

CITY OF SATANTA, KANSAS
REGULATORY BASIS FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

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FOR THE YEAR ENDED DECEMBER 31, 2017

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council Members
City of Satanta, Kansas

Report on the Financial Statement

We have audited the accompanying regulatory basis fund summary statement of receipts, expenditures and unencumbered cash of the municipal reporting entity of the City of Satanta, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statement, which collectively comprise the City of Satanta's basic financial statement as listed in the table of contents.

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 to meet the financial reporting requirements of the State of Kansas; 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 a 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 the 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 opinions.

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 Satanta, Kansas, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* of the State of Kansas, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of Kansas. 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 accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Satanta, Kansas, as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

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 Satanta, Kansas, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* of the State of Kansas described in Note 1.

Other Matters

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

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 Satanta, Kansas, as of and for the year ended December 31, 2016, (not presented herein), and have issued our report thereon dated February 14, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financialofficer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2017, (Schedules 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement

itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on it.


LEWIS, HOOPER & DICK, LLC

February 28, 2018

CITY OF SATANTA, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2017

<u>Funds</u>	Unencumbered Cash 1/1/17	Receipts	Expenditures	Unencumbered Cash 12/31/17	Add Payables and Encumbrances	Treasurer's Cash 12/31/17
<u>Governmental Type Funds</u>						
General	\$ 187,873	\$ 595,372	\$ 582,913	\$ 200,332	\$ 3,931	\$ 204,263
Special Purpose Funds:						
Gas Well	1,671	31,369	31,304	1,736	381	2,117
Special Highway	36,503	29,296	35,324	30,475	-	30,475
Employee Benefits	64,254	132,789	114,514	82,529	-	82,529
Equipment Reserve	31,799	20,000	21,798	30,001	-	30,001
Community Trust	186,712	-	7,590	179,122	-	179,122
Capital Improvement	43,093	-	21,427	21,666	-	21,666
Total Special Purpose Funds	364,032	213,454	231,957	345,529	381	345,910
<u>Business Funds</u>						
Water and Sewer Utility:						
General	238,404	203,697	227,143	214,958	9,582	224,540
Depreciation Reserve	260,000	34,555	28,775	265,780	2,406	268,186
Total Water and Sewer Utility	498,404	238,252	255,918	480,738	11,988	492,726
Refuse Utility	34,252	83,411	81,264	36,399	5,941	42,340
Total Business Funds	532,656	321,663	337,182	517,137	17,929	535,066
Total Reporting Entity (Memorandum only)	\$ 1,084,561	\$ 1,130,489	\$ 1,152,052	\$ 1,062,998	\$ 22,241	\$ 1,085,239
Composition of Cash:						
Centera Bank					\$ 85,691	
Less outstanding warrants					(751)	
Total cash in bank						\$ 84,940
Investments - Idle Funds						1,000,199
Cash on hand						100
Total cash						\$ 1,085,239

The accompanying Notes to the Financial Statement are an integral part of this statement.

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

1. Summary of significant accounting policies

The City of Satanta, Kansas, was incorporated under the provisions of the State of Kansas. The City operates under a mayor-council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities.

A. Financial reporting entity

The City is governed by an elected five-member council and a mayor. This financial statement presents the City of Satanta (the municipality) and its related municipal entities. The related municipal entities are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The City has no organizations, functions or activities which are considered related municipal entities of the City.

B. Regulatory basis of accounting and departure from accounting principles generally accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* 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 *Kansas Municipal Audit and Accounting Guide* 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.

C. Regulatory basis fund types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types are used by the City:

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

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

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

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

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

1. Summary of significant accounting policies (continued)

C. Regulatory basis fund types (continued)

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

Trust funds – 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 funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, etc...).

D. Cash and investments

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the City (except for investments in the Kansas Municipal Investment Pool). Cash includes amounts in demand deposits, time deposits and certificates of deposit. Investments of the pooled accounts consist primarily of investments with the Kansas Municipal Investment Pool and U.S. government securities carried at cost, which approximates market. Interest income earned, unless specifically designated, is allocated to the general fund.

E. Property taxes and special assessments

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas are the responsibility of the counties. The County Appraiser annually determines assessed valuations based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities within the County.

Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. One-half of the property taxes are due December 20th and distributed to the District by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the City by June 5th. The City Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments received prior to or after the issuance of general obligation bonds are recorded as receipts in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Bond and Interest Fund to finance delinquent special assessments receivable.

F. Interfund transactions and reimbursements

Quasi-external transactions (i.e., transactions that would be treated as receipts or expenditures if they involved organizations external to the governmental unit, such as internal service fund billings to departments) are accounted for as receipts or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

1. Summary of significant accounting policies (continued)

F. Interfund transactions and reimbursements (continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

G. Memorandum totals

Totals on the financial statement are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. No consolidated financial information is presented nor is all required disclosures presented for these amounts.

2. Stewardship, compliance and accountability

A. 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 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 amendments to the original budget for the year ended December 31, 2017.

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 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 projects funds, trust funds, and certain special purpose 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.

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

2. Stewardship, compliance and accountability (continued)

B. Compliance with finance related legal and contractual provisions

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Kansas Department of Administration's Chief Financial Officer and interpretation by the County Attorney and the legal representative of the City.

There are no known material violations of finance-related legal and contractual provisions including Kansas statutes, regulations, contracts, debt covenants, or other agreements for the year ended December 31, 2017.

3. Detailed notes on all funds

A. Deposits and investments

A reconciliation of cash and investments as shown in the composition of cash on the summary statement of receipts, expenditures and unencumbered cash on Statement 1 is as follows:

Cash on hand	\$ 100
Carrying amount of deposits	<u>1,085,139</u>
Total cash	<u>\$ 1,085,239</u>

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 except during designated "peak periods" when required coverage is 50%. The City does not use designated "peak periods". All deposits were legally secured at December 31, 2017.

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

3. Detailed notes on all funds (continued)

A. Deposits and investments (continued)

Custodial credit risk – deposits (continued)

At December 31, 2017, the City's carrying amount of deposits was \$1,085,139 and the bank balance was \$1,085,890. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$835,890 was collateralized with securities held by the pledging financial institutions' agents in the City's name. The City's cash deposits at year-end are as follows:

	<u>Centera Bank</u>
FDIC coverage	\$ 250,000
Pledged securities at market value	<u>1,188,552</u>
Total coverage	<u>\$ 1,438,552</u>
Funds on deposit	<u>\$ 1,085,890</u>
Funds at risk	<u>\$ -</u>

Credit risk - investments

Custodial credit risk for an investment is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments of this type at December 31, 2017.

B. Capital projects in progress

Capital project authorizations with approved change orders compared to disbursements and accounts payable from inception to December 31, 2017, are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>	<u>Committed</u>
Street repairs	\$ 35,324	\$ 35,324	\$ -
Sewer pond	164,597	24,925	139,672

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CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

3. Detailed notes on all funds (continued)

C. Interfund transfers

Interfund operating transfers are as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>		
General	Equipment Reserve	12-1117	\$	20,000
Gas Well	General	12-1118		21,000
Water and Sewer Utility	General	12-825d		52,000
Water and Sewer Utility	Depreciation Reserve	12-825d		25,000
Refuse	General	12-825d		<u>10,000</u>
Total			\$	<u>128,000</u>

4. Other information

A. 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 been unable to obtain workmen's compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other Cities in the State to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for 160 participating members.

The City pays an annual premium to KMIT for its workmen's compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$5,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT's management.

The City continues to carry commercial insurance for all other risk of loss including torts; theft of damage to, and destruction of assets; errors and omissions; and natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Post-employment health care 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 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. There is no cost to the City under this program.

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

4. Other information (continued)

C. Compensated absences

The City's policy regarding leave pay permits full time employees to accumulate leave days at a maximum rate of 12 days per year. No more than 60 days may be accumulated. Leave may be used for sick leave, bereavement leave and personal leave. The City does not pay for unused accumulated leave pay at termination of employment.

The City's policy regarding vacation leave pay permits full time employees to accumulate vacation days at a maximum rate of 25 days per year. Up to five days of vacation may be carried over into the subsequent year. Accumulated vacation leave pay is paid at termination of employment.

D. Defined benefit pension plan

Plan description: The City of Satanta, Kansas, participates in the Kansas Public Employees Retirement System ("KPERS"), a cost sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically 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 with a 0% moratorium from the period of January 1, 2017, through September 20, 2017, for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City of Satanta, Kansas were \$15,492 for the year ended December 31, 2017.

Net pension liability: At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$149,437. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and nonemployer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

CITY OF SATANTA, KANSAS
Notes to the Financial Statement
For the Year Ended December 31, 2017

4. Other information (continued)

D. Defined benefit pension plan (continued)

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.

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

CITY OF SATANTA, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017

<u>Funds</u>	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over (Under)</u>
<u>Governmental Type Funds</u>			
General	\$ 628,603	\$ 582,913	\$ (45,690)
Special Purpose Funds:			
Gas Well	33,907	31,304	(2,603)
Special Highway	91,395	35,324	(56,071)
Employee Benefits	162,751	114,514	(48,237)
Equipment Reserve	140,203	21,798	(118,405)
Community Trust	186,712	7,590	(179,122)
Capital Improvement	43,093	21,427	(21,666)
<u>Business Funds</u>			
Water and Sewer Utility:			
General	329,000	227,143	(101,857)
Depreciation Reserve	285,000	28,775	(256,225)
Refuse Utility	93,500	81,264	(12,236)

CITY OF SATANTA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over Under
Receipts:				
Administration:				
Taxes	\$ 380,445	\$ 412,150	\$ 411,673	\$ 477
Franchises	51,719	54,402	36,760	17,642
Licenses and permits	910	1,095	1,200	(105)
Interest on investments	3,108	2,916	2,500	416
Refunds and miscellaneous	14,654	28,149	2,000	26,149
Total administration	450,836	498,712	454,133	44,579
Police and police court	9,449	9,939	3,800	6,139
Parks and pools	3,552	3,721	7,700	(3,979)
Transfer from Gas Well Fund	21,000	21,000	21,000	-
Transfer from Community Trust Reserve	28,000	-	-	-
Transfer from Water and Sewer Utility	52,000	52,000	52,000	-
Transfer from Refuse Utility	10,000	10,000	10,000	-
Total receipts	574,837	595,372	\$ 548,633	\$ 46,739
Expenditures:				
General administration:				
Personal services	225,285	222,156	\$ 256,738	\$ (34,582)
Contractual services	64,506	69,178	67,118	2,060
Commodities	5,159	4,769	7,000	(2,231)
Capital outlay	-	-	5,000	(5,000)
Total general administration	294,950	296,103	335,856	(39,753)
Streets:				
Contractual services	18,000	11,750	23,000	(11,250)
Commodities	2,248	8,595	13,000	(4,405)
Capital outlay	9,382	41,946	20,000	21,946
Total streets	29,630	62,291	56,000	6,291
Fire:				
Personal services	5,812	5,706	6,684	(978)
Contractual services	858	1,607	2,000	(393)
Commodities	8,869	8,899	3,500	5,399
Capital outlay	4,768	6,953	7,500	(547)
Total fire	20,307	23,165	19,684	3,481

(continued)

CITY OF SATANTA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

(continued)	Prior Year	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures:				
Parks:				
Personal services	\$ 25,851	\$ 26,474	\$ 31,334	\$ (4,860)
Contractual services	300	-	2,000	(2,000)
Commodities	8,010	12,595	10,500	2,095
Capital outlay	807	-	1,000	(1,000)
Total parks	34,968	39,069	44,834	(5,765)
Street lighting:				
Contractual services	25,867	26,425	28,500	(2,075)
Police:				
Contractual services	109,564	108,424	116,229	(7,805)
Community service:				
Community service	240	-	500	(500)
Community building capital outlay	1,120	436	-	436
Total community service	1,360	436	500	(64)
Airport:				
Contractual services	3,000	3,000	3,000	-
Capital outlay	4,000	4,000	4,000	-
Total airport	7,000	7,000	7,000	-
Transfers:				
Transfer to Equipment Reserve	20,000	20,000	20,000	-
Total expenditures	543,646	582,913	\$ 628,603	\$ (45,690)
Receipts over expenditures	31,191	12,459		
Unencumbered cash, beginning of year	156,682	187,873		
Unencumbered cash, end of year	\$ 187,873	\$ 200,332		

CITY OF SATANTA, KANSAS
Gas Well Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over Over (Under)
Receipts:				
Royalties	\$ 29,969	\$ 31,369	\$ 34,000	\$ (2,631)
Expenditures:				
Royalties and taxes	4,508	5,916	\$ 7,907	\$ (1,991)
Capital outlay	4,145	4,388	5,000	(612)
Transfer to General	21,000	21,000	21,000	-
Total expenditures	29,653	31,304	\$ 33,907	\$ (2,603)
Receipts over expenditures	316	65		
Unencumbered cash, beginning of year	1,355	1,671		
Unencumbered cash, end of year	\$ 1,671	\$ 1,736		

CITY OF SATANTA, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over Over (Under)
Receipts:				
State of Kansas - gas tax	\$ 29,516	\$ 29,296	\$ 28,990	\$ 306
Expenditures:				
Commodities	53,518	35,324	\$ 91,395	\$ (56,071)
Receipts under expenditures	(24,002)	(6,028)		
Unencumbered cash, beginning of year	60,505	36,503		
Unencumbered cash, end of year	\$ 36,503	\$ 30,475		

CITY OF SATANTA, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		
	Prior Year	Actual	Budget	Variance Over (Under)
Receipts:				
Taxes	\$ 141,301	\$ 132,789	\$ 131,855	\$ 934
Expenditures:				
Employer contributions	20,149	19,839	\$ 25,000	\$ (5,161)
Workmen's compensation	14,800	-	13,454	(13,454)
Retirement	31,119	26,963	34,000	(7,037)
Unemployment	263	259	2,000	(1,741)
Medical insurance	59,082	67,453	88,297	(20,844)
Total expenditures	125,413	114,514	\$ 162,751	\$ (48,237)
Receipts over expenditures	15,888	18,275		
Unencumbered cash, beginning of year	48,366	64,254		
Unencumbered cash, end of year	\$ 64,254	\$ 82,529		

CITY OF SATANTA, KANSAS
 Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		
	Prior Year	Actual	Budget	Variance Over (Under)
Receipts:				
Other Income	\$ 3,000	\$ -	\$ -	\$ -
Transfer from General	20,000	20,000	20,000	-
Total receipts	23,000	20,000	\$ 20,000	\$ -
Expenditures:				
Capital outlay	91,404	21,798	\$ 140,203	\$ (118,405)
Receipts under expenditures	(68,404)	(1,798)		
Unencumbered cash, beginning of year	100,203	31,799		
Unencumbered cash, end of year	\$ 31,799	\$ 30,001		

CITY OF SATANTA, KANSAS
 Community Trust Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over Over (Under)
Receipts:				
Transfer from Gas Well	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	7,590	\$ 186,712	\$ (179,122)
Transfer to General	28,000	-	-	-
Total expenditures	28,000	7,590	\$ 186,712	\$ (179,122)
Receipts under expenditures	(28,000)	(7,590)		
Unencumbered cash, beginning of year	214,712	186,712		
Unencumbered cash, end of year	\$ 186,712	\$ 179,122		

CITY OF SATANTA, KANSAS
 Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over Over (Under)
Receipts:				
Transfer from General	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Capital outlay	-	21,427	\$ 43,093	\$ (21,666)
Receipts over (under) expenditures	-	(21,427)		
Unencumbered cash, beginning of year	43,093	43,093		
Unencumbered cash, end of year	\$ 43,093	\$ 21,666		

CITY OF SATANTA, KANSAS
Water and Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over Over (Under)
Receipts:				
Charge for services	\$ 194,255	\$ 194,891	\$ 228,350	\$ (33,459)
Bulk sales	1,470	620	1,250	(630)
Miscellaneous	3,323	3,303	-	3,303
Use of money and property	-	4,883	11,000	(6,117)
Total receipts	<u>199,048</u>	<u>203,697</u>	<u>\$ 240,600</u>	<u>\$ (36,903)</u>
Expenditures:				
Production	79,634	66,074	\$ 106,000	\$ (39,926)
Distribution	58,050	66,797	124,000	(57,203)
General	18,530	17,272	22,000	(4,728)
Transfer to General	52,000	52,000	52,000	-
Transfer to Depreciation Reserve	25,000	25,000	25,000	-
Total expenditures	<u>233,214</u>	<u>227,143</u>	<u>\$ 329,000</u>	<u>\$ (101,857)</u>
Receipts under expenditures	(34,166)	(23,446)		
Unencumbered cash, beginning of year	<u>272,570</u>	<u>238,404</u>		
Unencumbered cash, end of year	<u>\$ 238,404</u>	<u>\$ 214,958</u>		

CITY OF SATANTA, KANSAS
 Depreciation Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

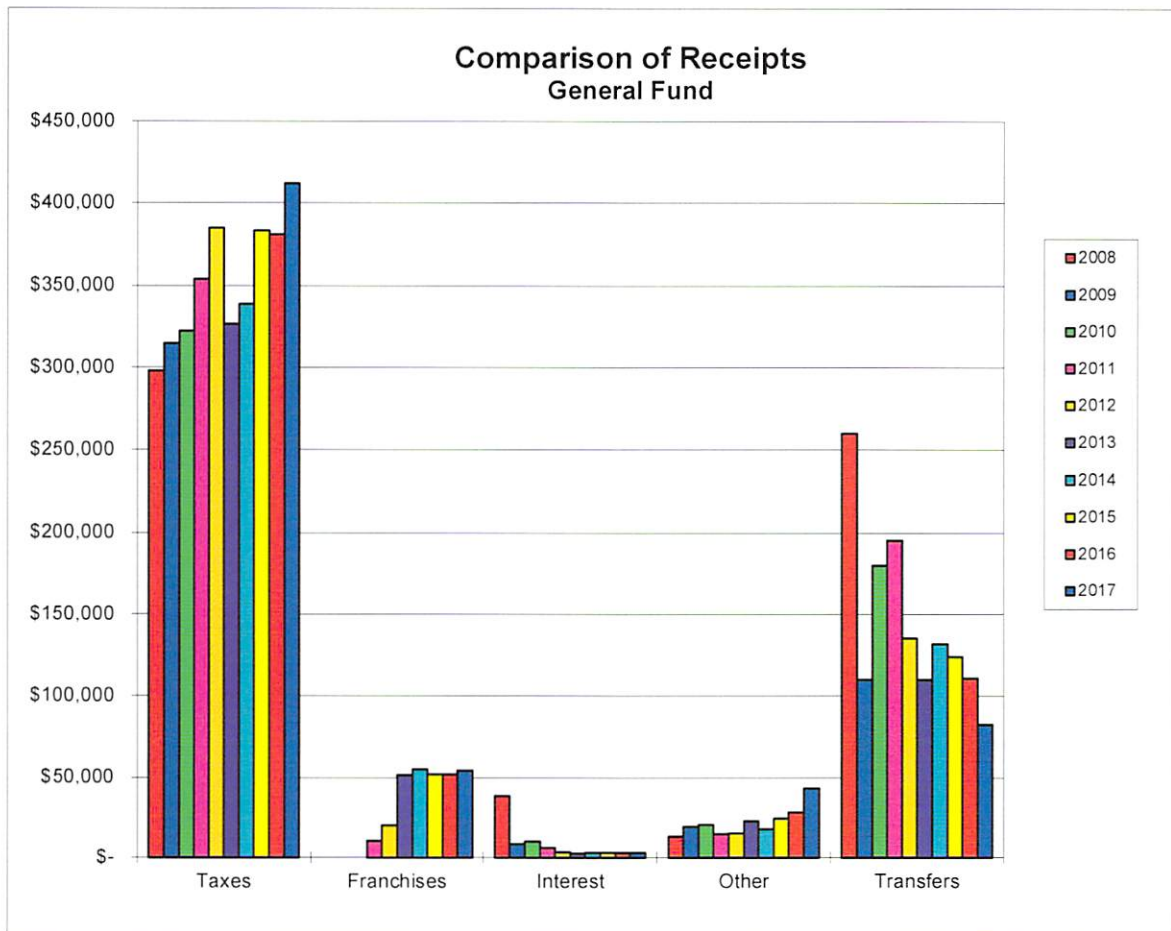
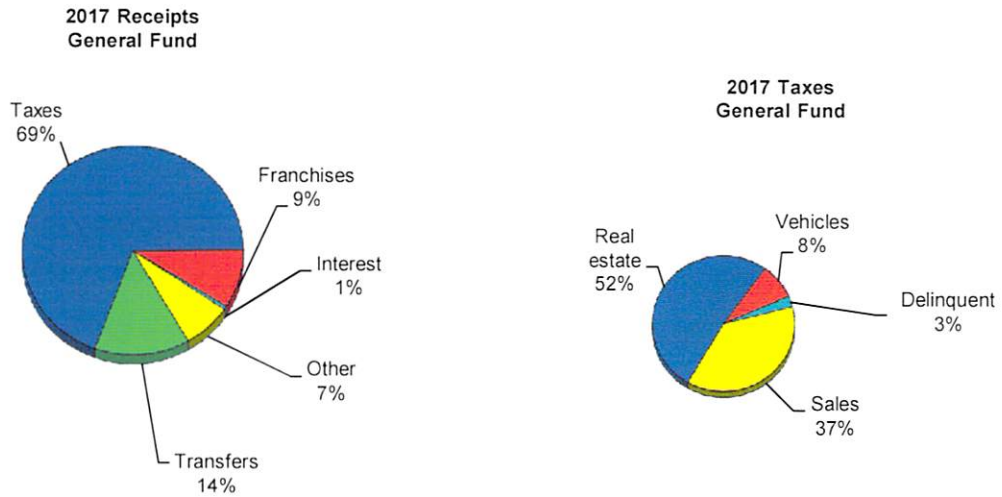
	Prior Year	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Charge for services	\$ -	\$ 9,555	\$ -	\$ 9,555
Transfer from Water and Sewer Utility	25,000	25,000	25,000	-
Total receipts	25,000	34,555	\$ 25,000	\$ 9,555
Expenditures:				
Capital outlay	-	28,775	\$ 285,000	\$ (256,225)
Receipts over expenditures	25,000	5,780		
Unencumbered cash, beginning of year	235,000	260,000		
Unencumbered cash, end of year	\$ 260,000	\$ 265,780		

CITY OF SATANTA, KANSAS
 Refuse Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		Current Year		Variance Over (Under)
	Prior Year	Actual	Budget	
Receipts:				
Charges for services	\$ 84,274	\$ 83,411	\$ 77,000	\$ 6,411
Expenditures:				
Contractual services	71,710	71,264	\$ 68,000	\$ 3,264
Commodities	-	-	15,500	(15,500)
Transfer to General	10,000	10,000	10,000	-
Total expenditures	81,710	81,264	\$ 93,500	\$ (12,236)
Receipts over expenditures	2,564	2,147		
Unencumbered cash, beginning of year	31,688	34,252		
Unencumbered cash, end of year	\$ 34,252	\$ 36,399		

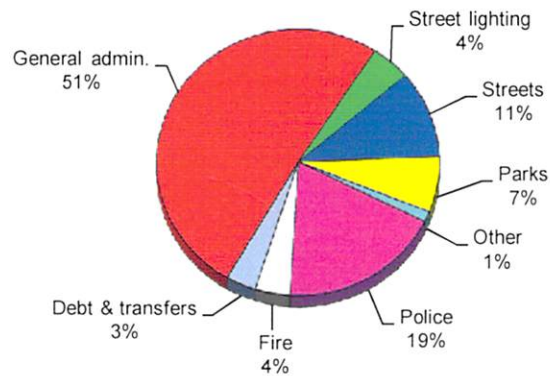
OTHER SUPPLEMENTAL INFORMATION

CITY OF SATANTA, KANSAS
 Receipts - General Fund
 Regulatory Basis
 For the Year Ended December 31

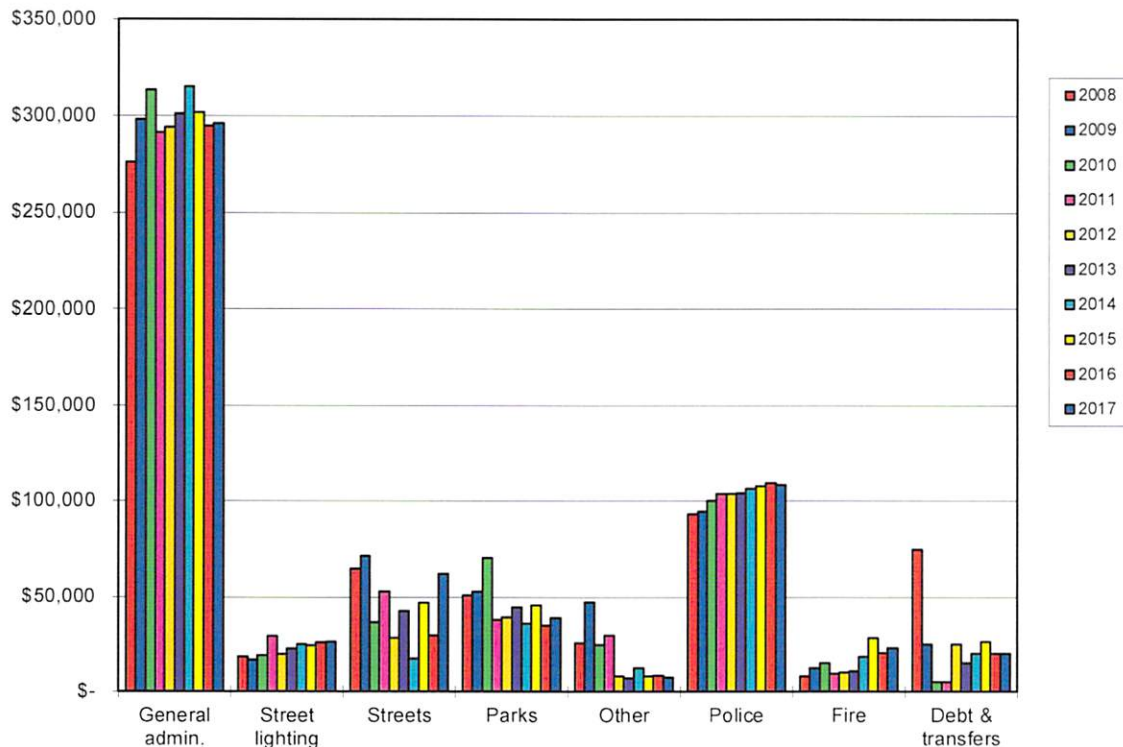


CITY OF SATANTA, KANSAS
Expenditures - General Fund
Regulatory Basis
For the Year Ended December 31

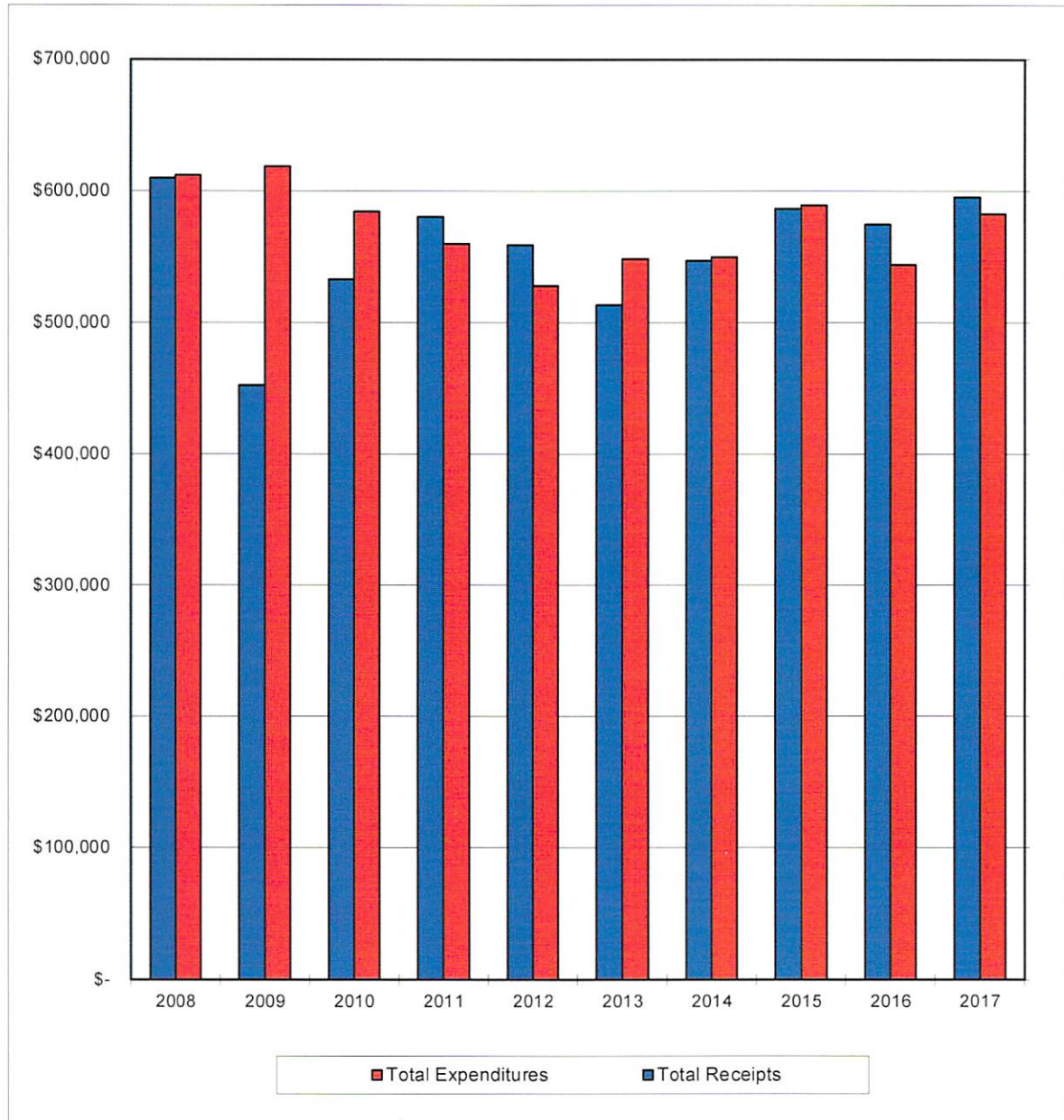
2017 Expenditures
General Fund



Comparison of Expenditures
General Fund



CITY OF SATANTA, KANSAS
Comparison of Receipts and Expenditures - General Fund
Regulatory Basis
For the Year Ended December 31



CITY OF SATANTA, KANSAS
 Receipts - Gas Well Fund
 Regulatory Basis
 For the Year Ended December 31

