

CITY OF HUGOTON, KANSAS
Hugoton, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2017

CITY OF HUGOTON, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2017

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CITY OF HUGOTON, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Hugoton, Kansas

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

Management's Responsibility for the Financial Statements

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.

To the City Council
City of Hugoton, Kansas

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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 Hugoton, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the 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 Hugoton, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Hugoton, 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* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*.

To the City Council
City of Hugoton, Kansas

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Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

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 Hugoton, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated June 5, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note 1.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

June 8, 2018

CITY OF HUGOTON, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2017

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
General Funds:						
General	\$ 465,492	\$ 2,306,361	\$ 2,322,166	\$ 449,687	\$118,759	\$ 568,446
Special Purpose Funds:						
Special City Streets and Highways	54,421	104,464	100,000	58,885	-	58,885
Special Parks and Recreation	9,156	5,064	4,422	9,798	-	9,798
Gas Royalty	443,102	34,315	5,398	472,019	-	472,019
Convention and Tourism Promotion	29,201	20,703	13,643	36,261	1,012	37,273
Animal Care Benevolence	12,743	2,963	4,694	11,012	364	11,376
Golf Course Expansion	112,307	1,040	-	113,347	-	113,347
Shop With a Cop	2,255	2,505	4,473	287	40	327
Streetscape Improvement	5,944	53	237	5,760	-	5,760
Community Improvement District	264	20,071	17,920	2,415	-	2,415
Economic Development	-	20,057	-	20,057	-	20,057
Special Street Machinery	159,694	61,677	7,367	214,004	-	214,004
Debt Service Fund – Bond and Interest Fund	79,701	464,607	501,365	42,943	-	42,943
Business Funds – Enterprise Funds:						
Electric System:						
Operating Fund	2,444,968	4,617,220	4,330,847	2,731,341	271,318	3,002,659
Meter Deposit Fund	-	19,963	19,963	-	60,777	60,777
Equipment Replacement Fund	506,977	4,628	-	511,605	-	511,605
Electric Distribution Upgrade Fund	794,253	109,091	11,630	891,714	-	891,714
Water System:						
Operating Fund	737,640	702,454	708,993	731,101	50,161	781,262
Meter Deposit Fund	-	1,184	1,184	-	3,834	3,834
Equipment Replacement Fund I	143,855	1,313	-	145,168	-	145,168
Equipment Replacement Fund II	131,336	1,198	-	132,534	-	132,534
Water Improvement Reserve Fund	623,617	219,096	348,365	494,348	-	494,348
Sanitation System:						
Operating Fund	123,082	308,093	295,520	135,655	4,662	140,317
Equipment Replacement Fund	295,494	62,207	173,600	184,101	-	184,101
Sewer System:						
Operating Fund	1,283,508	636,656	1,158,569	761,595	7,770	769,365
Equipment Reserve Fund I	<u>695,989</u>	<u>454,763</u>	<u>-</u>	<u>1,150,752</u>	<u>-</u>	<u>1,150,752</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$9,154,999</u>	<u>\$10,181,746</u>	<u>\$10,030,356</u>	<u>\$9,306,389</u>	<u>\$518,697</u>	<u>\$9,825,086</u>

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

CITY OF HUGOTON, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS

For the year ended December 31, 2017

Ending Cash Balance		<u>\$9,825,086</u>
Composition of Cash:		
Cash on hand with City Clerk	\$	300
Deposits in Local Depositories:		
Checking Accounts:		
Citizens State Bank – Operating account		498,967
Citizens State Bank – Petty cash		1,000
Certificates of Deposit – Citizens State Bank		<u>9,325,000</u>
Total Cash		\$9,825,267
Agency Funds per Schedule 3		<u>(181)</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$9,825,086</u>

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Hugoton is a municipal corporation governed by an elected six member council. This regulatory financial statement presents the City of Hugoton (the municipality). A related municipal entity is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with, the City. Based on the criteria used to evaluate potential related municipal entities, it was determined that there were no related municipal entities to present with the municipality's financial statement.

Related Municipal Entities not Presented

The City Council is responsible for appointing the members of the Planning Commission. The Planning Commission has no budgetary or disbursing authority. Its function is solely to advise the City Council and, therefore, is a part of the municipality.

Jointly Governed Organizations

The City, in conjunction with each township in the county, has created the Hugoton Cemetery District. The Hugoton Cemetery District's board consists of one representative from each of the participating entities.

Fund Descriptions

In governmental accounting, 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.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2017:

Governmental Funds:

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 regulatory 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.

Business Funds:

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenue earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds:

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

The municipality 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 municipality to use the regulatory basis of accounting.

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Hugoton, Kansas, deposited and/or invested all funds with the Citizens State Bank or the First National Bank of Hugoton, Kansas.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

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:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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, trust funds, and the following special purpose funds:

Special Street Machinery Fund	Water Equipment Replacement Fund I
Electric Meter Deposit Fund	Water Equipment Replacement Fund II
Electric Equipment Replacement Fund	Sanitation Equipment Replacement Fund
Water Meter Deposit Fund	Sewer System Reserve Fund I
Economic Development Fund	Sewer Improvements Fund

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Stevens County.

Taxes levied to finance the budget are made available to the City of Hugoton, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

Contrary to the provisions of KSA 10-1117 and KSA 79-2934, the City Clerk did not maintain a formal encumbrance record or an unencumbered budget balance record.

Fund Balances – Designated for Subsequent Year's Budget

Actual cash carryover was not sufficient for the following funds:

	<u>2017</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>2018 Budgeted</u> <u>Unencumbered</u> <u>Cash Carryover</u>
Animal Care Benevolence	\$ 11,012	\$ 11,893
Special Highway	58,885	60,950
Shop With a Cop	287	2,105
Electric Distribution Upgrade	891,714	893,000
Gas Royalty	472,019	476,400

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City of Hugoton. The statute requires banks eligible to hold the City of Hugoton's funds have a main or branch bank in the county in which the City of Hugoton 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 of Hugoton has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City of Hugoton'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 of Hugoton 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 of Hugoton 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 of Hugoton's deposits may not be returned to it. State statutes require the City of Hugoton'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%. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City of Hugoton's carrying amount of deposits was \$9,825,267 and the bank balance was \$9,868,999. Of the bank balance, \$250,000 was covered by federal depository insurance, \$1,850,000 was collateralized with an irrevocable letter of credit, and \$7,768,999 was collateralized with securities held by the pledging financial institution's agents in the City of Hugoton's name.

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 of Hugoton 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.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 4: Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Sanitation System Fund	Sanitation Equipment Replacement Fund	KSA 12-1,117	\$ 60,000
Sewer System Fund	Sewer Principal & Interest Fund	KSA 12-825d	193,788
Water Fund	Water Principal & Interest Fund	KSA 12-825d	53,331
General Fund	Special Street Machinery Fund	KSA 12-1,117	60,000
Water Improvement Reserve Fund	Bond and Interest	KSA 12-825d	102,762
General Fund	Economic Development		20,000
Water Principal & Interest	Bond and Interest Fund	KSA 12-825d	53,800
Sewer Principal & Interest	Bond and Interest Fund	KSA 12-825d	89,906

Note 5: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

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

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 5: Defined Benefit Pension Plan (Continued)

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 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City of Hugoton were \$149,329 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City of Hugoton's proportionate share of the collective net pension liability reported by KPERS was \$1,407,855. 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 of Hugoton's proportion of the net pension liability was based on the ratio of the City of Hugoton'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 these financial statements.

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.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 6: Other Long-Term Obligations from Operations

Compensated Absences

Vacations

Vacations for full-time City employees shall be allowed as follows:

- a. All employees shall be allowed two weeks paid vacation, or ten working days, after completing one complete year's service with the City.
- b. Three weeks, or 15 days, paid vacation shall be allowed to each employee completing 10 full years of service with the City.
- c. Four weeks, or 20 days, paid vacation shall be allowed after completing 20 years of service with the City.
- d. All City employees entitled to vacations as provided in (a), (b), or (c) of this section shall be required to take their vacations within the calendar year. No employee shall be paid additionally for working during his/her vacation time. The superintendent of municipal utilities shall approve the vacation times of all City employees under his/her supervision and control. Vacation times for all other City employees shall be subject to the approval of the governing body.
- e. No vacation time shall be allowed to any employee whose employment is terminated for any reason between the first and second anniversary dates of employment. (Ord. 486, 1-504)

Sick Leave

- a. Each full-time employee shall be allowed three-fourths day sick leave for every month of continuous employment. Such sick leave shall be accumulative from year to year to a maximum of 90 days. Such accumulation shall not apply to probationary employees, as defined in section 1-503 until the six-months probationary period has expired, at which time such employee shall be credited with four and one-half days sick leave.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 6: Other Long-Term Obligations from Operations (Continued)

Compensated Absences (Continued)

Sick Leave (Continued)

- b. No sick leave exceeding two days shall be allowed unless, upon request, the employee furnishes to his/her immediate supervisor within 24 hours after he/she returns to work a written statement from a physician; certifying that his/her illness prevented the employee from working and that the employee is physically able to return to work.
- c. Any employee receiving sick leave time preceding and/or following any holiday or weekend may be required at the request of his/her supervisor, to furnish a written statement from a physician certifying that his/her sickness prevented the employee from working.
- d. An employee shall be required to take a complete physical examination and to furnish written report thereof to his/her immediate supervisor following any serious accident or serious illness.
- e. An employee who has exhausted all earned sick leave may, subject to authorization from his/her immediate supervisor, use any unused vacation time during an illness. (Ord. 486, 1-507)
- f. Upon the retirement or death of an employee, he/she or his/her estate shall be entitled to compensation for any unused sick leave time, computed on the basis of 100 percent from the anniversary date of his/her employment and not on the basis of the calendar year. (Ord. 486, 1-507). The potential liability at December 31, 2017 was \$429,228.

Uncompensated Absences

Absence from Work

All City employees who are employed on a daily or hourly basis shall not be paid for time lost or for being absent from work. (Ord. 486, 1-503)

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 6: Other Long-Term Obligations from Operations (Continued)

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City of Hugoton, Kansas allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City of Hugoton, Kansas 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 of Hugoton, Kansas 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.

Note 7: Subsequent Events

The City of Hugoton's management has evaluated events and transactions through June 8, 2018, the date which the financial statement was available to be issued.

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 8: Long-Term Debt

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 08	3.20-4.00%	09/22/08	\$ 425,000	10/01/18	\$ 100,000	-	\$ 50,000	\$ 50,000	\$ 3,800
Series 11	.95-2.95%	08/01/11	1,265,000	10/01/21	700,000	-	130,000	570,000	18,350
Series 14	2.00-2.65%	09/22/14	690,000	10/01/24	565,000	-	65,000	500,000	12,275
Series 15	2.00-3.00%	04/01/15	1,975,000	10/01/25	1,845,000	-	175,000	1,670,000	46,940
Kansas Department of Health & Environment	2.68%	05/25/05	2,955,000	09/01/26	849,247	-	75,117	774,130	22,260
Capital Leases Payable: Shed	4.25%	06/29/11	53,000	06/29/21	<u>26,617</u>	<u>-</u>	<u>5,488</u>	<u>21,129</u>	<u>1,074</u>
Total Contractual Indebtedness					<u>\$4,085,864</u>	<u>-</u>	<u>\$ 500,605</u>	<u>\$3,585,259</u>	<u>\$104,699</u>

CITY OF HUGOTON, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 8: Long-Term Debt (Continued)

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023-2027</u>	<u>Total</u>
Principal:							
General obligation bonds	\$430,000	\$400,000	\$410,000	\$425,000	\$285,000	\$ 840,000	\$2,790,000
Capital leases payable	5,723	5,969	6,225	3,212	-	-	21,129
KDHE loans	<u>77,143</u>	<u>79,225</u>	<u>81,362</u>	<u>83,557</u>	<u>85,812</u>	<u>367,031</u>	<u>774,130</u>
Total principal	<u>\$512,866</u>	<u>\$485,194</u>	<u>\$497,587</u>	<u>\$511,769</u>	<u>\$370,812</u>	<u>\$1,207,031</u>	<u>\$3,585,259</u>
Interest:							
General obligation bonds	\$ 70,475	\$ 59,082	\$ 50,242	\$ 40,858	\$ 30,420	\$ 46,463	\$ 297,540
Capital leases payable	838	592	336	69	-	-	1,835
KDHE loans	<u>20,233</u>	<u>18,152</u>	<u>16,015</u>	<u>13,819</u>	<u>11,565</u>	<u>22,476</u>	<u>102,260</u>
Total interest	<u>\$ 91,546</u>	<u>\$ 77,826</u>	<u>\$ 66,593</u>	<u>\$ 54,746</u>	<u>\$ 41,985</u>	<u>\$ 68,939</u>	<u>\$ 401,635</u>
Total Principal and Interest	<u>\$604,412</u>	<u>\$563,020</u>	<u>\$564,180</u>	<u>\$566,515</u>	<u>\$412,797</u>	<u>\$1,275,970</u>	<u>\$3,986,894</u>

CITY OF HUGOTON, KANSAS

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF HUGOTON, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended December 31, 2017

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Funds:			
General	\$2,624,540	\$2,322,166	\$ (302,374)
Special Purpose Funds:			
Special City Streets and Highways	157,200	100,000	(57,200)
Special Parks and Recreation	19,760	4,422	(15,338)
Gas Royalty	438,000	5,398	(432,602)
Convention and Tourism Promotion	32,500	13,643	(18,857)
Animal Care Benevolence	19,000	4,694	(14,306)
Golf Course Expansion	204,200	-	(204,200)
Shop With a Cop	4,500	4,473	(27)
Streetscape Improvement	6,170	237	(5,933)
Community Improvement District	45,550	17,920	(27,630)
Debt Service Fund:			
Bond and Interest Fund	505,000	501,365	(3,635)
Business Funds:			
Enterprise Funds:			
Electric System:			
Operating Fund	6,600,000	4,330,847	(2,269,153)
Electric Distribution Upgrade Fund	801,700	11,630	(790,070)
Water System:			
Operating Fund	1,390,000	708,993	(681,007)
Water Improvement Fund	867,400	348,365	(519,035)
Sanitation System:			
Operating Fund	425,000	295,520	(129,480)
Sewer System:			
Operating Fund	1,450,000	1,158,569	(291,431)

CITY OF HUGOTON, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2017

CITY OF HUGOTON, KANSAS

Schedule 2-1

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)

<u>Receipts</u>	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
Taxes and Shared Receipts:				
Ad valorem property tax	\$ 866,904	\$ 941,635	\$ (74,731)	\$ 789,194
Delinquent tax	24,034	11,508	12,526	16,175
Motor vehicle tax	157,108	164,909	(7,801)	156,725
16/20 vehicle tax	6,266	5,758	508	5,466
Commercial vehicle tax	16,793	18,545	(1,752)	-
Recreational vehicle tax	2,123	2,663	(540)	2,130
Local sales tax	759,647	700,000	59,647	746,417
Franchise tax	70,938	75,000	(4,062)	69,143
Total taxes	<u>\$1,903,813</u>	<u>\$1,920,018</u>	<u>\$ (16,205)</u>	<u>\$1,785,250</u>
Intergovernmental Revenue:				
Local alcoholic liquor	\$ 4,985	\$ 6,680	\$ (1,695)	\$ 5,715
Compensating use tax	<u>135,913</u>	<u>60,000</u>	<u>75,913</u>	<u>136,853</u>
Total intergovernmental	<u>\$ 140,898</u>	<u>\$ 66,680</u>	<u>\$ 74,218</u>	<u>\$ 142,568</u>
Licenses, Permits, and Fees:				
Licenses	\$ 1,035	\$ 5,350	\$ (4,315)	\$ 900
Occupational licenses	5,090	1,125	3,965	6,100
Permits	2,606	2,000	606	1,686
Dog licenses & pound fees	<u>1,363</u>	<u>1,100</u>	<u>263</u>	<u>1,266</u>
Total licenses, permits, and fees	<u>\$ 10,094</u>	<u>\$ 9,575</u>	<u>\$ 519</u>	<u>\$ 9,952</u>
Use of Money and Property:				
Interest on time deposits	\$ 7,217	\$ 1,500	\$ 5,717	\$ 1,755
Rentals and leases	8,759	8,812	(53)	8,504
Sale of property	<u>1,122</u>	<u>1,300</u>	<u>(178)</u>	<u>9,492</u>
Total use of money and property	<u>\$ 17,098</u>	<u>\$ 11,612</u>	<u>\$ 5,486</u>	<u>\$ 19,751</u>
Other:				
Charges for services	\$ 778	\$ 3,000	\$ (2,222)	\$ 1,180
Fines, forfeitures, and penalties	34,347	30,000	4,347	36,267
Golf course income	91,269	108,500	(17,231)	111,585
Federal aid	68,112	-	68,112	118,626
State aid	7,026	-	7,026	-
Miscellaneous	<u>32,926</u>	<u>20,450</u>	<u>12,476</u>	<u>43,421</u>
Total other	<u>\$ 234,458</u>	<u>\$ 161,950</u>	<u>\$ 72,508</u>	<u>\$ 311,079</u>
Total Receipts	<u>\$2,306,361</u>	<u>\$2,169,835</u>	<u>\$136,526</u>	<u>\$2,268,600</u>

CITY OF HUGOTON, KANSAS

Schedule 2-1
(Continued)

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)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u>				
General Government – Administration:				
Personal services	\$ 224,415	\$ 255,180	\$ (30,765)	\$ 226,279
Contractual services	169,045	104,500	64,545	195,362
Commodities	8,986	7,000	1,986	4,814
Capital outlay	38,345	55,620	(17,275)	600
Totals	<u>\$ 440,791</u>	<u>\$ 422,300</u>	<u>\$ 18,491</u>	<u>\$ 427,055</u>
Election Expense:				
Contractual services	-	\$ 1,200	\$ (1,200)	-
Municipal Court:				
Personal services	\$ 19,348	\$ 19,640	\$ (292)	\$ 18,258
Contractual services	40,207	37,500	2,707	34,997
Commodities	407	750	(343)	165
Capital outlay	-	2,110	(2,110)	750
Totals	<u>\$ 59,962</u>	<u>\$ 60,000</u>	<u>\$ (38)</u>	<u>\$ 54,170</u>
Public Safety – Police:				
Personal services	\$ 570,791	\$ 642,575	\$ (71,784)	\$ 596,450
Contractual services	137,890	146,335	(8,445)	123,843
Commodities	30,178	33,000	(2,822)	32,854
Capital outlay	36,093	38,090	(1,997)	36,435
Totals	<u>\$ 774,952</u>	<u>\$ 860,000</u>	<u>\$ (85,048)</u>	<u>\$ 789,582</u>
Public Works – Streets and Alleys:				
Personal services	\$ 303,577	\$ 325,110	\$ (21,533)	\$ 285,833
Contractual services	62,584	194,710	(132,126)	165,379
Commodities	124,511	116,700	7,811	73,660
Capital outlay	-	35,710	(35,710)	6,816
Operating transfers	60,000	58,310	1,690	62,177
Totals	<u>\$ 550,672</u>	<u>\$ 730,540</u>	<u>\$ (179,868)</u>	<u>\$ 593,865</u>

CITY OF HUGOTON, KANSAS

Schedule 2-1
(Continued)

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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Expenditures</u> (Continued)				
Culture & Recreation – Parks:				
Personal services	\$ 96,830	\$ 95,005	\$ 1,825	\$ 87,088
Contractual services	26,357	29,155	(2,798)	29,874
Commodities	11,901	25,000	(13,099)	23,711
Capital outlay	12,657	41,340	(28,683)	2,629
Totals	<u>\$ 147,745</u>	<u>\$ 190,500</u>	<u>\$ (42,755)</u>	<u>\$ 143,302</u>
Economic Development:				
Contractual services	-	-	-	\$ 20,000
Golf Course:				
Personal services	\$ 217,067	\$ 217,495	\$ (428)	\$ 210,640
Contractual services	59,276	53,165	6,111	43,595
Commodities	43,034	36,500	6,534	31,916
Capital outlay	8,667	26,280	(17,613)	20,410
Debt service	-	6,560	(6,560)	6,561
Totals	<u>\$ 328,044</u>	<u>\$ 340,000</u>	<u>\$ (11,956)</u>	<u>\$ 313,122</u>
Operating transfers	<u>\$ 20,000</u>	<u>\$ 20,000</u>	-	-
Equipment replacement transfer	-	-	-	\$ 18,695
Total Expenditures	<u>\$2,322,166</u>	<u>\$2,624,540</u>	<u>\$ (302,374)</u>	<u>\$2,359,791</u>
Receipts Over (Under) Expenditures	\$ (15,805)			\$ (91,191)
Unencumbered Cash, Beginning	<u>465,492</u>			<u>556,683</u>
Unencumbered Cash, Ending	<u>\$ 449,687</u>			<u>\$ 465,492</u>

CITY OF HUGOTON, KANSAS

Schedule 2-2

SPECIAL CITY STREETS AND HIGHWAYS 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Gasoline tax	\$103,929	\$102,940	\$ 989	\$105,208
Use of Money and Property:				
Interest on time deposits	<u>535</u>	<u>1,025</u>	<u>(490)</u>	<u>112</u>
Total Receipts	\$104,464	<u>\$103,965</u>	<u>\$ 499</u>	\$105,320
<u>Expenditures</u>				
Public Works:				
Contractual services	<u>100,000</u>	<u>\$157,200</u>	<u>\$ (57,200)</u>	<u>84,105</u>
Receipts Over (Under) Expenditures	\$ 4,464			\$ 21,215
Unencumbered Cash, Beginning	<u>54,421</u>			<u>33,206</u>
Unencumbered Cash, Ending	<u>\$ 58,885</u>			<u>\$ 54,421</u>

CITY OF HUGOTON, KANSAS

Schedule 2-3

SPECIAL PARKS AND RECREATION 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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Liquor tax	\$ 4,986	\$ 6,680	\$ (1,694)	\$ 5,715
Use of Money and Property:				
Interest on time deposits	<u>78</u>	<u>30</u>	<u>48</u>	<u>21</u>
Total Receipts	\$ <u>5,064</u>	\$ <u>6,710</u>	\$ <u>(1,646)</u>	\$ <u>5,736</u>
<u>Expenditures</u>				
Culture and Recreation:				
Personal services	\$ 4,252	\$ 4,000	\$ 252	\$ 5,753
Contractual services	-	1,000	(1,000)	511
Commodities	170	-	170	445
Capital outlay	<u>-</u>	<u>14,760</u>	<u>(14,760)</u>	<u>-</u>
Total Expenditures	\$ <u>4,422</u>	\$ <u>19,760</u>	\$ <u>(15,338)</u>	\$ <u>6,709</u>
Receipts Over (Under) Expenditures	\$ 642			\$ (973)
Unencumbered Cash, Beginning	<u>9,156</u>			<u>10,129</u>
Unencumbered Cash, Ending	\$ <u>9,798</u>			\$ <u>9,156</u>

CITY OF HUGOTON, KANSAS

Schedule 2-4

GAS ROYALTY 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Royalty income and gas sales	\$ 30,125	\$ 6,155	\$ 23,970	\$ 13,053
Interest on time deposits	<u>4,190</u>	<u>888</u>	<u>3,302</u>	<u>987</u>
Total Receipts	<u>\$ 34,315</u>	<u>\$ 7,043</u>	<u>\$ 27,272</u>	<u>\$ 14,040</u>
<u>Expenditures</u>				
Public Works:				
Contractual services	\$ 5,398	\$ 25,000	\$ (19,602)	\$ 1,335
Commodities	-	5,000	(5,000)	-
Capital outlay	<u>-</u>	<u>408,000</u>	<u>(408,000)</u>	<u>-</u>
Total Expenditures	<u>\$ 5,398</u>	<u>\$438,000</u>	<u>\$ (432,602)</u>	<u>\$ 1,335</u>
Receipts Over (Under) Expenditures	\$ 28,917			\$ 12,705
Unencumbered Cash, Beginning	<u>443,102</u>			<u>430,397</u>
Unencumbered Cash, Ending	<u>\$472,019</u>			<u>\$443,102</u>

CITY OF HUGOTON, KANSAS

Schedule 2-5

CONVENTION AND TOURISM PROMOTION 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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 303	\$ -	\$ 303	\$ 62
Transient guest tax	20,400	10,030	10,370	13,713
Miscellaneous	<u>-</u>	<u>40</u>	<u>(40)</u>	<u>-</u>
Total Receipts	\$ <u>20,703</u>	\$ <u>10,070</u>	\$ <u>10,633</u>	\$ <u>13,775</u>
<u>Expenditures</u>				
Contractual services	\$ 13,643	\$ 31,000	\$ (17,357)	\$ 11,998
Commodities	<u>-</u>	<u>1,500</u>	<u>(1,500)</u>	<u>345</u>
Total Expenditures	\$ <u>13,643</u>	\$ <u>32,500</u>	\$ <u>(18,857)</u>	\$ <u>12,343</u>
Receipts Over (Under) Expenditures	\$ 7,060			\$ 1,432
Unencumbered Cash, Beginning	<u>29,201</u>			<u>27,769</u>
Unencumbered Cash, Ending	\$ <u>36,261</u>			\$ <u>29,201</u>

CITY OF HUGOTON, KANSAS

Schedule 2-6

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2017

(with comparative actual totals for the prior year ended December 31, 2016)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$ 8	\$ -	\$ 8	\$ 85,585
Delinquent tax	617	400	217	427
Motor vehicle tax	4,697	5,138	(441)	4,421
16/20 vehicle tax	151	139	12	260
Commercial vehicle tax	522	578	(56)	-
Recreational vehicle tax	64	83	(19)	62
KDI payment	150,966	-	150,966	142,624
Use of Money and Property:				
Interest on time deposits	1,007	283	724	303
Other Receipts:				
Special assessments	60,107	22,300	37,807	-
Operating transfers	<u>246,468</u>	<u>397,387</u>	<u>(150,919)</u>	<u>235,833</u>
Total Receipts	<u>\$464,607</u>	<u>\$426,308</u>	<u>\$ 38,299</u>	<u>\$469,515</u>
<u>Expenditures</u>				
Principal	\$420,000	\$420,000	\$ -	\$365,000
Interest	81,365	81,365	-	115,520
Commission	<u>-</u>	<u>3,635</u>	<u>(3,635)</u>	<u>-</u>
Total Expenditures	<u>\$501,365</u>	<u>\$505,000</u>	<u>\$ (3,635)</u>	<u>\$480,520</u>
Receipts Over (Under) Expenditures	\$ (36,758)			\$ (11,005)
Unencumbered Cash, Beginning	<u>79,701</u>			<u>90,706</u>
Unencumbered Cash, Ending	<u>\$ 42,943</u>			<u>\$ 79,701</u>

CITY OF HUGOTON, KANSAS

Schedule 2-7

ELECTRIC SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
<u>Receipts</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
Sales to customers	\$4,441,996	\$4,614,654	\$ (172,658)	\$4,849,738
Penalties	37,296	35,000	2,296	33,961
Other Receipts:				
Merchandise	688	500	188	400
Inspections/Permits	252	400	(148)	255
Gas sales	5,588	20,000	(14,412)	21,783
Reimbursed expenses	46,943	-	46,943	57,241
Miscellaneous	28,956	23,700	5,256	27,324
Federal aid	26,071	-	26,071	-
State aid	3,476	-	3,476	-
Use of Money and Property:				
Interest on time deposits	25,954	5,500	20,454	5,833
Rentals	-	250	(250)	-
Total Receipts	<u>\$4,617,220</u>	<u>\$4,700,004</u>	<u>\$ (82,784)</u>	<u>\$4,996,535</u>
<u>Expenditures</u>				
Production Expense:				
Personal services	\$ 318,875	\$ 362,985	\$ (44,110)	\$ 318,762
Contractual services	3,061,612	4,079,470	(1,017,858)	3,085,089
Commodities	40,161	127,750	(87,589)	50,524
Capital outlay	5,814	100,000	(94,186)	5,264
Distribution Expense:				
Personal services	241,330	335,380	(94,050)	272,529
Contractual services	19,745	58,300	(38,555)	34,299
Commodities	147,634	369,600	(221,966)	181,954
Capital outlay	15,315	250,000	(234,685)	50,982
Metering Expense:				
Commodities	2,441	-	2,441	10,057

CITY OF HUGOTON, KANSAS

Schedule 2-7
(Continued)

ELECTRIC SYSTEM 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)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u> (Continued)				
General and Administrative:				
Personal services	176,900	178,550	(1,650)	169,114
Contractual services	293,374	346,375	(53,001)	298,906
Commodities	7,646	15,500	(7,854)	12,312
Capital outlay	-	20,000	(20,000)	3,200
Operating transfers	-	356,090	(356,090)	-
Total Expenditures	<u>\$4,330,847</u>	<u>\$6,600,000</u>	<u>\$ (2,269,153)</u>	<u>\$4,492,992</u>
Receipts Over (Under) Expenditures	\$ 286,373			\$ 503,543
Unencumbered Cash, Beginning	<u>2,444,968</u>			<u>1,941,425</u>
Unencumbered Cash, Ending	<u>\$2,731,341</u>			<u>\$2,444,968</u>

CITY OF HUGOTON, KANSAS

Schedule 2-8

WATER SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Water sales to customers	\$627,545	\$ 667,902	\$ (40,357)	\$679,674
Other Receipts:				
Water dock	2,493	1,000	1,493	1,234
Tank water	39,752	15,000	24,752	16,369
Inspections	451	500	(49)	314
Water services	6,257	5,000	1,257	8,064
Sale of merchandise	1,643	2,000	(357)	3,038
Penalties	5,939	-	5,939	4,081
Miscellaneous	11,409	2,200	9,209	14,925
Use of Money and Property:				
Interest on time deposits	6,965	1,500	5,465	1,810
Rentals	-	250	(250)	-
Total Receipts	<u>\$702,454</u>	<u>\$ 695,352</u>	<u>\$ 7,102</u>	<u>\$729,509</u>
<u>Expenditures</u>				
Production Expense:				
Personal services	\$ -	\$ 525	\$ (525)	\$ 47
Contractual services	118,619	175,500	(56,881)	128,946
Commodities	14,274	15,000	(726)	12,216
Capital outlay	-	10,000	(10,000)	-
Distribution Expense:				
Personal services	164,523	177,505	(12,982)	165,580
Contractual services	20,254	36,000	(15,746)	12,914
Commodities	99,001	100,000	(999)	57,042
Capital outlay	12,974	250,000	(237,026)	37,260
Administrative and General Expense:				
Personal services	149,875	167,215	(17,340)	145,568
Contractual services	60,343	85,045	(24,702)	95,927
Commodities	3,941	9,500	(5,559)	6,205
Capital outlay	-	10,000	(10,000)	-

CITY OF HUGOTON, KANSAS

Schedule 2-8
(Continued)

WATER SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Expenditures</u> (Continued)				
Water Protection Fee	11,389	15,000	(3,611)	12,647
Debt service	-	53,330	(53,330)	-
Operating transfers	<u>53,800</u>	<u>285,380</u>	<u>(231,580)</u>	<u>50,420</u>
Total Expenditures	<u>\$708,993</u>	<u>\$1,390,000</u>	<u>\$ (681,007)</u>	<u>\$724,772</u>
Receipts Over (Under) Expenditures	\$ (6,539)			\$ 4,737
Unencumbered Cash, Beginning	<u>737,640</u>			<u>732,903</u>
Unencumbered Cash, Ending	<u>\$731,101</u>			<u>\$737,640</u>

CITY OF HUGOTON, KANSAS

Schedule 2-9

SANITATION SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Sales to customers	\$305,293	\$305,988	\$ (695)	\$308,535
Other Receipts:				
Miscellaneous	1,573	1,200	373	781
Use of Money and Property:				
Interest on time deposits	<u>1,227</u>	<u>250</u>	<u>977</u>	<u>333</u>
Total Receipts	<u>\$308,093</u>	<u>\$307,438</u>	<u>\$ 655</u>	<u>\$309,649</u>
<u>Expenditures</u>				
Collection and Disposal Expense:				
Personal services	\$ 97,492	\$ 97,450	\$ 42	\$ 90,543
Contractual services	57,243	72,875	(15,632)	60,695
Commodities	30,280	91,000	(60,720)	46,206
Administrative and General Expense:				
Personal services	48,028	51,820	(3,792)	44,217
Contractual services	2,477	3,200	(723)	2,647
Commodities	-	750	(750)	-
Operating transfers	<u>60,000</u>	<u>107,905</u>	<u>(47,905)</u>	<u>60,000</u>
Total Expenditures	<u>\$295,520</u>	<u>\$425,000</u>	<u>\$ (129,480)</u>	<u>\$304,308</u>
Receipts Over (Under) Expenditures	\$ 12,573			\$ 5,341
Unencumbered Cash, Beginning	<u>123,082</u>			<u>117,741</u>
Unencumbered Cash, Ending	<u>\$135,655</u>			<u>\$123,082</u>

CITY OF HUGOTON, KANSAS

Schedule 2-10

SEWER SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Sales to customers	\$ 338,970	\$ 604,610	\$ (265,640)	\$ 341,212
Other Receipts:				
Merchandise	68	-	68	-
Miscellaneous	287,368	1,750	285,618	285,424
Use of Money and Property:				
Interest on time deposits	<u>10,250</u>	<u>2,500</u>	<u>7,750</u>	<u>2,734</u>
Total Receipts	<u>\$ 636,656</u>	<u>\$ 608,860</u>	<u>\$ 27,796</u>	<u>\$ 629,370</u>
<u>Expenditures</u>				
Collection and Disposal Expense:				
Personal services	\$ 58,493	\$ 81,380	\$ (22,887)	\$ 70,893
Contractual services	29,637	49,225	(19,588)	31,033
Commodities	17,565	40,500	(22,935)	7,652
Administrative and General Expense:				
Personal services	72,638	72,440	198	65,728
Contractual services	792,953	55,300	737,653	17,261
Commodities	-	1,500	(1,500)	-
Debt service	97,377	208,300	(110,923)	97,377
Operating transfers	<u>89,906</u>	<u>941,355</u>	<u>(851,449)</u>	<u>84,383</u>
Total Expenditures	<u>\$1,158,569</u>	<u>\$1,450,000</u>	<u>\$ (291,431)</u>	<u>\$ 374,327</u>
Receipts Over (Under) Expenditures	\$ (521,913)			\$ 255,043
Unencumbered Cash, Beginning	<u>1,283,508</u>			<u>1,028,465</u>
Unencumbered Cash, Ending	<u>\$ 761,595</u>			<u>\$1,283,508</u>

CITY OF HUGOTON, KANSAS

Schedule 2-11

ANIMAL CARE BENEVOLENCE 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 98	\$ 50	\$ 48	\$ 30
Miscellaneous	<u>2,865</u>	<u>5,500</u>	<u>(2,635)</u>	<u>2,069</u>
Total Receipts	<u>\$ 2,963</u>	<u>\$ 5,550</u>	<u>\$ (2,587)</u>	<u>\$ 2,099</u>
<u>Expenditures</u>				
Contractual services	\$ 4,687	\$ 18,900	\$ (14,213)	\$ 1,223
Commodities	<u>7</u>	<u>100</u>	<u>(93)</u>	<u>1,606</u>
Total Expenditures	<u>\$ 4,694</u>	<u>\$ 19,000</u>	<u>\$ (14,306)</u>	<u>\$ 2,829</u>
Receipts Over (Under) Expenditures	\$ (1,731)			\$ (730)
Unencumbered Cash, Beginning	<u>12,743</u>			<u>13,473</u>
Unencumbered Cash, Ending	<u>\$ 11,012</u>			<u>\$ 12,743</u>

CITY OF HUGOTON, KANSAS

Schedule 2-12

ELECTRIC DISTRIBUTION UPGRADE 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Royalty income and gas sales	\$101,256	\$ 19,270	\$ 81,986	\$ 37,324
Interest on time deposits	<u>7,835</u>	<u>1,580</u>	<u>6,255</u>	<u>1,684</u>
Total Receipts	<u>\$109,091</u>	<u>\$ 20,850</u>	<u>\$ 88,241</u>	<u>\$ 39,008</u>
<u>Expenditures</u>				
Contractual services	\$ 11,630	\$ 50,000	\$ (38,370)	-
Commodities	-	150,000	(150,000)	
Capital outlay	<u>-</u>	<u>601,700</u>	<u>(601,700)</u>	<u>-</u>
Total Expenditures	<u>\$ 11,630</u>	<u>\$801,700</u>	<u>\$ (790,070)</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 97,461			\$ 39,008
Unencumbered Cash, Beginning	<u>794,253</u>			<u>755,245</u>
Unencumbered Cash, Ending	<u>\$891,714</u>			<u>\$794,253</u>

CITY OF HUGOTON, KANSAS

Schedule 2-13

GOLF COURSE EXPANSION 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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 1,040	\$ 390	\$ 650	\$ 450
Operating transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,695</u>
Total Receipts	\$ 1,040	\$ <u>390</u>	\$ <u>650</u>	\$ 19,145
<u>Expenditures</u>				
Capital outlay	<u>-</u>	\$ <u>204,200</u>	\$ <u>(204,200)</u>	<u>99,077</u>
Receipts Over (Under) Expenditures	\$ 1,040			\$ (79,932)
Unencumbered Cash, Beginning	<u>112,307</u>			<u>192,239</u>
Unencumbered Cash, Ending	<u>\$113,347</u>			<u>\$112,307</u>

CITY OF HUGOTON, KANSAS

Schedule 2-14

SHOP WITH A COP 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ 30	\$ 5	\$ 25	\$ 5
Miscellaneous	<u>2,475</u>	<u>3,035</u>	<u>(560)</u>	<u>4,300</u>
Total Receipts	<u>\$ 2,505</u>	<u>\$ 3,040</u>	<u>\$ (535)</u>	<u>\$ 4,305</u>
<u>Expenditures</u>				
Contractual services	\$ 160	\$ 500	\$ (340)	\$ 40
Commodities	<u>4,313</u>	<u>4,000</u>	<u>313</u>	<u>3,640</u>
Total Expenditures	<u>\$ 4,473</u>	<u>\$ 4,500</u>	<u>\$ (27)</u>	<u>\$ 3,680</u>
Receipts Over (Under) Expenditures	\$ (1,968)			\$ 625
Unencumbered Cash, Beginning	<u>2,255</u>			<u>1,630</u>
Unencumbered Cash, Ending	<u>\$ 287</u>			<u>\$ 2,255</u>

CITY OF HUGOTON, KANSAS

Schedule 2-15

STREETSCAPE 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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Use of Money and Property:				
Interest on time deposits	\$ <u>53</u>	\$ <u>15</u>	\$ <u>38</u>	\$ <u>15</u>
<u>Expenditures</u>				
Contractual services	\$ 237	\$ 1,000	\$ (763)	\$ -
Commodities	<u>-</u>	<u>5,170</u>	<u>(5,170)</u>	<u>2,123</u>
Total Expenditures	\$ <u>237</u>	\$ <u>6,170</u>	\$ <u>(5,933)</u>	\$ <u>2,123</u>
Receipts Over (Under) Expenditures	\$ (184)			\$ (2,108)
Unencumbered Cash, Beginning	<u>5,944</u>			<u>8,052</u>
Unencumbered Cash, Ending	\$ <u>5,760</u>			\$ <u>5,944</u>

CITY OF HUGOTON, KANSAS

Schedule 2-16

WATER IMPROVEMENT 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Collections from utility bills	\$ 213,888	\$ 19,270	\$ 194,618	\$213,916
Use of Money and Property:				
Interest on time deposits	<u>5,208</u>	<u>1,580</u>	<u>3,628</u>	<u>1,643</u>
Total Receipts	\$ <u>219,096</u>	\$ <u>20,850</u>	\$ <u>198,246</u>	\$ <u>215,559</u>
<u>Expenditures</u>				
Contractual services	\$ 262	\$ 150	\$ 112	\$ 213
Capital outlay	245,341	764,488	(519,147)	51,534
Operating transfers	<u>102,762</u>	<u>102,762</u>	<u>-</u>	<u>101,030</u>
Total Expenditures	\$ <u>348,365</u>	\$ <u>867,400</u>	\$ <u>(519,035)</u>	\$ <u>152,777</u>
Receipts Over (Under) Expenditures	\$ (129,269)			\$ 62,782
Unencumbered Cash, Beginning	<u>623,617</u>			<u>560,835</u>
Unencumbered Cash, Ending	\$ <u>494,348</u>			\$ <u>623,617</u>

CITY OF HUGOTON, KANSAS

Schedule 2-17

COMMUNITY IMPROVEMENT DISTRICT 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
CID tax	\$ 20,006	\$ 45,500	\$ (25,494)	\$ 11,961
Use of Money and Property:				
Interest on time deposits	<u>65</u>	<u>-</u>	<u>65</u>	<u>10</u>
Total Receipts	\$ 20,071	\$ <u>45,500</u>	\$ <u>(25,429)</u>	\$ 11,971
<u>Expenditures</u>				
Contractual services	<u>17,920</u>	\$ <u>45,550</u>	\$ <u>(27,630)</u>	<u>12,697</u>
Receipts Over (Under) Expenditures	\$ 2,151			\$ (726)
Unencumbered Cash, Beginning	<u>264</u>			<u>990</u>
Unencumbered Cash, Ending	\$ <u>2,415</u>			\$ <u>264</u>

CITY OF HUGOTON, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

For the year ended December 31, 2017

CITY OF HUGOTON, KANSAS

Schedule 2-18

ECONOMIC DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 57	-
Operating transfers	<u>20,000</u>	<u>-</u>
Total Receipts	\$ 20,057	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 20,057	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 20,057</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-19

SPECIAL STREET MACHINERY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 1,677	\$ 424
Operating transfers	<u>60,000</u>	<u>58,473</u>
Total Receipts	\$ 61,677	\$ 58,897
<u>Expenditures</u>		
Capital outlay	<u>7,367</u>	<u>119,915</u>
Receipts Over (Under) Expenditures	\$ 54,310	\$ (61,018)
Unencumbered Cash, Beginning	<u>159,694</u>	<u>220,712</u>
Unencumbered Cash, Ending	<u>\$214,004</u>	<u>\$159,694</u>

CITY OF HUGOTON, KANSAS

Schedule 2-20

ELECTRIC METER DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Customer deposits received	\$ 19,963	\$ 20,156
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>19,963</u>	<u>20,156</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-21

ELECTRIC EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 4,628	\$ 1,146
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 4,628	\$ 1,146
Unencumbered Cash, Beginning	<u>506,977</u>	<u>505,831</u>
Unencumbered Cash, Ending	<u>\$511,605</u>	<u>\$506,977</u>

CITY OF HUGOTON, KANSAS

Schedule 2-22

WATER METER DEPOSIT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Customer deposits received	\$ 1,184	\$ 1,300
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>1,184</u>	<u>1,300</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF HUGOTON, KANSAS

Schedule 2-23

WATER EQUIPMENT REPLACEMENT FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 1,313	\$ 325
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 1,313	\$ 325
Unencumbered Cash, Beginning	<u>143,855</u>	<u>143,530</u>
Unencumbered Cash, Ending	<u>\$145,168</u>	<u>\$143,855</u>

CITY OF HUGOTON, KANSAS

Schedule 2-24

WATER EQUIPMENT REPLACEMENT FUND II
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 1,198	\$ 297
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 1,198	\$ 297
Unencumbered Cash, Beginning	<u>131,336</u>	<u>131,039</u>
Unencumbered Cash, Ending	<u>\$132,534</u>	<u>\$131,336</u>

CITY OF HUGOTON, KANSAS

Schedule 2-25

SANITATION EQUIPMENT REPLACEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
 (with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 2,207	\$ 625
Operating transfers	<u>60,000</u>	<u>60,000</u>
Total Receipts	\$ 62,207	\$ 60,625
<u>Expenditures</u>		
Capital outlay	<u>173,600</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (111,393)	\$ 60,625
Unencumbered Cash, Beginning	<u>295,494</u>	<u>234,869</u>
Unencumbered Cash, Ending	<u>\$ 184,101</u>	<u>\$295,494</u>

CITY OF HUGOTON, KANSAS

Schedule 2-26

SEWER SYSTEM RESERVE FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the year ended December 31, 2017
(with comparative actual totals for the prior year ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Use of Money and Property:		
Interest on time deposits	\$ 8,818	\$ 1,196
Miscellaneous	<u>445,945</u>	<u>262,228</u>
Total Receipts	\$ 454,763	\$263,424
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 454,763	\$263,424
Unencumbered Cash, Beginning	<u>695,989</u>	<u>432,565</u>
Unencumbered Cash, Ending	<u>\$1,150,752</u>	<u>\$695,989</u>

CITY OF HUGOTON, KANSAS

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the year ended December 31, 2017

<u>Funds</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Sales Tax Fund	\$ <u>156</u>	\$ <u>4,960</u>	\$ <u>4,935</u>	\$ <u>181</u>

