

CITY OF GALENA, KANSAS

Independent Auditor's Report
and Financial Statement with
Supplementary Information

For the Year Ended December 31, 2018

THE MENSE CPA FIRM, LLC
Certified Public Accountants

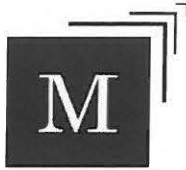
CITY OF GALENA, KANSAS
TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
• Title Page	
• Table of Contents	i-ii
FINANCIAL SECTION	
• Independent Auditor's Report	1-3
• Summary Statement of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis	4-5
• Notes to the Financial Statement	6-20
REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION	
• Summary of Expenditures – Actual and Budget – Regulatory Basis (Schedule 1)	21
• Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Bases (Schedule 2)	
General Fund	22
Library Fund	23
Noxious Weed Fund	24
Employee Benefits Fund	25
Special Highway Fund	26
Special Parks and Recreation Fund	27
Ambulance Service Fund	28
Cemetery Perpetual Care Interest Fund	29
Landfill Fund	30
Police Training Fund	31
City Attorney Training Fund	32
Park Improvement Fund	33
City Beautification Fund	34
Zelliken Fund	35
Special Water Fund	36
Police DUI Fund	37

CITY OF GALENA, KANSAS
TABLE OF CONTENTS

REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION
(CONTINUED)

Water Meter Fund	38
City Attorney DUI Fund	39
Drug Seizure	40
Fire Chassis Equipment Reserve Fund	41
Monofill-Bluehole Fund	42
Economic Development Fund	43
Special Liability Fund	44
Technology Reserve Fund	45
Municipal Equipment Reserve Fund	46
Sewer Equipment Reserve Fund	47
Bond and Interest Fund	48
Water Fund	49
Sewer Fund	50
Solid Waste Fund	51
Cemetery Perpetual Care Fund	52
• Schedule of Receipts and Disbursements – Agency Fund - (Schedule 3)	53



The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council
City of Galena, Kansas

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of City of Galena, Kansas, a municipality, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Galena, 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 Galena, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

Basis for Modified Opinion on Regulatory Basis of Accounting

The fund summary statement of regulatory receipts, expenditures, and unencumbered cash balance does not include activity of the Hospital Fund. The amount by which this omission would affect the receipts, expenditures and unencumbered cash has not been determined.

Modified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Modified Opinion on Regulatory Basis of Accounting” paragraph, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Galena, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Report on 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 balance (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 schedule 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.

A handwritten signature in dark ink, appearing to read "The Mense CPA Firm, LLC", is positioned above the printed name of the firm.

The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
August 23, 2019

CITY OF GALENA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash Regulatory Basis For the Year Ended December 31, 2018

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 29,097	\$ -	\$ 3,433,810	\$ 3,158,990	\$ 303,917	\$ 18,189	\$ 322,106
Special Purpose Funds:							
Library	2,875	-	59,468	61,186	1,157	-	1,157
Noxious Weed	1,864	-	-	-	1,864	-	1,864
Employee Benefits	271,958	-	164,733	271,639	165,052	27,491	192,543
Special Highway	26,854	-	87,076	129,572	(15,642)	15	(15,627)
Special Parks and Recreation	6,381	-	355	-	6,736	-	6,736
Ambulance Service	-	-	151,896	151,896	-	-	-
Cemetery Perpetual Care Interest	1,455	-	105	-	1,560	-	1,560
Landfill	286,591	-	197,671	95,965	388,297	-	388,297
Police Training	7,337	-	1,737	6,668	2,406	13	2,419
City Attorney Training	2,003	-	347	-	2,350	-	2,350
Park Improvement	29	-	-	-	29	-	29
City Beautification	281	-	-	-	281	-	281
Zeliken	2,483	-	-	-	2,483	-	2,483
Special Water	41,767	-	12,000	297	53,470	-	53,470
Police DUI	7,641	-	349	-	7,990	-	7,990
Water Meter Fund	131,800	-	147,620	191,366	88,054	-	88,054
City Attorney DUI	860	-	116	-	976	-	976
Drug Seizure	4,196	-	-	-	4,196	-	4,196
Fire Chassis Equipment Reserve	(4,134)	-	10,999	6,865	-	-	-
Monofill - Bluehole	3,098	-	13,220	-	16,318	-	16,318
Economic Development	576	-	1,165	1,577	164	-	164
Special Liability	45,594	-	565	-	46,159	-	46,159
Technology Reserve	3,752	-	1,759	1,870	3,641	-	3,641
Municipal Equipment Reserve	242,664	-	175,350	27,095	390,919	-	390,919
Sewer Equipment Reserve	53,304	-	10,300	19,551	44,053	-	44,053

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

CITY OF GALENA, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Funds:							
Bond and Interest	\$ 64,225	\$ -	\$ 120,531	\$ 121,107	\$ 63,649	\$ -	\$ 63,649
Business Funds:							
Water	32,942	-	702,128	709,126	25,944	27,306	53,250
Sewer	196,412	-	323,031	347,458	171,985	1,419	173,404
Solid Waste	73,826	-	285,629	312,092	47,363	2,699	50,062
Trust Funds:							
Cemetery Perpetual Care	126,301	-	105	-	126,406	-	126,406
Total Reporting Entity	<u>\$ 1,664,032</u>	<u>\$ -</u>	<u>\$ 5,902,065</u>	<u>\$ 5,614,320</u>	<u>\$ 1,951,777</u>	<u>\$ 77,132</u>	<u>\$ 2,028,909</u>
Composition of Cash:					Cash on Hand		\$ 175
					Checking Accounts		1,750,082
					Certificates of Deposit		360,886
					U.S. Savings Bonds		<u>2,000</u>
					Total Cash		\$ 2,113,143
					Less - Agency Funds Per Schedule 3		<u>(84,234)</u>
					Total Reporting Entity		<u>\$ 2,028,909</u>

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

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The City of Galena, Kansas, was incorporated in 1877 and operates as a second class city under the statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor – Council form of government. Major services provided by the City include: Public Safety – Police and Fire, Highways and Streets, Sanitation, Health, Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. The City also provides water, sewer and refuse utility services.

I.B. FINANCIAL REPORTING ENTITY

This financial statement presents the City of Galena, Kansas, (the municipality) as defined in K.S.A. 75-1117.

Related Municipal Entities: A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Library Board – The City of Galena, Kansas Library Board operates the City's public library. The Library Board is appointed by the City Council. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.

I.C. REGULATORY BASIS FUND TYPES

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separated set of self-balancing accounts. The following funds are used by the City:

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

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

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

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

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.C. REGULATORY BASIS FUND TYPES (CONTINUED)

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

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

I.D. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in a 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.

I.E. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.E. BUDGETARY INFORMATION (CONTINUED)

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General, Special Highway, Landfill, Water Meter, Water and Solid Waste Funds were amended during the 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 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 fund:

Special Liability Fund
Technology Reserve Fund
Municipal Equipment Reserve Fund
Sewer Equipment Reserve 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.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. ASSETS AND LIABILITIES

Cash and Investments

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

I.G. RECEIPTS AND EXPENDITURES

I.G.I. Sales Tax

The City of Galena, Kansas levies a 1% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

I.G.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2018 for the purposes of taxation was \$19,800,477.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$6.97. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

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. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G. RECEIPTS AND EXPENDITURES (CONTINUED)

I.G.3. 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 accounting.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. STATUTORY COMPLIANCE

Depositories for the deposit of all public monies were not designated and recorded in the minutes. (K.S.A. 9-1401)

Lease purchase agreement, for the purchase of Tasers, does not conform with cash-basis law. (KSA 10-1116b)

The City Treasurer does not maintain records to show the amount of money in each fund. (K.S.A. 10-1118)

The Special Highway Fund made expenditures in excess of available cash (K.S.A. 10-1113, 10-1121)

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. DEPOSITS AND INVESTMENTS

As of December 31, 2018, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)	Rating
		Less than 1	
United States Savings Bonds	\$ 2,000	\$ 2,000	N/A

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.A. DEPOSITS AND INVESTMENTS (CONTINUED)

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

K.S.A. 12-1675 limits the Municipality'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 Municipality has no investment policy that would further limit its investment choices. The rating of the Municipality's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2018, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
U.S. Government Savings Bonds	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality'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 Municipality does not designate "peak periods". All deposits were legally secured at December 31, 2018.

At December 31, 2018, the Municipality's carrying amount of deposits was \$2,110,968 and the bank balance was \$2,120,277. 85% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$687,349 was covered by federal depository insurance and \$1,432,928 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.B. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
Landfill	Monofill-Bluehole	City Council	\$ 7,308
General	Municipal Equipment Reserve	KSA 12-1,117	175,000
General	Fire Chassis Equipment Reserve	KSA 12-1,117	10,999
General	Solid Waste	KSA 12-1,117	27,095
General	Water	City Council	13,852
Water	Special Water	KSA 12-825d	12,000
Water	Water Meter	KSA 12-825d	27,678
Sewer	Sewer Equipment Reserve	KSA 12-1,117	10,300
Municipal Equipment Reserve	General	KSA 12-1,117	27,095
Fire Chassis Equipment Reserve	General	KSA 12-1,117	6,865

III.C. RESTRICTED ASSETS

The following amount in the following fund is restricted as follows:

General Fund	
Vehicle Inspection Fees (Law Enforcement)	<u>\$ 24,361</u>

III.D. CONDUIT DEBT OBLIGATION

From time to time, the City issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement.

The outstanding balance of \$5,000,000.00, City of Galena, Kansas Taxable Industrial Revenue Bonds, (Galena MOB Partners, LLC) Series 2012 was \$3,547,330. at December 31, 2018.

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2018

IV. Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount Issued	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2011	0.50% - 5.00%	5/24/2011	\$ 1,495,000	12/1/2031	\$ 1,110,000	\$ -	\$ 1,110,000	\$ -	\$ 42,616
Series 2012	3.50%	8/27/2012	\$ 340,000	8/27/2042	304,686	-	7,827	296,859	10,664
Series 2018A	2.05% - 3.25%	9/12/2018	\$ 1,090,000	12/1/2031	-	1,090,000	-	1,090,000	-
Series 2018B	3.375%	10/2/2018	\$ 192,000	10/2/2048	-	192,000	-	192,000	-
Total General Obligation Bonds					\$ 1,414,686	\$ 1,282,000	\$ 1,117,827	\$ 1,578,859	\$ 53,280
KDHE Loans:									
Public Water Supply Revolving Loan	3.77%	9/11/2009	\$ 105,893	8/1/2030	\$ 75,941	\$ -	\$ 4,623	\$ 71,318	\$ 2,820
Water Meter Conversion Loan	2.17%	7/1/2015	\$ 340,000	2/1/2026	300,400	116,477	48,164	368,713	6,342
Total KDHE Loans					\$ 376,341	\$ 116,477	\$ 52,787	\$ 440,031	\$ 9,162
Capital Leases:									
Police Tasers	0.00%	5/1/2014	\$ 3,665	5/1/2018	\$ 370	\$ -	\$ 370	\$ -	\$ -
Street Sweeper	3.45%	11/9/2015	\$ 66,000	9/1/2020	40,935	-	13,185	27,750	1,412
Fire Vehicle	6.50%	2/24/2016	\$ 31,440	4/24/218	5,587	-	5,587	-	76
Fire Truck	3.25%	5/10/2016	\$ 515,000	5/8/2026	470,591	-	45,852	424,739	15,295
Fire Equipment	3.95%	2/9/2017	\$ 56,532	2/10/2021	56,532	-	13,322	43,210	2,233
Total Capital Leases					\$ 574,015	\$ -	\$ 78,316	\$ 495,699	\$ 19,016
Total Contractual Indebtedness					\$ 2,365,042	\$ 1,398,477	\$ 1,248,930	\$ 2,514,589	\$ 81,458

CITY OF GALENA, KANSAS
Notes to Financial Statement
For the Year Ended December 31, 2018

IV. 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:

	2019	2020	2021	2022	2023	YEAR 2024-2028	2029-2033	2034-2038	2033-2043	2034-2048	Total
Principal:											
General Obligation Bonds	\$ 81,897	\$ 87,264	\$ 87,733	\$ 88,174	\$ 93,630	\$ 500,479	\$ 379,527	\$ 106,134	\$ 107,330	\$ 46,691	\$ 1,578,859
KDHE Loans	51,558	52,760	53,992	55,253	56,548	155,709	14,211	-	-	-	440,031
Capital Leases	74,831	77,387	65,435	52,110	53,804	172,132	-	-	-	-	495,699
Total Principal	\$ 208,286	\$ 217,411	\$ 207,160	195,537	203,982	\$ 828,320	\$ 393,738	\$ 106,134	\$ 107,330	\$ 46,691	\$ 2,514,589
Interest:											
General Obligation Bonds	\$ 98,333	\$ 87,935	\$ 83,697	\$ 79,281	\$ 74,263	\$ 283,224	\$ 103,324	\$ 37,684	\$ 18,003	\$ 4,843	\$ 870,587
KDHE Loans	10,391	9,189	7,957	6,696	5,401	9,916	675	-	-	-	50,225
Capital Leases	16,468	13,912	11,267	9,037	7,343	11,309	-	-	-	-	69,336
Total Interest	\$ 125,192	\$ 111,036	\$ 102,921	\$ 95,014	\$ 87,007	\$ 304,449	\$ 103,999	\$ 37,684	\$ 18,003	\$ 4,843	\$ 990,148
Total Principal and Interest	\$ 333,478	\$ 328,447	\$ 310,081	\$ 290,551	\$ 290,989	\$ 1,132,769	\$ 497,737	\$ 143,818	\$ 125,333	\$ 51,534	\$ 3,504,737

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

V. PENSION PLAN

General Information about the Pension Plan

Plan description. The City of Galena, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS's 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 200, 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 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from City of Galena, Kansas were \$91,529 for the year ended December 31, 2018. The amount does not include contributions paid by the Hospital Manager on behalf of Hospital Employees from the Hospital Fund.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

V. PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2018, the City of Galena, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$3,476,684. This amount includes the net pension liability of Hospital Employees. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City of Galena, Kansas's proportion of the net pension liability was based on the ratio of the City of Galena, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

VI. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust (KMIT) for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three years.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

VII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits. As provided by K.S.A. 12-540, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charge 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.

Compensated Absences. The City's policies regarding vacation and sick pay allow all full-time employees to receive one to four weeks' vacation time per year depending on their length of employment. Upon termination of service, after the first year, an employee is entitled to pay for unused vacation leave.

Full-time employees shall be entitled to personal leave with pay, which shall accumulate at the rate of 5.33 hours per month for any employment period after January 1, 2007. Part-time employees do not accrue personal leave.

It was impracticable to determine the accumulated unpaid vacation and sick pay. However, City Officials estimated the amount not to be material.

Death and Disability Other Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

VIII. TAX ABATEMENTS

The City negotiates property tax agreements on an individual basis. The City has a tax abatement agreement with MOB Partners, LLC effective January 1, 2013. The agreement exempts property from taxation as follows:

<u>Tax Year</u>	<u>Percentage of Abatement</u>
2013	100%
2014	100%
2015	100%
2016	100%
2017	100%
2018	100%
2019	100%
2020	100%
2021	100%
2022	100%

The amount of tax abated during 2018 was \$77,801.

IX. CONTINENCIES

IX.A. LITIGATION

The City is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

IX.B. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loans. Any liability for reimbursement, which may arise, as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

IX.C. LANDFILL CLOSURE COSTS

The City has two landfills available for the disposal of construction/demolition materials and used tires. The operations of the landfill are accounted for in special purpose funds. The measurement and recognition of the liability for closure are based on total estimated current cost and landfill usage to date. Expenditures and fund liabilities are recognized using the statutory basis of accounting.

When the landfill stops accepting waste, the City is required by federal and state law to close the landfill, including final cover and storm water management.

The estimated closure cost for these activities as of December 31, 2018 was \$609,563 based on cumulative landfill capacity used to date. This estimate was based on the 2018 Annual Cost Estimates, dated May 12, 2019 and May 14, 2019. Cost estimates are based on current data, including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment to account for inflation and for any changes in landfill condition, regulatory requirements, technologies, or cost estimates.

X. OTHER COMMITMENTS

Water Agreement – On June 1, 2002, the City entered into a twenty-five year agreement with Missouri American Water Company for the purchase of water. The City agrees to purchase an average of at least two hundred gallons per minute, per calendar month or pay the equivalency of such usage minus any amounts paid by the City for the actual usage in the same monthly period.

During the year ended December 31, 2018, the City purchased and used 100% of the agreed-to amount each month.

Hospital – On October 27, 2011, the City entered into an agreement with Four States Management Solutions, LLC (the “Manager”) for the development and management of a Hospital. Simultaneous with the execution of the agreement with the Manager, the City entered into a lease agreement with Galena Medical Properties, LLC. (the “Landlord”) whereby the Landlord agrees to construct a Hospital on property owned by the Landlord. The initial term of both agreements is for a period of 360 months, with terms for renewal.

The Manager is responsible for establishing and supervising the accounting and financial records of the Hospital. This includes the payment of all expenses of the Hospital, including the management fee and lease payments, as stated in the agreements, from the revenues of the operation of the Hospital.

CITY OF GALENA, KANSAS
Notes to the Financial Statement
December 31, 2018

XI. SUBSEQUENT EVENTS

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

Schedule 1

CITY OF GALENA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:					
General	\$ 1,999,054	\$ 1,402,178	\$ 3,401,232	\$ 3,158,990	\$ (242,242)
Special Purpose Funds:					
Library	61,186	-	61,186	61,186	-
Noxious Weed	2,335	-	2,335	-	(2,335)
Employee Benefits	315,000	-	315,000	271,639	(43,361)
Special Highway	133,595	-	133,595	129,572	(4,023)
Special Parks and Recreation	5,420	-	5,420	-	(5,420)
Ambulance	212,874	-	212,874	151,896	(60,978)
Cemetery Perpetual Care Interest	1,550	-	1,550	-	(1,550)
Landfill	96,000	-	96,000	95,965	(35)
Police Training	11,445	-	11,445	6,668	(4,777)
City Attorney Training	1,903	-	1,903	-	(1,903)
Park Improvements	29	-	29	-	(29)
City Beautification	281	-	281	-	(281)
Zeliken	2,483	-	2,483	-	(2,483)
Special Water	59,553	-	59,553	297	(59,256)
Police DUI	6,152	-	6,152	-	(6,152)
Water Meter	217,997	-	217,997	191,366	(26,631)
City Attorney DUI	1,080	-	1,080	-	(1,080)
Bond and Interest Funds:					
Bond and Interest	175,966	-	175,966	121,107	(54,859)
Business Funds:					
Water	714,843	-	714,843	709,126	(5,717)
Sewer	370,000	-	370,000	347,458	(22,542)
Solid Waste	315,800	-	315,800	312,092	(3,708)
Trust Funds:					
Cemetery Perpetual Care	90	-	90	-	(90)

CITY OF GALENA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 931,123	\$ 916,301	\$ 14,822
Delinquent Tax	42,502	5,130	37,372
Motor Vehicle Tax	66,579	77,397	(10,818)
Recreational Vehicle Tax	874	1,118	(244)
16/20 M Vehicle Tax	381	590	(209)
Commercial Vehicle Tax	573	9,583	(9,010)
Watercraft Tax	412	424	(12)
Local Alcoholic Liquor Tax	355	906	(551)
City and County Sales and Use Tax	557,095	540,177	16,918
Licenses, Permits and Fees	15,099	10,500	4,599
Fire Contracts	9,500	-	9,500
Cemetery Lot Sales and Opening	6,375	8,000	(1,625)
Franchise Fees	185,826	165,000	20,826
Swimming Pool Receipts	10,031	4,500	5,531
Grants	59,452	150,000	(90,548)
Vehicle Inspections	5,520	6,000	(480)
Fines	76,603	70,000	6,603
Donations	1,150	-	1,150
Community Building	1,135	900	235
Reimbursed Expense	59,576	35,000	24,576
Other	54,451	10,000	44,451
Interest	738	450	288
Court Bonds Collected	-	6,000	(6,000)
Sale of Assets	32,500	-	32,500
Proceeds from Sale of Bonds	1,282,000	-	
Operating Transfers	33,960	-	33,960
Total Receipts	\$ 3,433,810	\$ 2,017,976	\$ 133,834
Expenditures			
General Administration	\$ 497,981	\$ 457,260	\$ 40,721
Streets	131,815	14,400	117,415
Street Lighting	56,545	52,000	4,545
Parks	141,135	95,000	46,135
Fire	107,792	105,000	2,792
Vehicle Identification Numbers	598	26,537	(25,939)
Police	664,883	538,400	126,483
Civil Defense	673	7,000	(6,327)
Municipal Court	70,822	29,000	41,822
Cemetery	91,609	80,000	11,609
Swimming Pool	26,425	27,277	(852)
Main Street Project	-	150,000	(150,000)
Capital Lease - Police Tasers	370	370	-
Capital Lease - Fire Vehicle	5,663	5,663	-
Capital Lease - Fire Truck	61,147	61,147	-
Capital Lease - Fire Equipment	15,555	-	15,555
Debt Service	1,050,000	-	1,050,000
Bond Issue Discount	9,031	-	9,031
Operating Transfers	226,946	350,000	(123,054)
Qualifying Budget Credits	-	1,402,178	(1,402,178)
Total Expenditures	\$ 3,158,990	\$ 3,401,232	\$ (242,242)
Receipts Over (Under) Expenditures	\$ 274,820		
Unencumbered Cash-Beginning	29,097		
Unencumbered Cash-Ending	\$ 303,917		

CITY OF GALENA, KANSAS

Library Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 51,204	\$ 50,407	\$ 797
Delinquent Tax	4,285	1,023	3,262
Motor Vehicle Tax	3,829	3,710	119
Recreational Vehicle Tax	51	54	(3)
16/20 M Vehicle Tax	52	28	24
Commercial Vehicle Tax	27	459	(432)
Watercraft Tax	20	20	-
Total Receipts	<u>\$ 59,468</u>	<u>\$ 55,701</u>	<u>\$ 3,767</u>
Expenditures			
Appropriation to the Library Board	<u>\$ 61,186</u>	<u>\$ 61,186</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ (1,718)		
Unencumbered Cash-Beginning	<u>2,875</u>		
Unencumbered Cash-Ending	<u>\$ 1,157</u>		

CITY OF GALENA, KANSAS

Noxious Weed Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Delinquent Tax	\$ -	\$ -	\$ -
Expenditures			
Public Works	\$ -	\$ 2,335	\$ (2,335)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	1,864		
Unencumbered Cash-Ending	\$ 1,864		

CITY OF GALENA, KANSAS

Employee Benefits Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 140,530	\$ 138,333	\$ 2,197
Delinquent Tax	12,709	3,139	9,570
Motor Vehicle Tax	11,032	8,912	2,120
Recreational Vehicle Tax	151	129	22
16/20 M Vehicle Tax	198	68	130
Commercial Vehicle Tax	66	1,103	(1,037)
Watercraft Tax	47	49	(2)
Total Receipts	<u>\$ 164,733</u>	<u>\$ 151,733</u>	<u>\$ 13,000</u>
Expenditures			
General Government	<u>\$ 271,639</u>	<u>\$ 315,000</u>	<u>\$ (43,361)</u>
Receipts Over (Under) Expenditures	\$ (106,906)		
Unencumbered Cash-Beginning	<u>271,958</u>		
Unencumbered Cash-Ending	<u>\$ 165,052</u>		

CITY OF GALENA, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
State of Kansas	\$ 78,723	\$ 79,000	\$ (277)
Intergovernmental	7,223	30,000	(22,777)
Other	1,130	-	1,130
Total Receipts	<u>\$ 87,076</u>	<u>\$ 109,000</u>	<u>\$ (21,924)</u>
Expenditures			
Public Works	\$ 114,975	\$ 118,998	\$ (4,023)
Capital Lease - Street Sweeper	14,597	14,597	-
Total Expenditures	<u>\$ 129,572</u>	<u>\$ 133,595</u>	<u>\$ (4,023)</u>
Receipts Over (Under) Expenditures	\$ (42,496)		
Unencumbered Cash-Beginning	<u>26,854</u>		
Unencumbered Cash-Ending	<u>\$ (15,642)</u>		

CITY OF GALENA, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Local Alcohol Liquor Fund	\$ 355	\$ 906	\$ (551)
Expenditures			
Recreation	\$ -	\$ 5,420	\$ (5,420)
Receipts Over (Under) Expenditures	\$ 355		
Unencumbered Cash-Beginning	6,381		
Unencumbered Cash-Ending	\$ 6,736		

CITY OF GALENA, KANSAS

Ambulance Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Ambulance Subsidy from Cherokee County	\$ 151,896	\$ 202,528	\$ (50,632)
Expenditures			
Appropriation to Cherokee County Ambulance Association, Inc.	\$ 151,896	\$ 212,874	\$ (60,978)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	\$ -		
Unencumbered Cash-Ending	\$ -		

CITY OF GALENA, KANSAS
 Cemetery Perpetual Care Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Interest	\$ 105	\$ 90	\$ 15
Expenditures			
Cemetery Maintenance	\$ -	\$ 1,550	\$ (1,550)
Receipts Over (Under) Expenditures	\$ 105		
Unencumbered Cash-Beginning	1,455		
Unencumbered Cash-Ending	\$ 1,560		

CITY OF GALENA, KANSAS
Landfill Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Fees	\$ 197,671	\$ 150,000	\$ 47,671
Expenditures			
Sanitation and Tipping Fees	\$ 88,657	\$ 96,000	\$ (7,343)
Operating Transfers	7,308	-	7,308
Total Expenditures	\$ 95,965	\$ 96,000	\$ (35)
Receipts Over (Under) Expenditures	\$ 101,706		
Unencumbered Cash-Beginning	286,591		
Unencumbered Cash-Ending	\$ 388,297		

CITY OF GALENA, KANSAS
Police Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts			
Municipal Court Fees	\$ 1,737	\$ 2,000	\$ (263)
Expenditures			
Public Safety	\$ 6,668	\$ 11,445	\$ (4,777)
Receipts Over (Under) Expenditures	\$ (4,931)		
Unencumbered Cash-Beginning	<u>7,337</u>		
Unencumbered Cash-Ending	<u>\$ 2,406</u>		

CITY OF GALENA, KANSAS
 City Attorney Training Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Municipal Court Fees	\$ 347	\$ 400	\$ (53)
Expenditures			
Public Safety	\$ -	\$ 1,903	\$ (1,903)
Receipts Over (Under) Expenditures	\$ 347		
Unencumbered Cash-Beginning	2,003		
Unencumbered Cash-Ending	\$ 2,350		

CITY OF GALENA, KANSAS
 Park Improvement Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Donations	\$ -	\$ -	\$ -
Expenditures			
Recreation	\$ -	\$ 29	\$ (29)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	29		
Unencumbered Cash-Ending	\$ 29		

CITY OF GALENA, KANSAS
City Beautification Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Donations	\$ -	\$ -	\$ -
Expenditures			
Public Works	\$ -	\$ 281	\$ (281)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	281		
Unencumbered Cash-Ending	\$ 281		

CITY OF GALENA, KANSAS
 Zelliken Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Interest	\$ -	\$ -	\$ -
Expenditures			
Welfare	\$ -	\$ 2,483	\$ (2,483)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	2,483		
Unencumbered Cash-Ending	\$ 2,483		

CITY OF GALENA, KANSAS
Special Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Operating Transfers	\$ 12,000	\$ 12,000	\$ -
Expenditures			
Public Works	\$ 297	\$ 59,553	\$ (59,256)
Receipts Over (Under) Expenditures	\$ 11,703		
Unencumbered Cash-Beginning	41,767		
Unencumbered Cash-Ending	\$ 53,470		

CITY OF GALENA, KANSAS
Police DUI Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts			
Municipal Court Fees	<u>\$ 349</u>	<u>\$ 375</u>	<u>\$ (26)</u>
Expenditures			
Public Safety	<u>\$ -</u>	<u>\$ 6,152</u>	<u>\$ (6,152)</u>
Receipts Over (Under) Expenditures	\$ 349		
Unencumbered Cash-Beginning	<u>7,641</u>		
Unencumbered Cash-Ending	<u>\$ 7,990</u>		

CITY OF GALENA, KANSAS
Water Meter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
KDHE Loan Proceeds	\$ 116,477	\$ 170,000	\$ (53,523)
Other	3,465	-	3,465
Operating Transfers	27,678	-	27,678
Total Receipts	<u>\$ 147,620</u>	<u>\$ -</u>	<u>\$ (22,380)</u>
Expenditures			
Water Meters	<u>\$ 191,366</u>	<u>\$ 217,997</u>	<u>\$ (26,631)</u>
Receipts Over (Under) Expenditures	\$ (43,746)		
Unencumbered Cash-Beginning	<u>131,800</u>		
Unencumbered Cash-Ending	<u>\$ 88,054</u>		

CITY OF GALENA, KANSAS
City Attorney DUI Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Municipal Court Fees	\$ 116	\$ 150	\$ (34)
Expenditures			
Public Safety	\$ -	\$ 1,080	\$ (1,080)
Receipts Over (Under) Expenditures	\$ 116		
Unencumbered Cash-Beginning	860		
Unencumbered Cash-Ending	\$ 976		

CITY OF GALENA, KANSAS
Drug Seizure Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Drug Control Payments	<u>\$ -</u>
Expenditures	
Public Safety	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ -
Unencumbered Cash-Beginning	<u>4,196</u>
Unencumbered Cash-Ending	<u><u>\$ 4,196</u></u>

CITY OF GALENA, KANSAS
Fire Chassis Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Operating Transfers	<u>\$ 10,999</u>
Expenditures	
Operating Transfers	<u>\$ 6,865</u>
Receipts Over (Under) Expenditures	\$ 4,134
Unencumbered Cash-Beginning	<u>(4,134)</u>
Unencumbered Cash-Ending	<u><u>\$ -</u></u>

CITY OF GALENA, KANSAS
Monofill-Bluehole Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Monifill Fees	\$ 5,912
Operating Transfers	<u>7,308</u>
Total Receipts	<u>\$ 13,220</u>
Expenditures	
Monofill Fees	\$ -
Materials	<u>-</u>
Total Expenditures	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 13,220
Unencumbered Cash-Beginning	<u>3,098</u>
Unencumbered Cash-Ending	<u><u>\$ 16,318</u></u>

CITY OF GALENA, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Donations	\$ 1,165
Expenditures	
Economic Development	\$ 1,577
Receipts Over (Under) Expenditures	\$ (412)
Unencumbered Cash-Beginning	576
Unencumbered Cash-Ending	\$ 164

CITY OF GALENA, KANSAS
Special Liability Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts

Taxes and Shared Receipts:

Delinquent Tax	\$ 425
Motor Vehicle Tax	132
Recreational Vehicle Tax	2
16/20 M Vehicle Tax	6
	<hr/>

Total Receipts	\$ 565
	<hr/>

Expenditures

General Government	\$ -
	<hr/>

Receipts Over (Under) Expenditures	\$ 565
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Unencumbered Cash-Beginning	<hr/> 45,594
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Unencumbered Cash-Ending	<hr/> <hr/> \$ 46,159
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CITY OF GALENA, KANSAS
Technology Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Municipal Court Fees	<u>\$ 1,759</u>
Expenditures	
Public Safety	<u>\$ 1,870</u>
Receipts Over (Under) Expenditures	\$ (111)
Unencumbered Cash-Beginning	<u> 3,752</u>
Unencumbered Cash-Ending	<u><u>\$ 3,641</u></u>

CITY OF GALENA, KANSAS
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Sale of Equipment	\$ 350
Operating Transfers	<u>175,000</u>
Total Receipts	<u>\$ 175,350</u>
Expenditures	
Operating Transfers	<u>\$ 27,095</u>
Receipts Over (Under) Expenditures	\$ 148,255
Unencumbered Cash-Beginning	<u>242,664</u>
Unencumbered Cash-Ending	<u><u>\$ 390,919</u></u>

CITY OF GALENA, KANSAS
Sewer Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

Receipts	
Operating Transfers	<u>\$ 10,300</u>
Expenditures	
Equipment	<u>\$ 19,551</u>
Receipts Over (Under) Expenditures	\$ (9,251)
Unencumbered Cash-Beginning	<u>53,304</u>
Unencumbered Cash-Ending	<u><u>\$ 44,053</u></u>

CITY OF GALENA, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 102,821	\$ 101,175	\$ 1,646
Delinquent Tax	10,057	1,500	8,557
Motor Vehicle Tax	7,350	5,693	1,657
Recreational Vehicle Tax	101	82	19
16/20 M Vehicle Tax	130	43	87
Commercial Vehicle Tax	42	705	(663)
Watercraft Tax	30	31	(1)
Total Receipts	<u>\$ 120,531</u>	<u>\$ 109,229</u>	<u>\$ 11,302</u>
Expenditures			
Debt Service	<u>\$ 121,107</u>	<u>\$ 175,966</u>	<u>\$ (54,859)</u>
Receipts Over (Under) Expenditures	\$ (576)		
Unencumbered Cash-Beginning	<u>64,225</u>		
Unencumbered Cash-Ending	<u>\$ 63,649</u>		

CITY OF GALENA, KANSAS

Water Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services	\$ 657,201	\$ 685,000	\$ (27,799)
Other	31,075	500	30,575
Operating Transfers	13,852	-	13,852
Total Receipts	<u>\$ 702,128</u>	<u>\$ 685,500</u>	<u>\$ 16,628</u>
Expenditures			
Personal Services	\$ 92,146	\$ 135,000	\$ (42,854)
Contractual Services	78,185	200,400	(122,215)
Commodities	437,168	350,000	87,168
Capital Outlay	-	10,000	(10,000)
Debt Service	61,949	7,443	54,506
Operating Transfers	39,678	12,000	27,678
Total Expenditures	<u>\$ 709,126</u>	<u>\$ 714,843</u>	<u>\$ (5,717)</u>
Receipts Over (Under) Expenditures	\$ (6,998)		
Unencumbered Cash-Beginning	<u>32,942</u>		
Unencumbered Cash-Ending	<u>\$ 25,944</u>		

CITY OF GALENA, KANSAS

Sewer Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services	\$ 294,745	\$ 300,000	\$ (5,255)
Other	8,286	-	8,286
Intergovernmental	20,000	-	20,000
Total Receipts	<u>\$ 323,031</u>	<u>\$ 300,000</u>	<u>\$ 23,031</u>
Expenditures			
Personal Services	\$ 109,942	\$ 80,000	\$ 29,942
Contractual Services	71,878	200,000	(128,122)
Commodities	155,338	65,000	90,338
Capital Outlay	-	25,000	(25,000)
Operating Transfers	10,300	-	10,300
Total Expenditures	<u>\$ 347,458</u>	<u>\$ 370,000</u>	<u>\$ (22,542)</u>
Receipts Over (Under) Expenditures	\$ (24,427)		
Unencumbered Cash-Beginning	<u>196,412</u>		
Unencumbered Cash-Ending	<u>\$ 171,985</u>		

CITY OF GALENA, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Charges for Services	\$ 258,534	\$ 260,000	\$ (1,466)
Operating Transfers	27,095	-	27,095
Total Receipts	<u>\$ 285,629</u>	<u>\$ 260,000</u>	<u>\$ 25,629</u>
Expenditures			
Personal Services	\$ 174,691	\$ 120,000	\$ 54,691
Contractual Services	96,434	175,800	(79,366)
Commodities	40,967	20,000	20,967
Total Expenditures	<u>\$ 312,092</u>	<u>\$ 315,800</u>	<u>\$ (3,708)</u>
Receipts Over (Under) Expenditures	\$ (26,463)		
Unencumbered Cash-Beginning	<u>73,826</u>		
Unencumbered Cash-Ending	<u>\$ 47,363</u>		

CITY OF GALENA, KANSAS
Cemetery Perpetual Care Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts			
Interest	\$ 105	\$ 90	\$ 15
Expenditures			
Operating Transfers	\$ -	\$ 90	\$ (90)
Receipts Over (Under) Expenditures	\$ 105		
Unencumbered Cash-Beginning	126,301		
Unencumbered Cash-Ending	\$ 126,406		

CITY OF GALENA, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Utility Deposits	<u>\$ 85,760</u>	<u>\$ 12,099</u>	<u>\$ 13,625</u>	<u>\$ 84,234</u>