60,000	3,960
Series 2010	4.00%	06/29/10	685,000	12/01/30	475,000	-	35,000	440,000	19,000
					<u>565,000</u>	<u>-</u>	<u>65,000</u>	<u>500,000</u>	<u>22,960</u>
Capital Leases Payable:									
Altec Capital Services	3.20%	04/01/17	45,892	01/01/20	33,836	-	10,906	22,930	1,150
First National Bank	3.75%	05/21/14	500,000	05/21/24	368,690	-	52,491	316,199	13,104
Legacy Bank	5.50%	09/26/19	27,500	09/26/21	-	25,700	-	25,700	-
					<u>402,526</u>	<u>25,700</u>	<u>63,397</u>	<u>364,829</u>	<u>14,254</u>
Total Long-Term Debt					<u>\$ 967,526</u>	<u>25,700</u>	<u>128,397</u>	<u>864,829</u>	<u>37,214</u>

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							
	2019	2020	2021	2022	2023	2024-2028	2029-2031	Total
Principal								
General Obligation Bonds	\$ 70,000	70,000	45,000	45,000	45,000	175,000	50,000	500,000
Capital Leases Payable	<u>73,974</u>	<u>76,817</u>	<u>67,787</u>	<u>61,097</u>	<u>63,461</u>	<u>21,693</u>	<u>-</u>	<u>364,829</u>
Total principal	<u>143,974</u>	<u>146,817</u>	<u>112,787</u>	<u>106,097</u>	<u>108,461</u>	<u>196,693</u>	<u>50,000</u>	<u>864,829</u>
Interest								
General Obligation Bonds	20,255	17,335	14,400	12,600	10,800	28,200	3,000	106,590
Capital Leases Payable	<u>12,956</u>	<u>10,113</u>	<u>7,088</u>	<u>4,498</u>	<u>2,134</u>	<u>183</u>	<u>-</u>	<u>36,972</u>
Total interest	<u>33,211</u>	<u>27,448</u>	<u>21,488</u>	<u>17,098</u>	<u>12,934</u>	<u>28,383</u>	<u>3,000</u>	<u>143,562</u>
Total principal and interest	<u>\$ 177,185</u>	<u>174,265</u>	<u>134,275</u>	<u>123,195</u>	<u>121,395</u>	<u>225,076</u>	<u>53,000</u>	<u>1,008,391</u>

City of Mount Hope, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2018

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-Police	K.S.A 12-825d	5,000
General	Equipment Reserve-Fire	K.S.A 12-825d	5,000
Electric	General	K.S.A 12-825d	50,000
Electric	Employee Benefit	K.S.A 12-825d	40,000
Sewer	Bond and Interest	K.S.A 12-825d	10,000
Water	Bond and Interest	K.S.A 12-825d	25,000
Sewer Reserve	Bond and Interest		10,000
Total			<u>\$ 165,000</u>

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and Disability Other Post-Employment Benefits

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.

Compensated Absences

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 as a liability in the accompanying financial statement.

City of Mount Hope, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2018

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 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 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 \$19,590 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 \$178,963. 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 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 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.

City of Mount Hope, Kansas
NOTES TO FINANCIAL STATEMENT
December 31, 2018

9. DATE OF MANAGEMENT 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 April 4, 2019, 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, 2018

City of Mount Hope, Kansas
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2018

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUND	\$ 628,500	-	628,500	522,944	(105,556)
SPECIAL PURPOSE FUNDS					
Employee Benefit	105,000	-	105,000	70,277	(34,723)
Library	23,000	-	23,000	20,893	(2,107)
Special Street and Highway	120,000	-	120,000	8,385	(111,615)
Ambulance	3,000	-	3,000	3,000	-
BOND AND INTEREST FUND	88,960	-	88,960	87,960	(1,000)
BUSINESS FUNDS					
Electric	797,506	-	797,506	719,663	(77,843)
Sewer	70,000	-	70,000	70,000	-
Solid Waste	84,000	-	84,000	67,928	(16,072)
Water	145,000	-	145,000	145,000	-

City of Mount Hope, 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	Actual	Budget	Variance
	Actual			Over
				(Under)
RECEIPTS				
Ad valorem property tax	\$ 161,372	162,101	174,530	(12,429)
Delinquent tax	6,794	5,538	3,500	2,038
Vehicle tax	31,573	31,263	29,978	1,285
Special assessments	-	-	250	(250)
State assessed utilities tax	5,440	5,620	5,000	620
Local sales tax	120,021	122,605	120,000	2,605
Township payments	7,373	15,842	12,000	3,842
Fines and fees	18,504	39,014	17,000	22,014
Fire protection fees	3,005	7,541	3,000	4,541
Licenses and permits	3,408	3,338	4,000	(662)
Franchise tax	16,919	17,943	16,000	1,943
Interest	1,670	3,026	1,200	1,826
Late charges	15,159	15,471	12,000	3,471
Swimming pool	8,852	7,496	8,000	(504)
Neighborhood revitalization	3,120	2,364	3,000	(636)
Grant income	-	-	25,000	(25,000)
Other	22,944	39,913	60,000	(20,087)
Transfer from Electric	25,000	50,000	8,000	42,000
Total receipts	451,154	529,075	502,458	26,617
EXPENDITURES, page 12	449,894	522,944		
Receipts over (under) expenditures	1,260	6,131		
UNENCUMBERED CASH, beginning	46,624	47,884		
UNENCUMBERED CASH, ending	\$ 47,884	54,015		

City of Mount Hope, 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				
Administrative	\$ 80,246	83,108	115,000	(31,892)
General business	8,689	7,833	4,000	3,833
Police	122,873	148,060	187,000	(38,940)
Fire	35,291	43,879	50,000	(6,121)
Ambulance subsidy	64,344	65,000	65,000	-
Swimming pool	41,015	43,535	40,000	3,535
Court	10,956	12,292	14,000	(1,708)
Park department	13,641	55,032	64,000	(8,968)
Ball park	2,122	2,831	4,500	(1,669)
Streets	5,137	(204)	8,000	(8,204)
Community projects	8,571	7,531	8,500	(969)
Economic development	5,159	8,736	12,500	(3,764)
Planning/zoning	1,114	-	1,500	(1,500)
Code enforcement	2,145	2,838	5,000	(2,162)
Library	5,424	7,879	6,500	1,379
Neighborhood revitalization	6,103	4,542	9,000	(4,458)
Tree board	2,064	52	4,000	(3,948)
Transfer to				
Special Street and Highway	20,000	20,000	20,000	-
Equipment Reserve-Police	7,500	5,000	5,000	-
Equipment Reserve-Fire	7,500	5,000	5,000	-
Total expenditures	<u>\$ 449,894</u>	<u>522,944</u>	<u>628,500</u>	<u>(105,556)</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, 2018

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<u>EMPLOYEE BENEFIT</u>				
RECEIPTS				
Ad valorem property tax	\$ 29,810	29,944	31,173	(1,229)
Delinquent tax	1,411	1,137	1,000	137
State assessed utility tax	1,005	1,038	1,000	38
Vehicle tax	5,905	5,775	5,538	237
Other	1,629	5,314	10,000	(4,686)
Transfer from Electric	40,000	40,000	40,000	-
Total receipts	<u>79,760</u>	<u>83,208</u>	<u>88,711</u>	<u>(5,503)</u>
EXPENDITURES				
Health insurance premiums	42,861	29,461	52,000	(22,539)
Unemployment tax	276	274	2,000	(1,726)
KPERS	18,953	19,590	25,000	(5,410)
Social security	20,153	20,952	26,000	(5,048)
Total expenditures	<u>82,243</u>	<u>70,277</u>	<u>105,000</u>	<u>(34,723)</u>
Receipts over (under) expenditures	(2,483)	12,931		
UNENCUMBERED CASH, beginning	<u>22,107</u>	<u>19,624</u>		
UNENCUMBERED CASH, ending	<u>\$ 19,624</u>	<u>32,555</u>		
<u>LIBRARY</u>				
RECEIPTS				
Ad valorem property tax	\$ 15,943	16,014	19,710	(3,696)
Delinquent tax	847	618	500	118
State assessed utility tax	538	555	-	555
Vehicle tax	3,681	3,101	2,961	140
Total receipts	<u>21,009</u>	<u>20,288</u>	<u>23,171</u>	<u>(2,883)</u>
EXPENDITURES				
Appropriations to Library Board	<u>21,836</u>	<u>20,893</u>	<u>23,000</u>	<u>(2,107)</u>
Receipts over (under) expenditures	(827)	(605)		
UNENCUMBERED CASH, beginning	<u>1,432</u>	<u>605</u>		
UNENCUMBERED CASH, ending	<u>\$ 605</u>	<u>-</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, 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				
State payments	\$ 21,595	21,930	9,570	12,360
County payments	9,654	9,796	21,680	(11,884)
Other receipts	-	694	20,000	(19,306)
Transfer from General	20,000	20,000	-	20,000
Total receipts	51,249	52,420	51,250	1,170
EXPENDITURES				
Contractual services	-	8,385	120,000	(111,615)
Receipts over (under) expenditures	51,249	44,035		
UNENCUMBERED CASH, beginning	21,467	72,716		
UNENCUMBERED CASH, ending	\$ 72,716	116,751		
<u>AMBULANCE</u>				
RECEIPTS				
Sedgwick County	\$ 1,073	3,515	3,000	515
EXPENDITURES				
Contractual services	1,073	3,000	3,000	-
Receipts over (under) expenditures	-	515		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	515		

City of Mount Hope, Kansas

Special Purpose FundsSCHEDULE 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>EQUIPMENT REPLACEMENT</u>		
RECEIPTS		
Proceeds from sale of equipment	\$ 3,763	-
Transfer from General	<u>15,000</u>	<u>-</u>
Total receipts	<u>18,763</u>	<u>-</u>
EXPENDITURES		
Forfeiture funds	1,718	-
Capital outlay - park	429	-
Allocation to Equipment Reserve-Police	-	38,211
Allocation to Equipment Reserve-Fire	-	18,517
Allocation to Equipment Reserve-Utility	<u>-</u>	<u>4,136</u>
Total expenditures	<u>2,147</u>	<u>60,864</u>
Receipts over (under) expenditures	16,616	(60,864)
UNENCUMBERED CASH, beginning	<u>44,248</u>	<u>60,864</u>
UNENCUMBERED CASH, ending	<u><u>\$ 60,864</u></u>	<u><u>-</u></u>

City of Mount Hope, Kansas

Special Purpose Funds**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>EQUIPMENT REPLACEMENT-POLICE</u>		
RECEIPTS		
Reimbursements	\$ -	3,493
Transfer from General		5,000
Allocation from Equipment Reserve	<u>-</u>	<u>38,211</u>
Total receipts	<u>-</u>	<u>46,704</u>
EXPENDITURES		
Capital outlay	<u>-</u>	<u>20,000</u>
Receipts over (under) expenditures	-	26,704
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>26,704</u>
<u>EQUIPMENT REPLACEMENT-FIRE</u>		
RECEIPTS		
Transfer from General	\$ -	5,000
Allocation from Equipment Reserve	<u>-</u>	<u>18,517</u>
Total receipts	<u>-</u>	<u>23,517</u>
EXPENDITURES		
Capital outlay	<u>-</u>	<u>2,918</u>
Receipts over (under) expenditures	-	20,599
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>20,599</u>
<u>EQUIPMENT REPLACEMENT-UTILITY</u>		
RECEIPTS		
Allocation from Equipment Reserve	\$ -	4,136
EXPENDITURES		
Capital outlay	<u>-</u>	<u>1,500</u>
Receipts over (under) expenditures	-	2,636
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>2,636</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, 2018

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
RECEIPTS				
Special assessments	\$ 45,880	46,580	49,764	(3,184)
Transfer from				
Sewer	15,000	10,000	20,000	(10,000)
Water	30,000	25,000	25,000	-
Sewer Reserve	-	10,000	-	10,000
Total receipts	<u>90,880</u>	<u>91,580</u>	<u>94,764</u>	<u>(3,184)</u>
EXPENDITURES				
Principal	60,000	65,000	65,000	-
Interest	25,435	22,960	22,960	-
Commission and postage	-	-	1,000	(1,000)
Total expenditures	<u>85,435</u>	<u>87,960</u>	<u>88,960</u>	<u>(1,000)</u>
Receipts over (under) expenditures	5,445	3,620		
UNENCUMBERED CASH, beginning	<u>17,330</u>	<u>22,775</u>		
UNENCUMBERED CASH, ending	<u>\$ 22,775</u>	<u>26,395</u>		

City of Mount Hope, 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)

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>ELECTRIC</u>				
RECEIPTS				
Sales to consumers	\$ 686,152	728,188	735,000	(6,812)
Miscellaneous	3,043	4,078	27,000	(22,922)
Reimbursements	31,206	31,065	-	31,065
Total receipts	<u>720,401</u>	<u>763,331</u>	<u>762,000</u>	<u>1,331</u>
EXPENDITURES				
Personnel services	36,250	28,478	60,000	(31,522)
Contractual services	18,939	12,441	50,000	(37,559)
Commodities	65,048	30,073	39,500	(9,427)
Wholesale electricity	453,032	487,048	450,000	37,048
Lease interest expense	15,059	13,679	13,500	179
Lease purchase principal	50,536	57,944	64,506	(6,562)
Transfer to				
General	25,000	50,000	80,000	(30,000)
Employee Benefit	40,000	40,000	40,000	-
Total expenditures	<u>703,864</u>	<u>719,663</u>	<u>797,506</u>	<u>(77,843)</u>
Receipts over (under) expenditures	16,537	43,668		
UNENCUMBERED CASH, beginning	<u>46,169</u>	<u>62,706</u>		
UNENCUMBERED CASH, ending	<u>\$ 62,706</u>	<u>106,374</u>		

City of Mount Hope, 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>SEWER</u>				
RECEIPTS				
Sales to consumers	\$ 61,188	62,325	60,000	2,325
Reimbursements	168	468	-	468
Other	971	1,838	650	1,188
Total receipts	62,327	64,631	60,650	3,981
EXPENDITURES				
Personnel services	15,243	10,961	10,000	961
Contractual services	5,868	9,725	15,000	(5,275)
Commodities	17,589	37,506	15,000	22,506
Lease interest expense	-	172	-	172
Lease purchase principal	-	1,636	-	1,636
Transfer to				
Bond & Interest	15,000	10,000	20,000	(10,000)
Sewer Reserve	-	-	10,000	(10,000)
Total expenditures	53,700	70,000	70,000	-
Receipts over (under) expenditures	8,627	(5,369)		
UNENCUMBERED CASH, beginning	11,164	19,791		
UNENCUMBERED CASH, ending	\$ 19,791	14,422		

City of Mount Hope, Kansas

Business FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory BasisFor 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>SOLID WASTE</u>				
RECEIPTS				
User fees	\$ 67,741	68,054	72,600	(4,546)
Other	2,647	2,690	-	2,690
Total receipts	<u>70,388</u>	<u>70,744</u>	<u>72,600</u>	<u>(1,856)</u>
EXPENDITURES				
Personnel services	6,242	8,983	6,000	2,983
Contractual services	<u>63,736</u>	<u>58,945</u>	<u>78,000</u>	<u>(19,055)</u>
Total expenditures	<u>69,978</u>	<u>67,928</u>	<u>84,000</u>	<u>(16,072)</u>
Receipts over (under) expenditures	410	2,816		
UNENCUMBERED CASH, beginning	<u>10,060</u>	<u>10,470</u>		
UNENCUMBERED CASH, ending	<u>\$ 10,470</u>	<u>13,286</u>		

City of Mount Hope, 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>WATER</u>				
RECEIPTS				
Sales	\$ 123,327	123,487	118,000	5,487
Other	6,863	6,924	6,500	424
Total receipts	<u>130,190</u>	<u>130,411</u>	<u>124,500</u>	<u>5,911</u>
EXPENDITURES				
Personnel services	33,467	34,569	30,000	4,569
Contractual services	35,709	46,751	40,000	6,751
Commodities	23,901	34,460	40,000	(5,540)
Lease interest expense	-	403	-	403
Lease purchase principal	-	3,817	-	3,817
Transfer to				
Bond and Interest	30,000	25,000	25,000	-
Water Reserve	<u>5,000</u>	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>
Total expenditures	<u>128,077</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Receipts over (under) expenditures	2,113	(14,589)		
UNENCUMBERED CASH, beginning	<u>39,358</u>	<u>41,471</u>		
UNENCUMBERED CASH, ending	<u>\$ 41,471</u>	<u>26,882</u>		

City of Mount Hope, Kansas

Business FundsSCHEDULE 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>ELECTRIC MAINTENANCE RESERVE</u>		
RECEIPTS	\$ -	-
EXPENDITURES		
Capital outlay	<u>-</u>	<u>23,140</u>
Receipts over (under) expenditures	-	(23,140)
UNENCUMBERED CASH, beginning	<u>86,691</u>	<u>86,691</u>
UNENCUMBERED CASH, ending	<u>\$ 86,691</u>	<u>63,551</u>
<u>SEWER RESERVE</u>		
RECEIPTS	\$ -	-
EXPENDITURES		
Transfer to Bond and Interest	<u>-</u>	<u>10,000</u>
Receipts over (under) expenditures	-	(10,000)
UNENCUMBERED CASH, beginning	<u>15,340</u>	<u>15,340</u>
UNENCUMBERED CASH, ending	<u>\$ 15,340</u>	<u>5,340</u>
<u>WATER RESERVE</u>		
RECEIPTS		
Transfer from Water	\$ 5,000	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	5,000	-
UNENCUMBERED CASH, beginning	<u>39,730</u>	<u>44,730</u>
UNENCUMBERED CASH, ending	<u>\$ 44,730</u>	<u>44,730</u>

City of Mount Hope, Kansas

Trust FundSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended December 31, 2018

	<u>2017</u>	<u>2018</u>
<u>SPECIAL LAW ENFORCEMENT TRUST FUND</u>		
RECEIPTS		
Monies seized	<u>\$ 1,718</u>	<u>\$ -</u>
EXPENDITURES		
Equipment	<u>-</u>	<u>429</u>
Receipts over (under) expenditures	1,718	(429)
UNENCUMBERED CASH, beginning	<u>-</u>	<u>1,718</u>
UNENCUMBERED CASH, ending	<u>\$ 1,718</u>	<u>\$ 1,289</u>

City of Mount Hope, Kansas

Related Municipal EntitySCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis

For the Years Ended December 31, 2018 and 2017

	<u>2017</u>	<u>2018</u>
<u>LIBRARY BOARD</u>		
RECEIPTS		
City of Mt. Hope	\$ 21,836	20,893
SCKLS and other grants	5,192	6,260
State of Kansas	313	295
Township appropriation	6,612	6,678
Fundraising	337	188
Interest	7	4
Other	<u>4,250</u>	<u>4,005</u>
Total receipts	<u>38,547</u>	<u>38,323</u>
EXPENDITURES		
Personnel services	17,014	15,706
Books, periodicals and materials	14,404	18,100
Operating supplies and commodities	16,346	6,700
Telephone and utilities	<u>1,935</u>	<u>1,786</u>
Total expenditures	<u>49,699</u>	<u>42,292</u>
Receipts over (under) expenditures	(11,152)	(3,969)
UNENCUMBERED CASH, beginning	<u>23,098</u>	<u>11,946</u>
UNENCUMBERED CASH, ending	<u>\$ 11,946</u>	<u>7,977</u>

City of Mount Hope, Kansas

Agency Funds

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Ambulance Escrow Department of Labor	\$ 4,221	46	-	4,267
Meter Deposits	<u>12,666</u>	<u>4,200</u>	<u>2,800</u>	<u>14,066</u>
	<u>\$ 16,887</u>	<u>4,246</u>	<u>2,800</u>	<u>18,333</u>