

CITY OF PRETTY PRAIRIE, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018

CITY OF PRETTY PRAIRIE, KANSAS
CITY OF THE THIRD CLASS
For the Year Ended December 31, 2018

Michael Seyb, Mayor

CITY COUNCIL

Corby Stucky

Katie Belden

Dennis Detter

Darrin Unruh

James White, II

CITY OFFICERS

Jenifer Albright
Clerk

Angie Simmons
Treasurer

Stanley R. Juhnke
Attorney

CITY OF PRETTY PRAIRIE, KANSAS

For the Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Pretty Prairie, Kansas 67570

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Pretty Prairie, a Municipality 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 entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Pretty Prairie on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

sjhl.com

Hutchinson Office

200 N Main • Hutchinson, KS 67504
P: 888.414.0123 • F: 620.662.3350

McPherson Office

123 S. Main • McPherson, KS 67460
P: 888.241.1826 • F: 620.241.6926

Wichita Office

220 W. Douglas, Ste. 300 • Wichita, KS 67202
P: 316.265.5600 • F: 316.265.8021

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Pretty Prairie 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 of Pretty Prairie 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 (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 disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2018 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 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 of Pretty Prairie, Kansas as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated September 10, 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://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 for the year ended December 31, 2018 (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 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.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC
Hutchinson, KS
March 22, 2019

CITY OF PRETTY PRAIRIE, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended December 31, 2018

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:							
General Fund	\$ 198	\$ -	\$ 356,329	\$ 355,839	\$ 688	\$ 7,350	\$ 8,038
SPECIAL PURPOSE FUNDS:							
Ambulance Fund	-	-	91,514	87,676	3,838	7,477	11,315
Library Fund	(1,483)	-	6,099	5,072	(456)	-	(456)
Special City and County Highway Fund	2,239	-	27,398	23,014	6,623	2,341	8,964
Special Parks & Recreation Fund	867	-	1,179	-	2,046	-	2,046
Ambulance Equipment Reserve Fund	228	-	-	-	228	-	228
Municipal Equipment Reserve Fund	5,947	-	-	-	5,947	-	5,947
Total Special Purpose Funds	7,798	-	126,190	115,762	18,226	9,818	28,044
BOND AND INTEREST FUND:							
Bond and Interest Fund	10,863	-	50,681	49,530	12,014	-	12,014
BUSINESS FUNDS:							
Golf Course Fund	(119,100)	-	-	-	(119,100)	-	(119,100)
Refuse Utility Fund	11,776	-	57,143	61,690	7,229	4,485	11,714
Sewer Utility Fund	57	-	94,186	93,679	564	728	1,292
Water Utility Fund	155,225	-	193,136	125,688	222,673	22,427	245,100
Water and Sewer Reserve Fund	6,000	-	-	-	6,000	-	6,000
2008 Water Tower Revenue Bond Fund	1,787	-	2,700	4,487	-	-	-
2008 Sewer Line Revenue Bond Fund	675	-	4,800	5,185	290	-	290
Total Business Funds	56,420	-	351,965	290,729	117,656	27,640	145,296
Total Reporting Entity (Excluding Agency Funds)	\$ 75,279	\$ -	\$ 885,165	\$ 811,860	\$ 148,584	\$ 44,808	\$ 193,392
COMPOSITION OF CASH:							
Cash on Hand							\$ 150
Bank							144,821
Investments							65,061
Related Municipal Entity							15,752
Total Cash							225,784
Less Agency Funds per Schedule 3							(32,392)
Total Reporting Entity (Excluding Agency Funds)							\$ 193,392

CITY OF PRETTY PRAIRIE, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of Pretty Prairie is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Pretty Prairie (the municipality) and does not include any related municipal entities.

(b) Regulatory Basis Fund Types

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

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

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

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

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

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

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There 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 prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

In violation of K.S.A. 10-1113, a cash basis violation occurred in the Library Fund and Golf Course Fund.

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.

3. DEPOSITS AND INVESTMENTS (CONT.)

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 of deposits was \$225,634 and the bank balance was \$219,193. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$219,193 was covered by federal depository insurance.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. 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 & Fees Paid
General Obligation Bonds:									
Series 2012-1	4.00%	08/06/12	\$ 311,000	08/01/28	\$ 245,202	\$ -	\$ 245,202	\$ -	\$ 11,142
Series 2018	2.00 - 3.70%	09/26/18	745,000	09/01/38	-	745,000	-	745,000	-
Total General Obligation Bonds					245,202	745,000	245,202	745,000	11,142
General Obligation Temporary Note									
Series 2015	2.40%	10/01/15	175,000	10/01/18	175,000	-	175,000	-	12,380
Revenue Bonds:									
Series 2008 Water Tower	5.25%	06/13/08	23,000	05/01/18	2,700	-	2,700	-	72
Series 2008 Sewer Line	5.45%	12/19/08	62,000	12/01/28	41,900	-	2,900	39,000	2,285
Total Revenue Bonds					44,600	-	5,600	39,000	2,357
KDHE Loan:									
Loan #C20 1399 01	2.57%	10/12/07	596,398	03/01/27	318,433	-	318,433	-	8,754
Project #2914	1.46%	02/01/19	1,857,000	08/01/38	1,857,000	-	-	1,857,000	-
Total KDHE Loans					2,175,433	-	318,433	1,857,000	8,754
Capital Leases:									
2015 Pickup	2.91%	10/09/15	31,880	01/15/21	21,404	-	5,120	16,284	1,715
Mower	2.90%	02/03/16	11,283	02/03/19	5,640	-	2,778	2,862	166
Golf Carts	4.28%	03/01/15	53,767	10/01/19	22,490	-	11,005	11,485	875
Golf Course Equipment	4.00%	12/14/12	65,611	12/31/22	36,079	-	36,079	-	16
Ambulance	3.00%	04/25/17	106,513	04/25/23	101,513	-	15,677	85,836	3,089
Skidsteer	3.00%	04/21/17	41,163	04/21/23	34,763	-	5,589	29,174	811
Total Capital Leases					221,889	-	76,248	145,641	6,672
Total Contractual Indebtedness					\$ 2,862,124	\$ 745,000	\$ 820,483	\$ 2,786,641	\$ 41,305

4. LONG-TERM DEBT (CONT.)

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

	Year								Total
	2019	2020	2021	2022	2023	2024 to 2028	2029 to 2033	2034 to 2039	
PRINCIPAL:									
General Obligation Bonds:									
Series 2018	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 165,000	\$ 195,000	\$ 235,000	\$ 745,000
Revenue Bonds:									
Series 2008 Sewer Line	3,000	3,200	3,400	3,600	3,800	22,000	-	-	39,000
KDHE Loan:									
Project # 2914	77,821	79,237	80,677	82,144	83,637	441,558	383,036	628,890	1,857,000
Capital Leases:									
2015 Pickup	5,271	5,426	5,587	-	-	-	-	-	16,284
Mower	2,862	-	-	-	-	-	-	-	2,862
Golf Carts	11,485	-	-	-	-	-	-	-	11,485
Ambulance	16,154	16,645	17,152	17,674	18,211	-	-	-	85,836
Skidsteer	<u>5,720</u>	<u>5,853</u>	<u>5,990</u>	<u>6,129</u>	<u>5,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,174</u>
TOTAL PRINCIPAL	<u>152,313</u>	<u>140,361</u>	<u>142,806</u>	<u>139,547</u>	<u>141,130</u>	<u>628,558</u>	<u>578,036</u>	<u>863,890</u>	<u>2,786,641</u>
INTEREST:									
General Obligation Bonds:									
Series 2018	21,377	22,373	21,773	21,097	20,422	89,913	62,775	26,325	286,055
Revenue Bonds:									
Series 2008 Sewer Line	2,125	1,962	1,788	1,602	1,406	3,706	-	-	12,589
KDHE Loan:									
Project # 2914	26,829	25,688	24,526	23,343	22,138	91,839	58,261	21,516	294,140
Capital Leases:									
2015 Pickup	480	325	165	-	-	-	-	-	970
Mower	83	-	-	-	-	-	-	-	83
Golf Carts	395	-	-	-	-	-	-	-	395
Ambulance	2,612	2,121	1,615	1,092	554	-	-	-	7,994
Skidsteer	<u>680</u>	<u>547</u>	<u>410</u>	<u>271</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,035</u>
TOTAL INTEREST	<u>54,581</u>	<u>53,016</u>	<u>50,277</u>	<u>47,405</u>	<u>44,647</u>	<u>185,458</u>	<u>121,036</u>	<u>47,841</u>	<u>604,261</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 206,894</u>	<u>\$ 193,377</u>	<u>\$ 193,083</u>	<u>\$ 186,952</u>	<u>\$ 185,777</u>	<u>\$ 814,016</u>	<u>\$ 699,072</u>	<u>\$ 911,731</u>	<u>\$ 3,390,902</u>

5. REVENUE BOND COVENANTS

During the year ended December 31, 2008, the City issued Sewer Utility System Revenue Bonds in the amount of \$62,000. The bonds were issued for the purpose of providing funds to pay for the costs of reconstructing, altering, repairing, improving, extending or enlarging the sewer utility system of the City.

In connection with the 2008-A bond issue the City has made certain covenants and agreements to provide for the payment and security thereof. Under the terms of Resolution No. 2008-10, the City is required to meet certain requirements for debt service coverage ratios, rate covenants, tax covenants, bond reserve accounts, system reserve accounts and bond and interest payment accounts.

For the year ended December 31, 2018, the Water and Sewer System had a debt service coverage ratio, as computed under the bond resolution, of 22.53. The debt service covenant has been met as the debt service coverage ratio exceeded the requirement of 1.40.

The following schedule presents the computation of the debt service coverage ratio in accordance with the resolution.

<u>Water and Sewer Utility Funds</u>			
Total revenues per report		\$	287,322
Total expenditures per report	\$	219,365	
Less administrative expenditures per report		<u>(46,625)</u>	<u>172,740</u>
Net revenues		<u>\$</u>	<u>114,582</u>
Debt service requirements for all System Revenue Bonds		<u>\$</u>	<u>5,126</u>
Debt service coverage ratio			<u>22.53</u>

Under the terms of Resolution No. 2008-10, the City is required to provide reasonable and adequate reserves for the payment of the principal and interest due on the bonds. The City shall transfer monthly proportionate amounts to accumulate the next maturing principal and interest payments one month prior to payment. Proper transfers have been made for 2018. The City is to transfer all excess funds of the utility system to the surplus account. Funds in this account may be used to pay for the operation and maintenance of the system, system improvement, principal and interest payments, calling bonds, and transfers to the operating account. The balance in the Water and Sewer Reserve Fund at December 31, 2018, was \$6,000; and the 2008 Sewer Line Revenue Bond Fund was \$290 for total reserves of \$6,290.

The City shall levy the necessary taxes to pay the principal and interest maturing on the bonds if the revenue of the system is insufficient to make the payments as they are due. The City cannot mortgage or sell system assets unless certain restrictions are met and approved. The City will carry and maintain a reasonable amount of risk insurance as would be carried by a private company and maintain general liability insurance in an amount not less than the maximum liability of a governmental entity. The Water and Sewer System is insured with Amco Insurance Company through Kansas Farmers Service Association, Hutchinson KS.

Water and Sewer Utility customers number 281 at January 1, 2018 and 294 at December 31, 2018.

6. DEFINED BENEFIT PENSION PLAN

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

6. DEFINED BENEFIT PENSION PLAN (CONT.)

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 and 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 \$10,337 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 \$97,231. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

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

(b) Other Post Employment Benefits - KPERS Death and Disabilities

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.

(c) Other Employee Benefits

Vacation – Five days of vacation leave may be accumulated and carried over to the next year. No vacation leave shall be taken until a new employee has completed one year of service.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(c) Other Employee Benefits (cont.)

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

<u>Year of Service</u>	<u>Per Year</u>
After 90 days	8 hours/month
5 - 10	10 hours/month
10 - 15	12 hours/month
Over 15	14 hours/month

Part-time employees who work at least 20 hours or more per week shall earn vacation at the rate of 4 hours for each month of employment.

Upon termination, an employee shall be compensated for all earned but unused vacation at his/her final rate of pay, subject to the maximum hours of accumulation authorized based on years of service.

Amount of sick leave – Full-time employees earn sick leave at the rate of eight hours for each full month of service with a maximum accumulation of 720 hours of sick leave. Part-time employees who are employed to work not less than 20 hours per week earn sick leave at the rate of four hours for each month of service. On termination of employment an employee shall not be paid for accumulated sick leave.

8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2017 to 2018 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Ambulance Fund	K.S.A. 12-825d	\$ 25,686
2008 Water Tower			
Revenue Bond Fund	General Fund	K.S.A. 12-825d	1,715
Sewer Utility Fund	General Fund	K.S.A. 12-825d	13,000
Sewer Utility Fund	2008 Sewer Line Revenue Bond Fund	K.S.A. 12-825d	4,800
Refuse Utility Fund	General Fund	K.S.A. 12-825d	21,000
Water Utility Fund	2008 Water Tower Revenue Bond Fund	K.S.A. 12-825d	2,700
Total			<u>\$ 68,901</u>

10. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF PRETTY PRAIRIE, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

CITY OF PRETTY PRAIRIE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2018

	<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>
GENERAL FUND:					
General Fund	\$ 343,705	\$ 27,303	\$ 371,008	\$ 355,839	\$ (15,169)
SPECIAL PURPOSE FUNDS:					
Ambulance Fund	87,676	-	87,676	87,676	-
Library Fund	7,805	-	7,805	5,072	(2,733)
Special Highway Fund	23,014	-	23,014	23,014	-
Special Parks and Recreation Fund	550	-	550	-	(550)
BOND AND INTEREST FUND:					
Bond and Interest Fund	30,782	29,153	59,935	49,530	(10,405)
BUSINESS FUNDS:					
Refuse Utility Fund	63,834	-	63,834	61,690	(2,144)
Sewer Utility Fund	95,308	-	95,308	93,679	(1,629)
Water Utility Fund	316,356	-	316,356	125,688	(190,668)

CITY OF PRETTY PRAIRIE, 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)

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 144,354	\$ 133,437	\$ 140,645	\$ (7,208)
Delinquent collections	6,533	5,329	1,300	4,029
Motor vehicle tax	16,498	29,251	29,068	183
Recreational vehicle tax	5,137	4,308	414	3,894
16/20M vehicle tax	171	303	159	144
Commercial vehicle tax	416	962	666	296
Watercraft tax	-	-	205	(205)
Intangible tax	-	-	1,168	(1,168)
Local alcoholic liquor tax	2,056	1,178	500	678
Local sales tax	68,455	71,910	68,000	3,910
Compensating use tax	10,216	11,959	11,500	459
Total Taxes	253,836	258,637	253,625	5,012
Licenses and Permits -				
Licenses and permits	20	114	300	(186)
Utility franchise fees	15,247	18,956	15,500	3,456
Firework stand licenses	-	300	-	300
Dog tags, impounds, adoption fees	748	206	-	206
Total Licenses and Permits	16,015	19,576	15,800	3,776
Fines, Forfeitures and Penalties -				
Fines and fees	-	560	-	560
Copying fees	180	312	-	312
Total Fines, Forfeitures and Penalties	180	872	-	872
Use of Money and Property -				
Interest received	63	369	250	119
Total Use of Money and Property	63	369	250	119
Ambulance -				
Ambulance runs	29,491	-	-	-
Reimbursement from Reno County/ Hutchinson Hospital	15,600	-	-	-
Insurance claims	2,546	-	-	-
Miscellaneous	9,619	-	-	-
Total Ambulance	57,256	-	-	-
Golf Course -				
Golf course fees	10,807	-	-	-
Miscellaneous	672	-	-	-
Total Golf Course	11,479	-	-	-

CITY OF PRETTY PRAIRIE, KANSAS

GENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts (Cont.)				
Other -				
Heavy machine work	\$ -	\$ 230	\$ -	\$ 230
Insurance reimbursements	31,298	-	-	-
Library reimbursement	2,391	-	1,500	(1,500)
Miscellaneous	15,396	13,567	-	13,567
Reimbursements	35,711	27,303	2,500	24,803
Zoning fees	55	60	-	60
Total Other	84,851	41,160	4,000	37,160
Transfers In -				
Transfer from 2008 Water Tower Revenue Bond Fund	-	1,715	-	1,715
Transfer from Refuse Utility Fund	-	21,000	10,000	11,000
Transfer from 2002 Revenue Bond Fund	2,381	-	-	-
Transfer from Sewer Utility Fund	-	13,000	-	13,000
Transfer from Water Utility Fund	94,000	-	60,000	(60,000)
Total Transfers In	96,381	35,715	70,000	(34,285)
Total Receipts	520,061	356,329	\$ 343,675	\$ 12,654
Expenditures				
Administrative -				
Personal services	52,289	48,280	\$ 62,000	\$ (13,720)
Contractual services	182,265	149,176	90,000	59,176
Commodities	24,624	11,780	30,000	(18,220)
Capital outlay	9,461	46,648	55,000	(8,352)
Lease	17,420	21,289	-	21,289
Interest	1,945	1,852	-	1,852
Miscellaneous	-	631	-	631
Total Administrative	288,004	279,656	237,000	42,656
Employee Benefits -				
Personal services	1,228	-	-	-
Contractual services	175	2,870	-	2,870
KPERS	2,626	2,504	-	2,504
Payroll Tax	22,713	19,460	27,000	(7,540)
Health Insurance	12,928	7,827	18,000	(10,173)
Kansas Unemployment Tax	116	29	100	(71)
Total Employee Benefits	39,786	32,690	45,100	(12,410)

CITY OF PRETTY PRAIRIE, KANSAS

GENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Expenditures (Cont.)				
Street -				
Contractual services	\$ 13,706	\$ 10,715	\$ 9,000	\$ 1,715
Commodities	-	1,092	-	1,092
Capital outlay	-	-	41,803	(41,803)
Total Street	13,706	17,807	50,803	(32,996)
Ambulance -				
Personal services	33,492	-	-	-
Contractual services	26,348	-	-	-
Commodities	3,307	-	-	-
Capital outlay	4,915	-	-	-
Principal	5,000	-	-	-
Total Ambulance	73,062	-	-	-
Golf Course -				
Personal services	26,175	-	-	-
Contractual services	25,037	-	-	-
Commodities	14,124	-	-	-
Capital outlay	415	-	-	-
Principal	4,386	-	10,802	(10,802)
Total Golf Course	70,137	-	10,802	(10,802)
Transfer to Ambulance Fund	-	25,686	-	25,686
Legal General Fund Budget	484,695	355,839	343,705	12,134
Adjustment for qualifying budget credits	-	-	27,303	(27,303)
Total Expenditures	484,695	355,839	\$ 371,008	\$ (15,169)
Receipts Over (Under) Expenditures	35,366	490		
Unencumbered Cash, Beginning	(35,566)	198		
Prior Year Cancelled Encumbrances	398	-		
Unencumbered Cash, Ending	\$ 198	\$ 688		

CITY OF PRETTY PRAIRIE, KANSAS

SPECIAL PURPOSE FUNDAMBULANCE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ -	\$ 33,086	\$ 33,176	\$ (90)
Delinquent collections	-	187	-	187
Ambulance runs	-	14,441	50,000	(35,559)
Reimbursement from Reno County/ Hutchinson Hospital	-	17,400	-	17,400
Miscellaneous	-	714	4,500	(3,786)
Transfer in from General Fund	-	25,686	-	25,686
Total Receipts	-	91,514	\$ 87,676	\$ 3,838
Expenditures				
Personal services	-	37,071	\$ 38,000	\$ (929)
Contractual services	-	29,659	15,000	14,659
Commodities	-	2,180	6,000	(3,820)
Capital outlay	-	-	9,910	(9,910)
Principal	-	15,677	18,766	(3,089)
Interest	-	3,089	-	3,089
Total Expenditures	-	87,676	\$ 87,676	\$ -
Receipts Over (Under) Expenditures	-	3,838		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 3,838		

CITY OF PRETTY PRAIRIE, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem property tax	\$ 6,414	\$ 5,968	\$ 5,122	\$ 846
Miscellaneous	-	131	-	131
Total Receipts	<u>6,414</u>	<u>6,099</u>	<u>\$ 6,283</u>	<u>\$ (184)</u>
Expenditures				
Contractual services	7,129	4,613	\$ 7,805	\$ (3,192)
Commodities	-	459	-	459
Total Expenditures	<u>7,129</u>	<u>5,072</u>	<u>\$ 7,805</u>	<u>\$ (2,733)</u>
Receipts Over (Under) Expenditures	(715)	1,027		
Unencumbered Cash, Beginning	<u>(768)</u>	<u>(1,483)</u>		
Unencumbered Cash, Ending	<u>\$ (1,483)</u>	<u>\$ (456)</u>		

CITY OF PRETTY PRAIRIE, KANSAS

SPECIAL PURPOSE FUNDSPECIAL CITY AND COUNTY HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
State of Kansas gas tax	\$ 18,035	\$ 18,031	\$ 18,140	\$ (109)
City-County highway gas tax	2,448	9,367	2,580	6,787
Transfer in from Refuse Utility Fund	7,600	-	-	-
Total Receipts	28,083	27,398	\$ 20,720	\$ 6,678
Expenditures				
Personal services	15,773	12,607	\$ 7,880	\$ 4,727
Contractual services	7,728	5,544	2,983	2,561
Commodities	3,522	3,227	-	3,227
Capital outlay	537	1,636	-	1,636
Lease	-	-	12,151	(12,151)
Total Expenditures	27,560	23,014	\$ 23,014	\$ -
Receipts Over (Under) Expenditures	523	4,384		
Unencumbered Cash, Beginning	1,716	2,239		
Unencumbered Cash, Ending	\$ 2,239	\$ 6,623		

CITY OF PRETTY PRAIRIE, KANSAS

SPECIAL PURPOSE FUNDSPECIAL PARKS & RECREATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Local alcoholic liquor tax	\$ 867	\$ 1,179	\$ 550	\$ 629
Expenditures				
Contractual services	-	-	\$ 550	\$ (550)
Receipts Over (Under) Expenditures	867	1,179		
Unencumbered Cash, Beginning	-	867		
Unencumbered Cash, Ending	\$ 867	\$ 2,046		

CITY OF PRETTY PRAIRIE, KANSAS

SPECIAL PURPOSE FUNDAMBULANCE EQUIPMENT RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>228</u>	<u>228</u>
Unencumbered Cash, Ending	<u>\$ 228</u>	<u>\$ 228</u>

CITY OF PRETTY PRAIRIE, KANSAS

SPECIAL PURPOSE FUND

MUNICIPAL EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts	\$ -	\$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>5,947</u>	<u>5,947</u>
Unencumbered Cash, Ending	<u>\$ 5,947</u>	<u>\$ 5,947</u>

CITY OF PRETTY PRAIRIE, KANSAS

BOND AND INTEREST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance -</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Ad valorem tax	\$ 17,864	\$ 18,920	\$ 19,191	\$ (271)
Delinquent tax	1,075	880	-	880
Motor vehicle tax	6,660	1,585	3,909	(2,324)
16/20M vehicle tax	97	36	56	(20)
Recreational vehicle tax	40	49	21	28
Watercraft tax	-	-	28	(28)
Commercial vehicle tax	165	58	90	(32)
Bond proceeds	-	29,153	-	29,153
Total Receipts	<u>25,901</u>	<u>50,681</u>	<u>\$ 23,295</u>	<u>\$ 27,386</u>
Expenditures				
Bond issue costs	-	21,758	\$ -	\$ 21,758
Principal	17,439	18,144	18,144	-
Interest	10,333	9,628	9,628	-
Cash basis reserve	-	-	2,910	(2,910)
Fees	-	-	100	(100)
Legal Bond and Interest Fund Budget	<u>27,772</u>	<u>49,530</u>	<u>30,782</u>	<u>18,748</u>
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>29,153</u>	<u>(29,153)</u>
Total Expenditures	<u>27,772</u>	<u>49,530</u>	<u>\$ 59,935</u>	<u>\$ (10,405)</u>
Receipts Over (Under) Expenditures	(1,871)	1,151		
Unencumbered Cash, Beginning	<u>12,734</u>	<u>10,863</u>		
Unencumbered Cash, Ending	<u>\$ 10,863</u>	<u>\$ 12,014</u>		

CITY OF PRETTY PRAIRIE, KANSAS

CAPITAL PROJECTS FUNDWATER PROJECT 2017 FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts		
Bond Proceeds	\$ 192,018	\$ -
Expenditures		
Contractual services	<u>192,018</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUND

GOLF COURSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>(119,100)</u>	<u>(119,100)</u>
Unencumbered Cash, Ending	<u>\$ (119,100)</u>	<u>\$ (119,100)</u>

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUNDREFUSE UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

	2017 Actual	2018		Variance - Over (Under)
		Actual	Budget	
Receipts				
Sales to customers	\$ 60,620	\$ 57,143	\$ 53,000	\$ 4,143
Expenditures				
Contractual services	43,578	40,690	\$ 53,834	\$ (13,144)
Transfer to General Fund	-	21,000	10,000	11,000
Transfer to Special Street Fund	7,600	-	-	-
Transfer to Sewer Utility Fund	8,500	-	-	-
Total Expenditures	59,678	61,690	\$ 63,834	\$ (2,144)
Receipts Over (Under) Expenditures	942	(4,547)		
Unencumbered Cash, Beginning	10,834	11,776		
Unencumbered Cash, Ending	\$ 11,776	\$ 7,229		

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUNDSEWER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

		2018		Variance -
	2017	Actual	Budget	Over
	Actual			(Under)
Receipts				
Sales to customers	\$ 92,383	\$ 94,186	\$ 95,000	\$ (814)
Transfer from Refuse Utility Fund	8,500	-	-	-
Transfer from Water Utility Fund	100	-	-	-
Transfer from Water and Sewer Reserve Fund	11,451	-	-	-
Total Receipts	112,434	94,186	\$ 95,000	\$ (814)
Expenditures				
Personal services	21,323	22,985	\$ 20,000	\$ 2,985
Contractual services	20,858	7,950	18,000	(10,050)
Commodities	3,774	5,036	11,000	(5,964)
Capital outlay	4,393	-	3,097	(3,097)
Principal	29,243	29,999	29,999	-
Interest	8,749	7,992	7,992	-
Principal	1,917	1,917	-	1,917
Transfer to General Utility Fund	-	13,000	-	13,000
Transfer to 2008 Sewer Line Revenue Bond Fund	-	4,800	5,220	(420)
Total Expenditures	90,257	93,679	\$ 95,308	\$ (1,629)
Receipts Over (Under) Expenditures	22,177	507		
Unencumbered Cash, Beginning	(22,120)	57		
Unencumbered Cash, Ending	\$ 57	\$ 564		

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUNDWATER UTILITY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2018

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

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts				
Sale of water	\$ 185,726	\$ 173,808	\$ 170,000	\$ 3,808
Connection fees	1,365	2,673	600	2,073
Miscellaneous	403	2,400	-	2,400
Grant proceeds	-	14,255	-	14,255
Local sales tax	-	-	1,000	(1,000)
Reimbursements	180	-	-	-
Total Receipts	<u>187,674</u>	<u>193,136</u>	<u>\$ 171,600</u>	<u>\$ 21,536</u>
Expenditures				
Personal services	34,930	40,794	\$ 35,000	\$ 5,794
Contractual services	30,929	76,317	60,564	15,753
Commodities	7,244	2,168	5,624	(3,456)
Capital outlay	945	-	152,168	(152,168)
Interest	531	1,792	-	1,792
Lease	1,917	1,917	-	1,917
Transfer to 2008 Water Tower Revenue Bond Fund	2,900	2,700	3,000	(300)
Transfer to General Fund	94,000	-	60,000	(60,000)
Transfer to 2002 Revenue Bond Fund	13,909	-	-	-
Transfer to 2008 Sewer Line Revenue Bond Fund	5,200	-	-	-
Transfer to Sewer Utility Fund	100	-	-	-
Total Expenditures	<u>192,605</u>	<u>125,688</u>	<u>\$ 316,356</u>	<u>\$ (190,668)</u>
Receipts Over (Under) Expenditures	(4,931)	67,448		
Unencumbered Cash, Beginning	<u>160,156</u>	<u>155,225</u>		
Unencumbered Cash, Ending	<u>\$ 155,225</u>	<u>\$ 222,673</u>		

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUNDWATER AND SEWER RESERVE FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Transfer to Sewer Utility Fund	<u>11,451</u>	<u>-</u>
Total Expenditures	<u>11,451</u>	<u>-</u>
Receipts Over (Under) Expenditures	(11,451)	-
Unencumbered Cash, Beginning	<u>17,451</u>	<u>6,000</u>
Unencumbered Cash, Ending	<u>\$ 6,000</u>	<u>\$ 6,000</u>

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUND2002 REVENUE BOND FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts		
Transfer from Water Utility Fund	\$ 13,909	\$ -
Expenditures		
Principal	13,000	-
Interest	502	-
Transfer to General Fund	<u>2,381</u>	<u>-</u>
Total Expenditures	<u>15,883</u>	<u>-</u>
Receipts Over (Under) Expenditures	(1,974)	-
Unencumbered Cash, Beginning	<u>1,974</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUND2008 WATER TOWER REVENUE BOND FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUALRegulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts		
Transfer from Water Utility Fund	\$ 2,900	\$ 2,700
Expenditures		
Principal	2,700	2,700
Interest	213	72
Transfer to General Fund	-	1,715
Total Expenditures	<u>2,913</u>	<u>4,487</u>
Receipts Over (Under) Expenditures	(13)	(1,787)
Unencumbered Cash, Beginning	<u>1,800</u>	<u>1,787</u>
Unencumbered Cash, Ending	<u>\$ 1,787</u>	<u>\$ -</u>

CITY OF PRETTY PRAIRIE, KANSAS

BUSINESS FUND

2008 SEWER LINE REVENUE BOND FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

Regulatory Basis

For the Year Ended December 31, 2018

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

	<u>2017 Actual</u>	<u>2018 Actual</u>
Receipts		
Transfer from Sewer Utility Fund	\$ -	\$ 4,800
Transfer from Water Utility Fund	<u>5,200</u>	<u>-</u>
Total Receipts	<u>5,200</u>	<u>4,800</u>
Expenditures		
Principal	2,700	2,900
Interest	<u>2,431</u>	<u>2,285</u>
Total Expenditures	<u>5,131</u>	<u>5,185</u>
Receipts Over (Under) Expenditures	69	(385)
Unencumbered Cash, Beginning	<u>606</u>	<u>675</u>
Unencumbered Cash, Ending	<u>\$ 675</u>	<u>\$ 290</u>

CITY OF PRETTY PRAIRIE, 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>
Youth Center/Roller Rink Maintenance	\$ 15,700	\$ 52	\$ -	\$ 15,752
Water Deposit Fund	<u>17,261</u>	<u>-</u>	<u>621</u>	<u>16,640</u>
Total	<u>\$ 32,961</u>	<u>\$ 52</u>	<u>\$ 621</u>	<u>\$ 32,392</u>