

**CITY OF ELLIS, KANSAS**

Primary Government Financial Statement  
With Independent Auditors' Report

For the Year Ended December 31, 2017

**CITY OF ELLIS, KANSAS**  
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For the Year Ended December 31, 2017

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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **City of Ellis, 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

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

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

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

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

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Ellis, 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 **City of Ellis, 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, and summary of regulatory basis receipts and disbursements – 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*. 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.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated July 3, 2017. 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-financial-officer/municipal-services>. 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 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Adams, Brown, Beran & Ball, Chartered*

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

Certified Public Accountants

June 18, 2018

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Fund</b>	\$ 619,653	-	1,963,938	1,997,329	586,262	78,180	664,442
<b>Special Purpose Funds</b>							
Special Highway Fund	30,979	-	54,840	69,763	16,056	5,431	21,487
Special Parks and Recreation Fund	17,528	-	2,411	-	19,939	-	19,939
Capital Improvement Fund	157,760	-	40,000	18,680	179,080	-	179,080
Capital Improvement Fund - Cemetery Expansion	5,000	-	2,500	-	7,500	-	7,500
Capital Improvement Fund - Streets	276,316	-	500,053	664,313	112,056	-	112,056
Capital Improvement Fund - Special Projects	300,243	-	102,575	716	402,102	-	402,102
Capital Improvement Fund - Water Exploration	213,257	-	102,575	5,901	309,931	7,800	317,731
Special Machinery Fund	260,195	-	150,574	144,676	266,093	66,999	333,092
Library Fund	4,816	-	57,064	57,550	4,330	-	4,330
<b>Bond and Interest Funds</b>							
Bond and Interest Fund	109,803	-	1,653	111,456	-	-	-
Principal and Interest Fund	404,950	-	443,650	422,134	426,466	-	426,466
TIF Bond Reserve Fund	80,000	-	-	-	80,000	-	80,000
TIF Bond and Interest Fund	238,642	-	212,523	90,413	360,752	-	360,752
<b>Capital Project Funds</b>							
KDHE WWTF Project Fund	(109,403)	-	109,403	-	-	-	-
USDA Waterline Project Fund	163,954	-	-	3,259	160,695	-	160,695
<b>Business Funds</b>							
Campground Utility Fund	90,636	-	37,583	67,899	60,320	34,068	94,388
Water Utility Fund	184,847	-	692,345	662,224	214,968	15,604	230,572
Sewer Utility Fund	48,117	-	366,053	323,857	90,313	10,354	100,667
Sanitation Utility Fund	54,487	-	334,280	325,638	63,129	11,916	75,045
Water Depreciation Reserve Fund	661,355	-	75,000	16,000	720,355	-	720,355
Sewer Depreciation Reserve Fund	8,833	-	110,582	11,999	107,416	2,682	110,098
<b>Trust Funds</b>							
Coinsurance Fund	172,365	-	263,022	267,811	167,576	-	167,576
Cemetery Endowment Fund	24,906	-	450	-	25,356	-	25,356
<b>Total Primary Government</b>	4,019,239	-	5,623,074	5,261,618	4,380,695	233,034	4,613,729
<b>Related Municipal Entity</b>							
Ellis Public Library	50,031	-	84,284	76,721	57,594	175	57,769
<b>Total Primary Government</b>	\$ 4,069,270	-	5,707,358	5,338,339	4,438,289	233,209	4,671,498
<b>Composition of Cash</b>							
				Checking Accounts		\$	4,614,904
				Cash on Hand			1,500
				Total Primary Government			4,616,404
				Total Related Municipal Entity			57,769
				Agency Fund per Schedule 3			(2,675)
				<b>Total Primary Government</b>		\$	<b>4,671,498</b>

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

**CITY OF ELLIS, KANSAS**  
Notes to Financial Statement  
December 31, 2017

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

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

**Use of Estimates**

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

**Financial Reporting Entity**

The City is a municipal corporation governed by an elected mayor and six-member council. This financial statement presents the City (the municipality) and its related municipal entity, Ellis Public Library, shown below. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entity, Ellis Housing Authority, shown below.

**Public Library**

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

**Housing Authority**

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

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

**Basis of Presentation – Fund Accounting**

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

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017.

**Regulatory Basis Fund Types**

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

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



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Notes to Financial Statement  
December 31, 2017

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

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

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

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

**Agency Fund** – fund used to report assets held by the municipal reporting entity in a purely custodial capacity (health reimbursement arrangement).

**Basis of Accounting**

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

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

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

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

**Property Tax Calendar**

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

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March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

**Restricted Assets**

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

**Reimbursements**

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

**NOTE 2 – BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Capital Improvement Fund, Capital Improvement Fund – Cemetery Expansion, Capital

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December 31, 2017

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Improvement Fund – Streets, Capital Improvement Fund – Special Projects, Capital Improvement Fund – Water Exploration, and Special Machinery Fund.

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

**NOTE 3 – DEPOSITS AND INVESTMENTS**

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

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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 adopted an investment policy during 2007 that would further limit its investment choices.

**Concentration of Credit Risk**

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$4,616,404 and the bank balance was \$4,687,433. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$290,254 was covered by federal depository insurance and \$4,397,179 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2017, the Public Library's carrying amount of deposits was \$57,769 and the bank balance was \$58,186. The bank balance was held by two banks. The entire bank balance was covered by federal depository insurance.

**Custodial Credit Risk – Investments**

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

**CITY OF ELLIS, KANSAS**  
Notes to Financial Statement  
December 31, 2017

**NOTE 4 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Ellis, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2017 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Special Machinery Fund	K.S.A. 12-1,117	\$ 148,074
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	40,000
General Fund	Capital Improvement Fund – Streets	K.S.A. 12-1,118	125,000
General Fund	Coinsurance Fund	Ordinance	156,143
General Fund	Principal and Interest Fund	Resolution	202,721
General Fund	Capital Improvement Fund – Water Exploration	K.S.A. 12-1,118	102,575
General Fund	Capital Improvement Fund – Special Projects	K.S.A. 12-1,118	102,575
General Fund	Capital Improvement Fund – Cemetery Expansion	K.S.A. 12-1,118	2,500
Sanitation Utility Fund	General Fund	K.S.A. 12-825d	28,475
Sanitation Utility Fund	Coinsurance Fund	Ordinance	34,756
Sewer Utility Fund	General Fund	K.S.A. 12-825d	14,500
Sewer Utility Fund	Sewer Depreciation Reserve Fund	K.S.A. 12-825d	50,000
Sewer Utility Fund	Coinsurance Fund	Ordinance	23,074
Campground Utility Fund	Coinsurance Fund	Ordinance	5,575
Water Utility Fund	General Fund	K.S.A. 12-825d	18,552
Water Utility Fund	Water Depreciation Reserve Fund	K.S.A. 12-825d	75,000
Water Utility Fund	Coinsurance Fund	Ordinance	43,474
Water Utility Fund	Principal and Interest Fund	Resolution	240,929
Bond and Interest Fund	General Fund	K.S.A. 10-117a	70,491
Special Highway Fund	Special Machinery Fund	K.S.A. 68-141g	2,500
Bond and Interest Fund	TIF Bond and Interest Fund	Resolution	40,965

**NOTE 5 – CAPITAL PROJECTS**

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

	Project Authorization	Expenditures to Date
KDHE WWTF Project	\$ 831,611	\$ 831,611
USDA Waterline Project	567,000	406,306
Street Improvement Project	813,859	767,414

**NOTE 6 – LITIGATION**

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

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Notes to Financial Statement  
December 31, 2017

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**NOTE 7 – RISK MANAGEMENT**

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

**NOTE 8 – GRANTS AND SHARED REVENUES**

**City of Ellis, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**NOTE 9 – DEFERRED COMPENSATION PLAN**

**City of Ellis, Kansas** sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

**NOTE 10 – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

Plan Description

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

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period January 1, 2017 through

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December 31, 2017

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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 were \$66,519 for the year ended December 31, 2017.

The statutory contribution rate for the Public Library was 9.79% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the Public Library were \$2,966 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 \$632,019. 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 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.

At December 31, 2017, Ellis Public Library's proportionate share of the collective net pension liability reported by KPERS was \$24,754. 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 Library's proportion of the net pension liability was based on the ratio of the Library'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](http://www.kpers.org) or can be obtained as described above.

**NOTE 11 – OTHER POST EMPLOYMENT BENEFITS**

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

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

**NOTE 12 – COMPENSATED ABSENCES**

**Vacation**

**City of Ellis, Kansas'** policy regarding vacation for full-time employees is as follows:

<u>Years Worked</u>	<u>80 Hour Pay Period Amount Earned</u>	<u>84 Hour Pay Period Amount Earned</u>
1	40 hours/year	42 hours/year
2	80 hours/year	84 hours/year

**CITY OF ELLIS, KANSAS**  
Notes to Financial Statement  
December 31, 2017

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3	88 hours/year	92 hours/year
4	96 hours/year	101 hours/year
5	104 hours/year	109 hours/year
6	112 hours/year	118 hours/year
7	120 hours/year	126 hours/year
8	128 hours/year	134 hours/year
9	136 hours/year	143 hours/year
10	144 hours/year	151 hours/year
11	152 hours/year	160 hours/year
12	160 hours/year	168 hours/year
13	168 hours/year	176 hours/year
14	176 hours/year	185 hours/year
15	184 hours/year	193 hours/year
16	192 hours/year	202 hours/year
17 and over	200 hours/year	210 hours/year

Part-time employees who work at least 20 hours or more per week shall earn vacation at the rate of one half the rate of full-time employees. Vacation may not be taken until the employee completes one full year of service. With the exception of 48 hours of allowable carryover, all vacation must be taken by the employee's anniversary date. The potential liability for vacation at December 31, 2017 was \$34,248. This is not reflected in the financial statement.

**Sick Leave**

The City's policy for sick leave permits an employee to earn sick leave at the rate of 8 hours per calendar month up to a maximum of 816 hours for 80 hours per pay period employees and 8.4 hours per calendar month up to a maximum of 856.8 hours for 84 hours per pay period employees. The sick leave policy does not allow payment of accumulated sick leave upon termination of employment. The potential liability for sick leave at December 31, 2017 was \$83,250. This is not reflected in the financial statement.

Currently, Ellis Public Library, a related municipal entity of **City of Ellis, Kansas**, allows the head librarian 48 hours of vacation and 44 hours of sick leave after six months of employment. Vacation and sick leave may not be carried over to the next year.

**NOTE 12 – HEALTH REIMBURSEMENT ARRANGEMENT**

**City of Ellis, Kansas** entered into a Health Reimbursement Arrangement (HRA). The full-time employee benefit is an HRA as defined by Section 105 of the Internal Revenue Code. The HRA plan is funded solely by the employer. The HRA plan allows for reimbursement of certain out-of-pocket medical and prescription drug costs incurred by the employees, their spouse or their dependents. The maximum allowance per year is \$4,050 for employee only, \$8,100 for employee and spouse, employee and children, and employee and family. The amount the City paid in HRA reimbursements was \$53,624 for the year ended December 31, 2017.

**NOTE 13 – DEBT RESTRICTIONS AND COVENANTS**

**KDHE Revolving Loans**

**City of Ellis, Kansas** entered into a loan agreement with the Kansas Department of Health and Environment to fund the improvements to the wastewater treatment plant in the amount of \$1,023,155. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2017 as it is providing dedicated funds through rates, fees, and charges for the use and services furnished by or through the wastewater treatment system.

**CITY OF ELLIS, KANSAS**  
Notes to Financial Statement  
December 31, 2017

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**City of Ellis, Kansas** entered into a loan agreement with the Kansas Department of Health and Environment to refinance the wastewater treatment plant project in the amount of \$831,611. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2017 as it is providing dedicated funds through rates, fees, and charges for the use and services furnished by or through the wastewater treatment system.

**NOTE 14 – LONG-TERM DEBT**

**City of Ellis, Kansas** has the following types of long-term debt.

**KDHE Revolving Loans**

The City entered into a \$1,023,155 revolving loan agreement on May 31, 1996, with the Kansas Department of Health and Environment acting on behalf of the State of Kansas for the construction of an activated sludge basin, a wastewater effluent disinfection facility and a sludge drying system.

The City entered into an \$831,611 revolving loan agreement on March 4, 2015, with the Kansas Department of Health and Environment acting on behalf of the State of Kansas for the purpose of financing improvements to the existing wastewater treatment facility. Funds were disbursed in the amount of \$169,985 during 2017.

**General Obligation Bonds**

On June 24, 2010, the City issued \$348,000 in General Obligation Bonds for the purpose of providing funds to pay the cost of the water system improvements.

On June 6, 2016, the City issued \$3,120,000 in General Obligation Refunding Bonds for the purpose of refinancing the 2006 General Obligation Bonds and the 2006 Water System Revenue Bonds.

On October 17, 2016, the City issued \$567,000 in General Obligation Bonds for the purpose of funding upgrades to the water distribution system.

**Taxable Special Obligation Bonds**

On May 30, 2012, the City issued \$885,000 in Taxable Special Obligation Bonds for the purpose of providing funds to pay the costs in connection with refunding the City's Taxable Special Obligation Bonds, Series 2004 and Series 2006, and the costs of certain improvements in the South Ridge Redevelopment District.



**CITY OF ELLIS, KANSAS**  
Notes to Financial Statement  
December 31, 2017

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>Revolving Loans</b>									
KDHE - Sludge Basin Construction	3.42%	05/31/96	\$ 1,023,155	09/01/18	\$ 135,155	-	(66,432)	68,723	3,762
KDHE - Wastewater Treatment Facility	2.13%	03/04/15	831,611	09/01/36	661,626	169,985	-	831,611	12,683
<b>General Obligation Bonds</b>									
Series 2010	3.25%	06/24/10	348,000	06/24/50	320,000	-	(5,000)	315,000	10,400
Series 2016	2.00%	06/06/16	3,120,000	10/01/24	3,120,000	-	(345,000)	2,775,000	77,134
Series 2016	1.88%	10/17/16	567,000	10/28/56	567,000	-	(9,644)	557,356	10,631
<b>Taxable Special Obligation Bonds</b>									
Series 2012	3.5 - 5 %	05/30/12	885,000	12/01/24	625,000	-	(60,000)	565,000	28,763
<b>Total Contractual Indebtedness</b>					<u>\$ 5,428,781</u>	<u>169,985</u>	<u>(486,076)</u>	<u>5,112,690</u>	<u>143,373</u>

**CITY OF ELLIS, KANSAS**  
Notes to Financial Statement  
December 31, 2017

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

Principal	YEAR												Total	
	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	2053-2057		
Revolving Loans	\$	102,487	34,469	35,207	35,961	36,731	195,796	217,679	242,004	-	-	-	-	900,334
General Obligation Bonds		389,825	401,009	406,197	416,388	421,583	909,965	102,415	114,392	128,951	146,147	133,047	77,437	3,647,356
Taxable Special Obligation Bonds		60,000	65,000	65,000	70,000	75,000	230,000	-	-	-	-	-	-	565,000
Total Principal		552,312	500,478	506,404	522,349	533,314	1,335,761	320,094	356,396	128,951	146,147	133,047	77,437	5,112,690
Interest														
Revolving Loan		17,099	14,838	14,187	13,521	12,842	53,494	34,181	12,711	-	-	-	-	172,873
General Obligation Bonds		76,188	68,341	60,286	52,072	43,683	114,466	78,358	65,334	50,647	33,858	15,236	3,665	662,134
Taxable Special Obligation Bonds		26,363	23,663	20,738	17,813	14,488	18,049	-	-	-	-	-	-	121,114
Total Interest		119,650	106,842	95,211	83,406	71,013	186,009	112,539	78,045	50,647	33,858	15,236	3,665	956,121
Total Principal and Interest	\$	671,962	607,320	601,615	605,755	604,327	1,521,770	432,633	434,441	179,598	180,005	148,283	81,102	6,068,811

**CITY OF ELLIS, KANSAS**

Regulatory-Required Supplementary Information

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Type Funds</b>					
<b>General Fund</b>	\$ 2,356,184	-	2,356,184	<b>1,997,329</b>	(358,855)
<b>Special Purpose Funds</b>					
Special Highway Fund	72,612	-	72,612	<b>69,763</b>	(2,849)
Special Parks and Recreation Fund	17,654	-	17,654	-	(17,654)
Library Fund	57,550	-	57,550	<b>57,550</b>	-
<b>Bond and Interest Funds</b>					
Bond and Interest Fund	111,491	-	111,491	<b>111,456</b>	(35)
TIF Bond and Interest Fund	285,544	-	285,544	<b>90,413</b>	(195,131)
<b>Business Funds</b>					
Campground Utility Fund	106,061	-	106,061	<b>67,899</b>	(38,162)
Water Utility Fund	855,383	-	855,383	<b>662,224</b>	(193,159)
Sewer Utility Fund	400,183	-	400,183	<b>323,857</b>	(76,326)
Sanitation Utility Fund	367,915	-	367,915	<b>325,638</b>	(42,277)

**CITY OF ELLIS, 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		
	Prior Year Actual	Actual	Budget	Variance Over (Under)	
<b>Receipts</b>					
<b>Taxes and Shared Revenues</b>					
Ad Valorem	\$ 816,826	<b>825,342</b>	843,194	(17,852)	
Delinquent	28,999	<b>20,155</b>	-	20,155	
Motor Vehicle	108,719	<b>111,013</b>	77,015	33,998	
Transient Guest Tax	34,880	<b>34,509</b>	27,000	7,509	
<b>Total Taxes and Shared Revenues</b>	<u>989,424</u>	<u><b>991,019</b></u>	<u>947,209</u>	<u>43,810</u>	
<b>Intergovernmental</b>					
Compensating Use Tax	71,818	<b>89,604</b>	77,000	12,604	
Local Alcoholic Liquor Tax	2,350	<b>2,411</b>	2,814	(403)	
City Sales Tax	524,254	<b>520,988</b>	530,000	(9,012)	
<b>Total Intergovernmental</b>	<u>598,422</u>	<u><b>613,003</b></u>	<u>609,814</u>	<u>3,189</u>	
<b>Licenses and Permits</b>					
Licenses and Permits	10,142	<b>15,020</b>	6,000	9,020	
Franchise Fees	86,850	<b>89,827</b>	85,000	4,827	
<b>Total Licenses and Permits</b>	<u>96,992</u>	<u><b>104,847</b></u>	<u>91,000</u>	<u>13,847</u>	
<b>Miscellaneous</b>					
Grave Openings and Closings	12,150	<b>8,875</b>	9,000	(125)	
Copy Fees	194	<b>315</b>	150	165	
Miscellaneous	30,813	<b>27,467</b>	7,800	19,667	
Cemetery Lots	1,150	<b>1,275</b>	1,000	275	
Pool Fees and Concessions	10,577	<b>10,738</b>	9,000	1,738	
Donations/Memorials	550	<b>800</b>	-	800	
DARE Program Donations	359	-	1,000	(1,000)	
Museum Roundup Program	270	<b>264</b>	250	14	
Grants	-	<b>700</b>	-	700	
Transfers In	110,775	<b>132,018</b>	132,018	-	
<b>Total Miscellaneous</b>	<u>166,838</u>	<u><b>182,452</b></u>	<u>160,218</u>	<u>22,234</u>	
<b>Fines and Forfeitures</b>					
Fines and Court Costs	12,885	<b>15,604</b>	14,000	1,604	
Diversion Fees	752	<b>500</b>	-	500	
<b>Total Fines and Forfeitures</b>	<u>13,637</u>	<u><b>16,104</b></u>	<u>14,000</u>	<u>2,104</u>	
<b>Use of Money and Property</b>					
Interest	8,713	<b>33,653</b>	-	33,653	
Rentals and Leases	22,511	<b>22,860</b>	18,575	4,285	
<b>Total Use of Money and Property</b>	<u>31,224</u>	<u><b>56,513</b></u>	<u>18,575</u>	<u>37,938</u>	
<b>Total Receipts</b>	<u>\$ 1,896,537</u>	<u><b>1,963,938</b></u>	<u>1,840,816</u>	<u>123,122</u>	

**CITY OF ELLIS, 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)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Expenditures</b>				
<b>General Government</b>				
Personal Services	\$ 95,153	<b>92,264</b>	85,911	6,353
Contractual	153,921	<b>154,016</b>	153,850	166
Commodities	18,997	<b>12,972</b>	19,500	(6,528)
Capital Outlay	-	-	2,500	(2,500)
<b>Total General Government</b>	<u>268,071</u>	<u><b>259,252</b></u>	<u>261,761</u>	<u>(2,509)</u>
<b>Police Department</b>				
Personal Services	289,624	<b>305,237</b>	317,322	(12,085)
Contractual	17,631	<b>20,117</b>	26,750	(6,633)
Commodities	27,654	<b>15,224</b>	16,000	(776)
Capital Outlay	3,424	<b>800</b>	3,000	(2,200)
<b>Total Police Department</b>	<u>338,333</u>	<u><b>341,378</b></u>	<u>363,072</u>	<u>(21,694)</u>
<b>Municipal Court</b>				
Personal Services	9,441	<b>11,520</b>	11,024	496
Contractual	5,672	<b>8,916</b>	6,375	2,541
Commodities	274	<b>342</b>	500	(158)
<b>Total Municipal Court</b>	<u>15,387</u>	<u><b>20,778</b></u>	<u>17,899</u>	<u>2,879</u>
<b>Fire Department</b>				
Personal Services	21,213	<b>23,655</b>	22,200	1,455
Contractual	14,453	<b>10,878</b>	18,500	(7,622)
Commodities	10,223	<b>5,245</b>	4,750	495
Capital Outlay	5,080	-	5,000	(5,000)
<b>Total Fire Department</b>	<u>50,969</u>	<u><b>39,778</b></u>	<u>50,450</u>	<u>(10,672)</u>
<b>Park Department</b>				
Personal Services	45,698	<b>51,309</b>	52,653	(1,344)
Contractual	10,074	<b>12,214</b>	15,200	(2,986)
Commodities	15,850	<b>15,324</b>	14,500	824
Capital Outlay	1,196	-	4,000	(4,000)
<b>Total Park Department</b>	<u>72,818</u>	<u><b>78,847</b></u>	<u>86,353</u>	<u>(7,506)</u>
<b>Economic Development</b>	<u>-</u>	<u>-</u>	<u>319,436</u>	<u>(319,436)</u>
<b>Street Department</b>				
Personal Services	99,782	<b>102,430</b>	103,376	(946)
Commodities	-	<b>50</b>	-	50
<b>Total Street Department</b>	<u>99,782</u>	<u><b>102,480</b></u>	<u>103,376</u>	<u>(896)</u>

**CITY OF ELLIS, 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Expenditures (continued)</b>				
<b>Building and Inspections</b>				
Personal Services	\$ 9,461	12,127	12,975	(848)
Contractual	3,256	5,119	2,250	2,869
Commodities	462	2,065	1,500	565
<b>Total Building and Inspections</b>	13,179	19,311	16,725	2,586
<b>Appropriations</b>				
Museums	32,500	32,500	32,500	-
Library	14,000	14,000	14,000	-
Library Employee Benefit	2,500	2,500	2,500	-
Alliance and Foundation	24,000	24,000	24,000	-
Other	16,605	18,710	18,986	(276)
<b>Total Appropriations</b>	89,605	91,710	91,986	(276)
<b>Swimming Pool</b>				
Personal Services	45,017	52,326	57,289	(4,963)
Contractual	5,306	7,201	7,550	(349)
Commodities	16,746	14,285	22,500	(8,215)
Capital Outlay	-	-	2,000	(2,000)
<b>Total Swimming Pool</b>	67,069	73,812	89,339	(15,527)
<b>Elections</b>	3,228	-	3,500	(3,500)
<b>Risk Management</b>	-	5,500	10,000	(4,500)
<b>DARE Program</b>	684	762	1,000	(238)
<b>Growing Ellis Parks</b>	-	-	500	(500)
<b>Tourism and Convention Promotion</b>	27,459	13,642	27,000	(13,358)
<b>Sewer Revolving Loan</b>	-	70,491	70,491	-
<b>Transfers Out</b>	860,074	879,588	843,296	36,292
<b>Total Expenditures</b>	1,906,658	1,997,329	2,356,184	(358,855)
<b>Receipts Over (Under) Expenditures</b>	(10,121)	(33,391)		
<b>Unencumbered Cash - Beginning</b>	629,774	619,653		
<b>Unencumbered Cash - Ending</b>	\$ 619,653	586,262		

**CITY OF ELLIS, 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)

		<b>Current Year</b>		
	Prior Year Actual	<b>Actual</b>	Budget	Variance Over (Under)
<b>Receipts</b>				
Fuel Tax	\$ 54,896	<b>54,840</b>	53,830	1,010
<b>Expenditures</b>				
Personal Services	23,163	<b>22,529</b>	22,141	388
Contractual	20,602	<b>24,123</b>	25,500	(1,377)
Commodities	17,015	<b>20,611</b>	21,250	(639)
Capital Outlay	1,845	-	1,221	(1,221)
Transfers Out	15,625	<b>2,500</b>	2,500	-
<b>Total Expenditures</b>	78,250	<b>69,763</b>	72,612	(2,849)
<b>Receipts Over (Under) Expenditures</b>	(23,354)	<b>(14,923)</b>		
<b>Unencumbered Cash - Beginning</b>	54,333	<b>30,979</b>		
<b>Unencumbered Cash - Ending</b>	\$ 30,979	<b>16,056</b>		



**CITY OF ELLIS, KANSAS**  
**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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Intergovernmental				
Local Alcoholic Liquor Tax	\$ 2,350	2,411	2,814	(403)
<b>Expenditures</b>				
Contractual	-	-	1,000	(1,000)
Commodities	-	-	2,500	(2,500)
Capital Outlay	-	-	14,154	(14,154)
<b>Total Expenditures</b>	-	-	17,654	(17,654)
<b>Receipts Over (Under) Expenditures</b>	2,350	2,411		
<b>Unencumbered Cash - Beginning</b>	15,178	17,528		
<b>Unencumbered Cash - Ending</b>	\$ 17,528	19,939		

**CITY OF ELLIS, KANSAS**  
**Capital Improvement 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 25,000	40,000
<b>Expenditures</b>		
Contractual	-	5,450
Capital Outlay	9,583	13,230
<b>Total Expenditures</b>	9,583	18,680
<b>Receipts Over (Under) Expenditures</b>	15,417	21,320
<b>Unencumbered Cash - Beginning</b>	142,343	157,760
<b>Unencumbered Cash - Ending</b>	\$ 157,760	179,080

**CITY OF ELLIS, KANSAS**  
**Capital Improvement Fund - Cemetery Expansion**  
 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 2,500	2,500
<b>Expenditures</b>	-	-
<b>Receipts Over (Under) Expenditures</b>	2,500	2,500
<b>Unencumbered Cash - Beginning</b>	2,500	5,000
<b>Unencumbered Cash - Ending</b>	\$ 5,000	7,500

**CITY OF ELLIS, KANSAS**  
**Capital Improvement Fund - Streets**  
 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid	\$ -	375,053
Transfers In	100,000	125,000
<b>Total Receipts</b>	100,000	500,053
<b>Expenditures</b>		
Capital Outlay	58,275	664,313
<b>Receipts Over (Under) Expenditures</b>	41,725	(164,260)
<b>Unencumbered Cash - Beginning</b>	234,591	276,316
<b>Unencumbered Cash - Ending</b>	\$ 276,316	112,056

**CITY OF ELLIS, KANSAS**  
**Capital Improvement Fund - Special Projects**  
 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 101,599	102,575
<b>Expenditures</b>		
Contractual Services	8,801	716
<b>Receipts Over (Under) Expenditures</b>	92,798	101,859
<b>Unencumbered Cash - Beginning</b>	207,445	300,243
<b>Unencumbered Cash - Ending</b>	\$ 300,243	402,102

**CITY OF ELLIS, KANSAS**  
**Capital Improvement Fund - Water Exploration**  
 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 101,599	102,575
<b>Expenditures</b>		
Contractual Services	36,459	5,700
Commodities	12	201
<b>Total Expenditures</b>	36,471	5,901
<b>Receipts Over (Under) Expenditures</b>	65,128	96,674
<b>Unencumbered Cash - Beginning</b>	148,129	213,257
<b>Unencumbered Cash - Ending</b>	\$ 213,257	309,931

**CITY OF ELLIS, KANSAS**  
**Special 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 201,220	150,574
<b>Expenditures</b>		
Capital Outlay	117,382	144,676
<b>Receipts Over (Under) Expenditures</b>	83,838	5,898
<b>Unencumbered Cash - Beginning</b>	176,357	260,195
<b>Unencumbered Cash - Ending</b>	\$ 260,195	266,093

**CITY OF ELLIS, KANSAS**  
**Library 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	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem	\$ 48,983	<b>49,164</b>	50,218	(1,054)
Delinquent	1,834	<b>1,243</b>	-	1,243
Motor Vehicle	6,470	<b>6,657</b>	4,619	2,038
<b>Total Receipts</b>	57,287	<b>57,064</b>	<u>54,837</u>	<u>2,227</u>
<b>Expenditures</b>				
Library Appropriations	56,680	<b>57,550</b>	<u>57,550</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	607	<b>(486)</b>		
<b>Unencumbered Cash - Beginning</b>	4,209	<b>4,816</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>4,816</u>	<u><b>4,330</b></u>		



**CITY OF ELLIS, KANSAS**  
**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)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem	\$ 5,440	-	-	-
Delinquent	202	133	-	133
Motor Vehicle	716	739	511	228
Special Assessments	1,250	781	-	781
<b>Total Receipts</b>	7,608	1,653	511	1,142
<b>Expenditures</b>				
Principal Payments of 2006 Bonds	7,834	-	-	-
Interest Payments of 2006 Bonds	2,692	-	-	-
Interest	2,693	-	-	-
Transfers Out	-	111,456	70,491	40,965
Call Special Obligation Bonds	-	-	41,000	(41,000)
<b>Total Expenditures</b>	13,219	111,456	111,491	(35)
<b>Receipts Over (Under) Expenditures</b>	(5,611)	(109,803)		
<b>Unencumbered Cash - Beginning</b>	115,414	109,803		
<b>Unencumbered Cash - Ending</b>	\$ 109,803	-		

**CITY OF ELLIS, KANSAS**  
**Principal and Interest 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Bond Proceeds	\$ 3,120,000	-
Reoffering Premium	64,620	-
Refund of Interest	1,905	-
Transfers In	450,347	443,650
<b>Total Receipts</b>	3,636,872	443,650
<b>Expenditures</b>		
Principal Payments of 2006 Bonds	247,166	-
Interest Payments of 2006 Bonds	2,699	-
Principal	-	345,000
Interest	83,617	77,134
Payments to State	80,920	-
Redemption Payments of 2006 Bonds	3,107,000	-
Underwriter's Discount	31,200	-
Cost of Issuance	41,742	-
<b>Total Expenditures</b>	3,594,344	422,134
<b>Receipts Over (Under) Expenditures</b>	42,528	21,516
<b>Unencumbered Cash - Beginning</b>	362,422	404,950
<b>Unencumbered Cash - Ending</b>	\$ 404,950	426,466

**CITY OF ELLIS, KANSAS**  
**Bond Reserve 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 12,000	-
<b>Expenditures</b>		
Payments to State	228,000	-
<b>Receipts Over (Under) Expenditures</b>	(216,000)	-
<b>Unencumbered Cash - Beginning</b>	216,000	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**CITY OF ELLIS, KANSAS**  
**TIF Bond Reserve 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>	\$ -	-
<b>Expenditures</b>	-	-
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	80,000	80,000
<b>Unencumbered Cash - Ending</b>	\$ 80,000	80,000

**CITY OF ELLIS, KANSAS**  
**TIF 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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem	\$ 158,764	<b>168,701</b>	90,413	78,288
Delinquent	109	-	-	-
Reimbursements	-	<b>2,654</b>	-	-
Interest	6	<b>203</b>	-	203
Transfers In	-	<b>40,965</b>		
<b>Total Receipts</b>	<u>158,879</u>	<u><b>212,523</b></u>	<u>90,413</u>	<u>78,491</u>
<b>Expenditures</b>				
Principal	55,000	<b>60,000</b>	60,000	-
Interest	30,825	<b>28,763</b>	28,763	-
Fees	1,649	<b>1,650</b>	1,650	-
Reserve for Cash Basis	-	-	10,000	(10,000)
Call Special Obligation Bonds	-	-	185,131	(185,131)
<b>Total Expenditures</b>	<u>87,474</u>	<u><b>90,413</b></u>	<u>285,544</u>	<u>(195,131)</u>
<b>Receipts Over (Under) Expenditures</b>	71,405	<b>122,110</b>		
<b>Unencumbered Cash - Beginning</b>	<u>167,237</u>	<u><b>238,642</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u><u>238,642</u></u>	<u><u><b>360,752</b></u></u>		

**CITY OF ELLIS, KANSAS**  
**KDHE WWTF Project 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Loan Proceeds	\$ 656,126	109,403
<b>Expenditures</b>		
Contractual Services	765,529	-
<b>Receipts Over (Under) Expenditures</b>	(109,403)	109,403
<b>Unencumbered Cash - Beginning</b>	-	(109,403)
<b>Unencumbered Cash - Ending</b>	\$ (109,403)	-

**CITY OF ELLIS, KANSAS**  
**USDA Waterline Project 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Loan Proceeds	\$ 567,000	-
<b>Expenditures</b>		
Contractual Services	403,046	3,259
<b>Receipts Over (Under) Expenditures</b>	163,954	(3,259)
<b>Unencumbered Cash - Beginning</b>	-	163,954
<b>Unencumbered Cash - Ending</b>	\$ 163,954	160,695

**CITY OF ELLIS, KANSAS**  
**Campground 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
User Fees	\$ 23,168	<b>33,978</b>	22,000	11,978
Use of Money and Property Rentals and Leases	3,605	<b>3,605</b>	3,500	105
<b>Total Receipts</b>	26,773	<b>37,583</b>	<u>25,500</u>	<u>12,083</u>
<b>Expenditures</b>				
Personal Services	8,520	<b>18,922</b>	22,454	(3,532)
Contractual	10,079	<b>6,459</b>	9,525	(3,066)
Commodities	6,966	<b>3,286</b>	3,500	(214)
Capital Outlay	12,115	-	5,000	(5,000)
Transfers Out	16,340	<b>5,575</b>	5,575	-
Campground Expansion	-	<b>33,657</b>	60,007	(26,350)
<b>Total Expenditures</b>	54,020	<b>67,899</b>	<u>106,061</u>	<u>(38,162)</u>
<b>Receipts Over (Under) Expenditures</b>	(27,247)	<b>(30,316)</b>		
<b>Unencumbered Cash - Beginning</b>	117,883	<b>90,636</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>90,636</u>	<u><b>60,320</b></u>		



**CITY OF ELLIS, KANSAS**  
**Water 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)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
<b>Receipts</b>				
Water Sales	\$ 671,078	<b>660,591</b>	718,141	(57,550)
Connects and Disconnects	20,085	<b>20,371</b>	-	20,371
Penalties	6,073	<b>8,100</b>	7,000	1,100
Miscellaneous	3,297	<b>3,283</b>	2,500	783
<b>Total Receipts</b>	<u>700,533</u>	<u><b>692,345</b></u>	<u>727,641</u>	<u>(35,296)</u>
<b>Expenditures</b>				
Personal Services	130,567	<b>124,628</b>	124,755	(127)
Contractual	89,325	<b>88,664</b>	124,050	(35,386)
Commodities	31,013	<b>35,302</b>	43,500	(8,198)
Capital Outlay	5,404	-	148,092	(148,092)
Principal	5,000	<b>14,644</b>	14,644	-
Interest	10,562	<b>21,031</b>	24,310	(3,279)
Transfers Out	397,587	<b>377,955</b>	376,032	1,923
<b>Total Expenditures</b>	<u>669,458</u>	<u><b>662,224</b></u>	<u>855,383</u>	<u>(193,159)</u>
<b>Receipts Over (Under) Expenditures</b>	31,075	<b>30,121</b>		
<b>Unencumbered Cash - Beginning</b>	<u>153,772</u>	<u><b>184,847</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>184,847</u>	<u><b>214,968</b></u>		

**CITY OF ELLIS, KANSAS**  
**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)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
<b>Receipts</b>				
Sewer Charges	\$ 323,445	<b>360,262</b>	376,605	(16,343)
Penalties	2,599	<b>4,732</b>	2,600	2,132
Miscellaneous	882	<b>1,059</b>	750	309
<b>Total Receipts</b>	<u>326,926</u>	<u><b>366,053</b></u>	<u>379,955</u>	<u>(13,902)</u>
<b>Expenditures</b>				
Personal Services	86,426	<b>82,612</b>	79,593	3,019
Contractual	86,613	<b>94,771</b>	111,375	(16,604)
Commodities	20,410	<b>44,530</b>	21,000	23,530
Capital Outlay	-	-	46,368	(46,368)
Principal	64,217	-	52,094	(52,094)
Interest	6,812	<b>12,683</b>	-	12,683
Commission Fees	591	<b>1,687</b>	2,179	(492)
Transfers Out	92,225	<b>87,574</b>	87,574	-
<b>Total Expenditures</b>	<u>357,294</u>	<u><b>323,857</b></u>	<u>400,183</u>	<u>(76,326)</u>
<b>Receipts Over (Under) Expenditures</b>	(30,368)	<b>42,196</b>		
<b>Unencumbered Cash - Beginning</b>	<u>78,485</u>	<u><b>48,117</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u><u>48,117</u></u>	<u><u><b>90,313</b></u></u>		

**CITY OF ELLIS, KANSAS**  
**Sanitation 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Sanitation Charges	\$ 285,294	<b>322,514</b>	320,785	1,729
Recycle Proceeds	1,868	<b>6,606</b>	2,000	4,606
Penalties	2,173	<b>3,806</b>	2,100	1,706
Miscellaneous	1,032	<b>1,354</b>	750	604
<b>Total Receipts</b>	<u>290,367</u>	<u><b>334,280</b></u>	<u><b>325,635</b></u>	<u><b>8,645</b></u>
<b>Expenditures</b>				
Personal Services	132,572	<b>128,471</b>	130,610	(2,139)
Contractual	100,282	<b>103,421</b>	113,250	(9,829)
Commodities	24,231	<b>30,515</b>	30,000	515
Capital Outlay	-	-	30,824	(30,824)
Transfers Out	69,618	<b>63,231</b>	63,231	-
<b>Total Expenditures</b>	<u>326,703</u>	<u><b>325,638</b></u>	<u><b>367,915</b></u>	<u><b>(42,277)</b></u>
<b>Receipts Over (Under) Expenditures</b>	(36,336)	<b>8,642</b>		
<b>Unencumbered Cash - Beginning</b>	<u>90,823</u>	<u><b>54,487</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u><u>54,487</u></u>	<u><u><b>63,129</b></u></u>		

**CITY OF ELLIS, KANSAS**  
**Water Depreciation Reserve 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 50,000	75,000
<b>Expenditures</b>		
Contractual	44,993	8,800
Capital Outlay	-	7,200
<b>Total Expenditures</b>	44,993	16,000
<b>Receipts Over (Under) Expenditures</b>	5,007	59,000
<b>Unencumbered Cash - Beginning</b>	656,348	661,355
<b>Unencumbered Cash - Ending</b>	\$ 661,355	720,355

**CITY OF ELLIS, KANSAS**  
**Sewer Depreciation Reserve 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Loan Proceeds - KDHE WWTF Project	\$ 5,500	60,582
Transfers In	45,000	50,000
<b>Total Receipts</b>	50,500	110,582
<b>Expenditures</b>		
Contractual	79,832	2,682
Capital Outlay	5,000	9,317
<b>Total Expenditures</b>	84,832	11,999
<b>Receipts Over (Under) Expenditures</b>	(34,332)	98,583
<b>Unencumbered Cash - Beginning</b>	43,165	8,833
<b>Unencumbered Cash - Ending</b>	\$ 8,833	107,416

**CITY OF ELLIS, KANSAS**  
**Coinsurance 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ 251,429	<b>263,022</b>
<b>Expenditures</b>		
Contractual	<u>248,490</u>	<u><b>267,811</b></u>
<b>Receipts Over (Under) Expenditures</b>	2,939	<b>(4,789)</b>
<b>Unencumbered Cash - Beginning</b>	<u>169,426</u>	<u><b>172,365</b></u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>172,365</u></u>	<u><u><b>167,576</b></u></u>

**CITY OF ELLIS, KANSAS**  
**Cemetery Endowment 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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Lot Sales	\$ 395	450
<b>Expenditures</b>	-	-
<b>Receipts Over (Under) Expenditures</b>	395	450
<b>Unencumbered Cash - Beginning</b>	24,511	24,906
<b>Unencumbered Cash - Ending</b>	\$ 24,906	25,356

**CITY OF ELLIS, KANSAS**  
**Ellis Public Library**  
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)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental	\$ 8,918	7,949
Interest	22	191
Collections	3,527	2,094
Reimbursement	60	-
Appropriations	73,180	74,050
<b>Total Receipts</b>	<u>85,707</u>	<u>84,284</u>
<b>Expenditures</b>		
Personal Services	43,954	44,087
Contractual	9,294	10,506
Commodities	9,091	11,198
Capital Outlay	573	10,930
<b>Total Expenditures</b>	<u>62,912</u>	<u>76,721</u>
<b>Receipts Over (Under) Expenditures</b>	22,795	7,563
<b>Unencumbered Cash - Beginning</b>	<u>27,236</u>	<u>50,031</u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>50,031</u></u>	<u><u>57,594</u></u>



**CITY OF ELLIS, KANSAS**  
**Agency Funds**  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended December 31, 2017

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Health Reimbursement Arrangement	\$ 2,879	53,420	53,624	<b>2,675</b>