

CITY OF HESSTON, KANSAS

DECEMBER 31, 2018



CITY OF HESSTON, KANSAS

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December 31, 2018

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Hesston, Kansas

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash of City of Hesston, Kansas (the City) 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 the financial statement in accordance with the regulatory basis of accounting reporting provisions permitted in the Kansas Municipal Audit and Accounting Guide (KMAAG), as described in Note 1, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for preparing the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation 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 KMAAG. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable 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 on the basis of the financial reporting provisions permitted in KMAAG, 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 accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2018, or changes in net position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions permitted in KMAAG described in Note 1.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the schedule of receipts and expenditures – related municipal entity (Schedules 1 through 3, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions in KMAAG. 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 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.



Certified Public Accountants

Hutchinson, Kansas
May 24, 2019

CITY OF HESSTON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH -
REGULATORY BASIS
For Year Ended December 31, 2018

Page 1 of 2

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	\$ 996,510	\$ 2,385,443	\$ 2,325,518	\$ 1,056,435	\$ 16,337	\$ 1,072,772
SPECIAL PURPOSE FUND						
Library	1,000	380,653	379,085	2,568	-	2,568
Special Highway	316,628	143,873	100,061	360,440	-	360,440
Emergency Services	119,104	398,766	412,417	105,453	648	106,101
Fire Equipment	276,204	111,948	-	388,152	-	388,152
Community Service Program	54,598	23,489	14,251	63,836	-	63,836
Economic Development	60,866	-	5,318	55,548	80	55,628
Special Parks	2,081	125	-	2,206	-	2,206
Transient Guest Tax	-	37,241	37,241	-	-	-
Special Law Enforcement	8,295	170	1,500	6,965	-	6,965
Revolving Loan	139,557	20,486	-	160,043	-	160,043
Public Building Commission	68,963	67,963	67,963	68,963	-	68,963
Library Maintenance	22,728	-	-	22,728	-	22,728
Capital Improvement	1,550,860	450,000	491,243	1,509,617	-	1,509,617
Equipment Reserve	815,826	204,308	172,943	847,191	10,934	858,125
BOND AND INTEREST FUND						
Bond and Interest	250,998	607,918	627,218	231,698	-	231,698
CAPITAL PROJECTS	12,932	669,482	40,301	642,113	-	642,113
BUSINESS FUNDS						
Utilities	2,667,585	3,426,708	3,336,504	2,757,789	119,207	2,876,996
Utility Deposits	-	-	-	-	53,740	53,740
Utility Maintenance Reserve	1,319,979	110,650	232,070	1,198,559	6,150	1,204,709
Golf Course	99,096	549,355	548,611	99,840	9,363	109,203
Golf Course Maintenance Reserve	71,893	50,000	21,624	100,269	-	100,269
TOTAL PRIMARY GOVERNMENT	8,855,703	9,638,578	8,813,868	9,680,413	216,459	9,896,872
RELATED MUNICIPAL ENTITY						
Hesston Public Library	83,334	283,638	260,267	106,705	-	106,705
Hesston Land Bank	17,447	13,811	4,922	26,336	144	26,480
TOTAL REPORTING ENTITY	<u>\$ 8,956,484</u>	<u>\$ 9,936,027</u>	<u>\$ 9,079,057</u>	<u>\$ 9,813,454</u>	<u>\$ 216,603</u>	<u>\$ 10,030,057</u>

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

CITY OF HESSTON, KANSAS

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

For Year Ended December 31, 2018

Page 2 of 2

COMPOSITION OF CASH

Checking accounts	\$ 9,922,492
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Petty cash	860
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Related municipal entity	
Hesston Public Library	<u>106,705</u>

TOTAL COMPOSITION OF CASH	<u><u>\$ 10,030,057</u></u>
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The notes to the financial statement are an integral part of this statement.

CITY OF HESSTON, KANSAS
NOTES TO THE FINANCIAL STATEMENT
December 31, 2018

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Hesston, Kansas (the City), is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Hesston (the municipality) and its related municipal entities. The related municipal entities discussed below are included in the City's reporting entity because of their operational or financial relationship with the City:

Related Municipal Entities

The Hesston Public Library is governed by a board, all appointees of which are approved by the City Mayor. The library is not a separate taxing entity under Kansas statutes, and the City levies taxes for the library operation, which represents a significant portion of its total revenues. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City.

The Mayor and City Council function as the board of trustees of the Hesston Land Bank. The Land Bank is authorized to acquire, manage, and sell real property to provide for the effective reutilization of the property. The City may advance operating funds to the Land Bank for its operating expenses and may also dissolve the Land Bank.

Fund Accounting

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

Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

The following types of funds comprise the financial activities of the City for the year of 2018:

General Fund – to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are intended for specified purposes.

Capital Project Funds – to account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Bond and Interest Fund – to account for the accumulation of resources for the payment of interest and principal on long-term debt.

Business Funds – to account for operations financed in whole or in part by fees charged to users for goods and services.

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

The regulatory basis of accounting provisions in the Kansas Municipal Audit and Accounting Guide (KMAAG) 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 reporting the changes in unencumbered cash and investments of a fund resulting from the 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 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 municipality to use the regulatory basis of accounting.

Interest Income

Unless otherwise designated, all investment income is credited to the General Fund.

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Reimbursed Expenditures

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Related Party Transactions

A Council member is an owner of an insurance agency that provides insurance to the City for property, liability, and workers' compensation. Premiums for this insurance coverage are on terms equivalent to those that prevail in arm's-length transactions.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such amended budgets prepared for the year ended December 31, 2018.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received. 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 funds: Equipment Reserve Fund, Capital Improvement Fund, Building and Maintenance Reserve Funds, Revolving Loan Fund, Special Law Enforcement Fund, Public Building Commission Fund. Spending in funds, which are not subject to the legal annual operating budget requirement, are controlled by federal regulations, other statutes, or by the use of internal limits established by the governing body.

Taxes levied to finance the budget become a lien against all property November 1. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. These taxes are made available to the City after January 1 and are distributed by the County Treasurer generally in the months of January and June. Delinquent tax collections are distributed throughout the year.

NOTE 2—DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is used by all funds. Each fund's portion of this pool is displayed on the summary statement of receipts, expenditures, and unencumbered cash. The cash balances of certain funds are restricted as to their use.

K.S.A. 9-1401 established 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 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 Federal Deposit Insurance Corporation (FDIC) coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by FDIC 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.

At December 31, 2018, the carrying amount of the City's deposits was \$9,922,492. The bank balance was \$9,919,601. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining \$9,669,601 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

At December 31, 2018, the carrying amount of the related municipal entity's deposits, including certificates of deposit, was \$106,705. The bank balance was \$109,841, which was covered by FDIC insurance. The bank balance was held by one bank resulting in a concentration of credit risk.

NOTE 3—LONG-TERM DEBT

Terms for long-term debt for the City at December 31, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds and Public Building Commission Revenue Bonds				
Series 2009	3.00% to 4.85%	11/15/09	\$ 1,621,000	08/01/30
Series 2013	1.60% to 2.35%	02/15/13	1,875,000	08/01/26
Series 2014A	2.00% to 3.00%	07/01/14	2,180,000	09/01/26
Series 2016	2.00% to 3.00%	01/26/16	1,745,000	10/01/36
Public Building Commission				
Series 2010	1.50% to 4.75%	03/01/10	855,000	09/01/30
Capital Leases				
Land	5.15%	09/01/14	158,000	09/01/24
Golf carts	2.95%	02/12/16	239,200	02/15/21
Golf turf maintenance equipment	3.40%	12/01/16	197,100	12/01/22
KDHE Loan				
KWPCRF project #C20 1960 01	2.16%	03/05/13	3,327,705	03/01/34

Conduit Debt

The City has issued Industrial Revenue Bonds not directly obligated by the City. The total amount outstanding at December 31, 2018, was \$176,799,606 for the Industrial Revenue Bonds. These bonds do not constitute an indebtedness or pledge of the faith and credit of the City.

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation and Revenue Bonds					
Series 2009	\$ 1,260,000	\$ -	\$ 70,000	\$ 1,190,000	\$ 57,178
Series 2013	1,210,000	-	130,000	1,080,000	23,378
Series 2014A	1,795,000	-	180,000	1,615,000	43,312
Series 2016	1,695,000	-	80,000	1,615,000	43,350
Public Building Commission Series 2010	645,000	-	40,000	605,000	27,963
Capital Leases					
Land	119,263	-	14,554	104,709	5,955
Golf carts	155,594	-	47,576	108,018	3,950
Golf turf maintenance equipment	166,955	-	31,178	135,777	5,414
KDHE Loan					
KWPCRF project #C20 1960 01	2,625,536	-	129,337	2,496,199	56,017
Total Bonded Indebtedness	<u>\$ 9,672,348</u>	<u>\$ -</u>	<u>\$ 722,645</u>	<u>\$ 8,949,703</u>	<u>\$ 266,517</u>

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

	Principal			Interest			Total Principal and Interest
	G.O. and PBC Bonds	Capital Leases	KDHE Loan	G.O. and PBC Bonds	Capital Leases	KDHE Loan	
2019	\$ 525,000	\$ 96,559	\$ 132,146	\$ 183,169	\$ 12,068	\$ 53,208	\$ 1,002,150
2020	535,000	99,916	135,015	170,263	8,711	50,338	999,243
2021	550,000	60,005	137,948	157,182	5,684	47,406	958,225
2022	560,000	53,516	140,943	143,981	3,585	44,411	946,436
2023	575,000	18,766	144,004	129,992	1,743	41,350	910,855
2024-2028	2,285,000	19,742	768,310	399,853	766	158,459	3,632,130
2029-2033	840,000	-	855,439	101,645	-	71,330	1,868,414
2034-2036	235,000	-	182,394	14,250	-	2,960	434,604
	<u>\$ 6,105,000</u>	<u>\$ 348,504</u>	<u>\$ 2,496,199</u>	<u>\$ 1,300,335</u>	<u>\$ 32,557</u>	<u>\$ 469,462</u>	<u>\$ 10,752,057</u>

NOTE 4—REVOLVING LOANS

The City has a revolving loan fund to loan money to local businesses. Balances of note receivables at year end are as follows:

Date of Loan	Company	Original Loan Amount	Interest Rate	Original Terms in Years	Balance Due at 12/31/18
2013	Weaver Grocers, LLC	\$ 120,000	3.00%	10 Years	\$ 75,296
2012	Skoops, LLC	56,800	3.00%	10 Years	24,293
					<u>\$ 99,589</u>

NOTE 5—INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund	To Fund	Statutory Authority	Amount
Utilities	Capital Improvement	K.S.A. 12-825d	\$ 200,000
Utilities	Golf	K.S.A. 12-825d	80,000
Utilities	Utility Maintenance Reserve	K.S.A. 12-825d	100,000
Utilities	Golf Maintenance Reserve	K.S.A. 12-825d	50,000
Utilities	Emergency Services	K.S.A. 12-825d	50,000
Utilities	Bond and Interest	City ordinance	118,485
Special Highway	Bond and Interest	Bond payment	25,000
Capital Improvement	Capital Projects	K.S.A. 12-1,118	369,321
General	Equipment Reserve	K.S.A. 12-1,117	125,000
General	Capital Improvement	K.S.A. 12-1,118	250,000
General	Public Building Commission	K.S.A. 12-1,118	67,963
Emergency Services	Equipment Reserve	K.S.A. 12-1,117	75,000
General	Land Bank	K.S.A. 12-5902	10,000

NOTE 6—DEFERRED COMPENSATION PLAN

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. City contributions to the plan for 2018 were \$20,546.

NOTE 7—RISK MANAGEMENT

The City is subject to certain risks such as torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from third parties. There have been no significant reductions in insurance coverage from the prior year, and there have been no settled claims in excess of insurance coverage for the prior three years.

NOTE 8—CONCENTRATIONS

Two customers account for approximately 42.28% of the City's Utilities Fund revenue.

NOTE 9—DEFINED BENEFIT PENSION PLAN

Plan Description

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

Funding Policy

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 establishes the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, or 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.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate for KPERS was 8.39% for the year ended December 31, 2018. Contributions to the pension plan from the City for KPERS were \$165,630 for the year ended December 31, 2018.

Net Pension Liability

At December 31, 2018, KPERS has determined the City's proportionate share of the collective net pension liability for KPERS was \$1,383,239. The net pension liability was measured as of June 30, 2018, and the total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and nonemployer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under KMAAG does not recognize long-term debt, this liability is not reported in the 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 in the first paragraph above.

NOTE 10—OTHER LONG-TERM LIABILITIES

Compensated Absences

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 20 day's vacation and 120 days sick leave. Policies prohibit payment of vacation time in lieu of time off and all accumulated vacation pay is payable upon employment termination. Policy prohibits payment of unused sick pay upon termination by the City.

Other Post-Employment Benefits – Group Health Insurance

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability 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 was set at 1% for the year ended December 31, 2018.

NOTE 11—COMMITMENTS AND CONTINGENCIES

Commitments

At year end, the City was developing plans for improvements to the clubhouse at the golf course. The City received a donation of approximately \$300,000 for these improvements and has allocated City funds of \$200,000 for these improvements.

At year end, the City approved plans for remodeling the City offices, including relocating and renovating the City Council Chambers. The project's estimated budget was set at \$150,000.

Litigation

The City may sometimes be a defendant in various legal actions pending or in process concerning personal injury, workers' compensation claims, property damage, or other matters. The ultimate liability that might result from the final resolution of these matters is not presently determinable. The financial statement does not include accruals or provisions for loss contingencies that may result from these proceedings.

CITY OF HESSTON, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS (ACTUAL AND BUDGET)
 (BUDGETED FUNDS ONLY)
 For Year Ended December 31, 2018

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General	\$ 3,224,353	\$ -	\$ 3,224,353	\$ 2,325,518	\$ (898,835)
Library	217,609	161,471	379,080	379,085	5
Special Highway	309,504	-	309,504	100,061	(209,443)
Emergency Services	514,141	-	514,141	412,417	(101,724)
Fire Equipment	390,219	-	390,219	-	(390,219)
Community Service Program	72,611	-	72,611	14,251	(58,360)
Economic Development	77,616	-	77,616	5,318	(72,298)
Special Parks	1,562	-	1,562	-	(1,562)
Transient Guest Tax	42,500	-	42,500	37,241	(5,259)
Bond and Interest	833,977	-	833,977	627,218	(206,759)
Utilities	6,393,434	1,227	6,394,661	3,336,504	(3,058,157)
Golf Course	740,299	2,659	742,958	548,611	(194,347)

CITY OF HESSTON, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Taxes			
Ad valorem property tax	\$ 821,600	\$ 810,261	\$ 11,339
Delinquent tax	8,189	5,000	3,189
Motor vehicle tax	108,087	101,215	6,872
Recreational vehicle tax	826	688	138
16/20M vehicle tax	214	192	22
Watercraft tax	-	422	(422)
Commercial vehicle registration fees	-	6,946	(6,946)
Sales tax	651,348	650,000	1,348
Local alcohol liquor tax	125	450	(325)
Total taxes	<u>1,590,389</u>	<u>1,575,174</u>	<u>15,215</u>
Licenses, fees, and permits			
Utility franchise tax	416,139	412,000	4,139
Miscellaneous permits and licenses	24,092	7,000	17,092
Total licenses, fees, and permits	<u>440,231</u>	<u>419,000</u>	<u>21,231</u>
Other receipts			
Fines, forfeitures, and penalties	40,337	43,200	(2,863)
Fees	-	17,575	(17,575)
Lease revenues	60,274	62,155	(1,881)
In lieu of taxes	-	-	-
Interest on idle funds	176,314	50,000	126,314
Reimbursements	66,215	51,800	14,415
Grants	-	-	-
Miscellaneous	11,683	20,000	(8,317)
Operating transfers in	-	50,000	(50,000)
Total other receipts	<u>354,823</u>	<u>294,730</u>	<u>60,093</u>
TOTAL RECEIPTS	<u>2,385,443</u>	<u>\$ 2,288,904</u>	<u>\$ 96,539</u>
EXPENDITURES			
General government			
General administration	159,011	\$ 145,733	\$ 13,278
Legal service and engineering	70,545	35,000	35,545
Audit	16,900	17,250	(350)
Total general government	<u>246,456</u>	<u>197,983</u>	<u>48,473</u>
Public safety			
Police	768,618	792,553	(23,935)
Fire	168,525	174,093	(5,568)
Municipal Court	40,446	45,150	(4,704)
Total public safety	<u>977,589</u>	<u>1,011,796</u>	<u>(34,207)</u>

CITY OF HESSTON, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
EXPENDITURES (CONTINUED)			
Highways and streets			
Streets	\$ 330,399	\$ 366,187	\$ (35,788)
Street lighting	55,292	59,000	(3,708)
Total highways and streets	<u>385,691</u>	<u>425,187</u>	<u>(39,496)</u>
Culture and recreation			
Park	175,267	245,345	(70,078)
Cemetery	39	1,000	(961)
Tree board	2,156	3,250	(1,094)
Employee functions	6,524	5,000	1,524
Total culture and recreation	<u>183,986</u>	<u>254,595</u>	<u>(70,609)</u>
Economic development			
Harvey County EDC	34,920	34,900	20
Community development	12,237	10,000	2,237
Chamber of Commerce	197	-	197
Restaurant building expense	10,970	10,000	970
Lease/purchase industrial park	20,509	20,509	-
Total economic development	<u>78,833</u>	<u>75,409</u>	<u>3,424</u>
Capital improvements	<u>-</u>	<u>1,016,420</u>	<u>(1,016,420)</u>
Operating transfers out	<u>452,963</u>	<u>242,963</u>	<u>210,000</u>
TOTAL EXPENDITURES	<u>2,325,518</u>	<u>\$ 3,224,353</u>	<u>\$ (898,835)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	59,925		
UNENCUMBERED CASH, BEGINNING	<u>996,510</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,056,435</u>		

CITY OF HESSTON, KANSAS

LIBRARY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 191,540	\$ 188,850	\$ 2,690
Delinquent tax	1,988	1,000	988
Motor vehicle tax	25,406	23,792	1,614
Recreational vehicle tax	194	162	32
16/20M vehicle tax	54	45	9
Commercial vehicle registration fees	-	1,633	(1,633)
Watercraft tax	-	99	(99)
Reimbursements	161,471	-	161,471
TOTAL RECEIPTS	380,653	\$ 215,581	\$ 165,072
EXPENDITURES			
Appropriations to library board	217,509	\$ 217,609	\$ (100)
Payroll and insurance	161,576	-	161,576
	379,085	217,609	161,476
Adjustment for qualifying budget credit	-	161,471	(161,471)
TOTAL EXPENDITURES	379,085	\$ 379,080	\$ 5
RECEIPTS OVER (UNDER) EXPENDITURES	1,568		
UNENCUMBERED CASH, BEGINNING	1,000		
UNENCUMBERED CASH, ENDING	\$ 2,568		

CITY OF HESSTON, KANSAS

SPECIAL HIGHWAY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
State payments	\$ 103,181	\$ 99,460	\$ 3,721
Reimbursements	40,692	-	40,692
TOTAL RECEIPTS	143,873	\$ 99,460	\$ 44,413
EXPENDITURES			
Service contracts	1,439	\$ -	\$ 1,439
Paving and materials	26,590	15,000	11,590
Street improvements	1,702	246,504	(244,802)
Sidewalk improvements	4,638	23,000	(18,362)
Reimbursed expense	40,692	-	40,692
Operating transfers out	25,000	25,000	-
TOTAL EXPENDITURES	100,061	\$ 309,504	\$ (209,443)
RECEIPTS OVER (UNDER) EXPENDITURES	43,812		
UNENCUMBERED CASH, BEGINNING	316,628		
UNENCUMBERED CASH, ENDING	\$ 360,440		

CITY OF HESSTON, KANSAS

EMERGENCY SERVICES FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Intergovernmental	\$ 131,560	\$ 120,000	\$ 11,560
Charges for services	208,550	230,000	(21,450)
Reimbursements	3,811	-	3,811
Miscellaneous	4,845	1,625	3,220
Operating transfers in	50,000	50,000	-
TOTAL RECEIPTS	398,766	\$ 401,625	\$ (2,859)
EXPENDITURES			
Personal services	260,310	\$ 277,285	\$ (16,975)
Contractual services	47,435	48,700	(1,265)
Commodities	25,686	35,600	(9,914)
Capital outlay	1,556	112,556	(111,000)
Reimbursed expense	2,430	-	2,430
Operating transfers out	75,000	40,000	35,000
TOTAL EXPENDITURES	412,417	\$ 514,141	\$ (101,724)
RECEIPTS OVER (UNDER) EXPENDITURES	(13,651)		
UNENCUMBERED CASH, BEGINNING	119,104		
UNENCUMBERED CASH, ENDING	\$ 105,453		

CITY OF HESSTON, KANSAS

FIRE EQUIPMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 46,019	\$ 45,355	\$ 664
Delinquent tax	475	250	225
Motor vehicle tax	6,050	5,665	385
Recreational vehicle tax	46	38	8
16/20M vehicle tax	13	11	2
Commercial vehicle registration fees	-	389	(389)
Watercraft tax	-	24	(24)
Service agreements	59,345	59,345	-
TOTAL RECEIPTS	111,948	\$ 111,077	\$ 871
EXPENDITURES			
Capital expenditures	-	\$ 390,219	\$ (390,219)
RECEIPTS OVER (UNDER) EXPENDITURES	111,948		
UNENCUMBERED CASH, BEGINNING	276,204		
UNENCUMBERED CASH, ENDING	\$ 388,152		

CITY OF HESSTON, KANSAS

COMMUNITY SERVICE PROGRAM FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 20,552	\$ 20,238	\$ 314
Delinquent tax	210	150	60
Motor vehicle tax	2,700	2,530	170
Recreational vehicle tax	21	17	4
16/20M vehicle tax	6	5	1
Commercial vehicle registration fees	-	174	(174)
Watercraft tax	-	11	(11)
TOTAL RECEIPTS	23,489	<u>\$ 23,125</u>	<u>\$ 364</u>
EXPENDITURES			
Community service grants	14,251	<u>\$ 72,611</u>	<u>\$ (58,360)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	9,238		
UNENCUMBERED CASH, BEGINNING	<u>54,598</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 63,836</u>		

CITY OF HESSTON, KANSAS

ECONOMIC DEVELOPMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Operating transfers in	\$ -	\$ -	\$ -
EXPENDITURES			
Contractual services	4,358	\$ 14,500	\$ (10,142)
Commodities	960	2,500	(1,540)
Capital outlay	-	60,616	(60,616)
TOTAL EXPENDITURES	5,318	\$ 77,616	\$ (72,298)
RECEIPTS OVER (UNDER) EXPENDITURES	(5,318)		
UNENCUMBERED CASH, BEGINNING	60,866		
UNENCUMBERED CASH, ENDING	\$ 55,548		

CITY OF HESSTON, KANSAS

SPECIAL PARKS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Local alcohol liquor tax	\$ 125	<u>\$ 500</u>	<u>\$ (375)</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>\$ 1,562</u>	<u>\$ (1,562)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	125		
UNENCUMBERED CASH, BEGINNING	<u>2,081</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,206</u>		

CITY OF HESSTON, KANSAS

TRANSIENT GUEST TAX FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Transient guest tax	\$ 37,241	<u>\$ 42,500</u>	<u>\$ (5,259)</u>
EXPENDITURES			
Transient guest tax appropriations	<u>37,241</u>	<u>\$ 42,500</u>	<u>\$ (5,259)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	<u>-</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

CITY OF HESSTON, KANSAS

BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Ad valorem property tax	\$ 64,626	\$ 63,705	\$ 921
Delinquent tax	688	750	(62)
Motor vehicle tax	8,498	7,956	542
Recreational vehicle tax	65	54	11
16/20M vehicle tax	18	15	3
Commercial vehicle registration fees	-	546	(546)
Watercraft tax	-	33	(33)
Special assessments	390,538	411,453	(20,915)
Operating transfers in	143,485	143,485	-
TOTAL RECEIPTS	607,918	\$ 627,997	\$ (20,079)
EXPENDITURES			
Bond principal	460,000	\$ 460,000	\$ -
Interest coupons	167,218	167,218	-
Cash basis reserve	-	206,759	(206,759)
TOTAL EXPENDITURES	627,218	\$ 833,977	\$ (206,759)
RECEIPTS OVER (UNDER) EXPENDITURES	(19,300)		
UNENCUMBERED CASH, BEGINNING	250,998		
UNENCUMBERED CASH, ENDING	\$ 231,698		

CITY OF HESSTON, KANSAS

UTILITIES FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Charges for service	\$ 3,399,459	\$ 3,758,500	\$ (359,041)
Connection fees	4,491	5,000	(509)
Reimbursements	1,227	-	1,227
Miscellaneous	21,531	25,500	(3,969)
TOTAL RECEIPTS	<u>3,426,708</u>	<u>\$ 3,789,000</u>	<u>\$ (362,292)</u>
EXPENDITURES			
Personal services	802,076	\$ 804,300	\$ (2,224)
Contractual services	503,263	490,375	12,888
Commodities	1,226,863	1,482,600	(255,737)
Capital outlay	197,878	2,917,674	(2,719,796)
Reimbursed expense	7,939	-	7,939
Operating transfers out	598,485	698,485	(100,000)
	3,336,504	6,393,434	(3,056,930)
Adjustment for qualifying budget credit	<u>-</u>	<u>1,227</u>	<u>(1,227)</u>
TOTAL EXPENDITURES	<u>3,336,504</u>	<u>\$ 6,394,661</u>	<u>\$ (3,058,157)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	90,204		
UNENCUMBERED CASH, BEGINNING	<u>2,667,585</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,757,789</u>		

CITY OF HESSTON, KANSAS

GOLF COURSE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2018

Schedule 2
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	2018		Variance Over (Under)
	Actual	Budget	
RECEIPTS			
Golf fees	\$ 346,247	\$ 375,741	\$ (29,494)
Concessions and shop sales	118,372	129,437	(11,065)
Reimbursements	2,659	-	2,659
Miscellaneous	2,077	5,333	(3,256)
Transfers from other funds	80,000	92,000	(12,000)
TOTAL RECEIPTS	549,355	\$ 602,511	\$ (53,156)
EXPENDITURES			
Personal services	243,146	\$ 268,905	\$ (25,759)
Contractual services	80,879	87,464	(6,585)
Commodities	133,719	164,750	(31,031)
Capital outlay	89,449	219,180	(129,731)
Reimbursed expense	1,418	-	1,418
	548,611	740,299	(191,688)
Adjustment for qualifying budget credit	-	2,659	(2,659)
TOTAL EXPENDITURES	548,611	\$ 742,958	\$ (194,347)
RECEIPTS OVER (UNDER) EXPENDITURES	744		
UNENCUMBERED CASH, BEGINNING	99,096		
UNENCUMBERED CASH, ENDING	\$ 99,840		

CITY OF HESSTON, KANSAS
 SPECIAL PURPOSE NONBUDGETED FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2018

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	Special Law Enforcement	Revolving Loan	Public Building Commission	Library Maintenance	Capital Improvement	Equipment Reserve
RECEIPTS						
Forfeitures	\$ 170	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	4,308
Loan payments	-	20,486	-	-	-	-
Operating transfers in	-	-	67,963	-	450,000	200,000
TOTAL RECEIPTS	170	20,486	67,963	-	450,000	204,308
EXPENDITURES						
Capital outlay	1,500	-	-	-	121,922	172,943
Loan advances	-	-	-	-	-	-
Debt service	-	-	67,963	-	-	-
Operating transfers out	-	-	-	-	369,321	-
TOTAL EXPENDITURES	1,500	-	67,963	-	491,243	172,943
RECEIPTS OVER (UNDER) EXPENDITURES	(1,330)	20,486	-	-	(41,243)	31,365
UNENCUMBERED CASH, BEGINNING	8,295	139,557	68,963	22,728	1,550,860	815,826
UNENCUMBERED CASH, ENDING	<u>\$ 6,965</u>	<u>\$ 160,043</u>	<u>\$ 68,963</u>	<u>\$ 22,728</u>	<u>\$ 1,509,617</u>	<u>\$ 847,191</u>

CITY OF HESSTON, KANSAS

CAPITAL PROJECTS NONBUDGETED FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2018

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	Golf Clubhouse Improvements	Council Chamber Remodel	Mobile Home Park	Total
RECEIPTS				
Donations	\$ 293,995	\$ -	\$ -	\$ 293,995
Rentals	-	-	6,166	6,166
Operating transfers in	200,000	150,000	19,321	369,321
TOTAL RECEIPTS	493,995	150,000	25,487	669,482
EXPENDITURES				
Contractual services	-	1,257	35,169	36,426
Capital outlay	-	625	3,250	3,875
TOTAL EXPENDITURES	-	1,882	38,419	40,301
RECEIPTS OVER (UNDER) EXPENDITURES	493,995	148,118	(12,932)	629,181
UNENCUMBERED CASH, BEGINNING	-	-	12,932	12,932
UNENCUMBERED CASH, ENDING	<u>\$ 493,995</u>	<u>\$ 148,118</u>	<u>\$ -</u>	<u>\$ 642,113</u>

CITY OF HESSTON, KANSAS

BUSINESS NONBUDGETED FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2018

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	Utility Maintenance Reserve	Golf Course Maintenance Reserve
	<u> </u>	<u> </u>
RECEIPTS		
Reimbursements	\$ -	\$ -
Miscellaneous	10,650	-
Operating transfers in	100,000	50,000
	<u> </u>	<u> </u>
TOTAL RECEIPTS	110,650	50,000
	<u> </u>	<u> </u>
EXPENDITURES		
Maintenance	87,691	2,251
Equipment	144,379	19,373
Reimbursements	-	-
	<u> </u>	<u> </u>
TOTAL EXPENDITURES	232,070	21,624
	<u> </u>	<u> </u>
RECEIPTS OVER (UNDER) EXPENDITURES	(121,420)	28,376
UNENCUMBERED CASH, BEGINNING	1,319,979	71,893
	<u> </u>	<u> </u>
UNENCUMBERED CASH, ENDING	<u>\$ 1,198,559</u>	<u>\$ 100,269</u>

CITY OF HESSTON, KANSAS

HESSTON PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2018

	Schedule 3
	<u>Actual</u>
RECEIPTS	
City appropriations	\$ 222,988
SCKLS	30,014
Grants	4,592
Fines	6,117
Donations	14,056
Miscellaneous	5,678
Interest	<u>193</u>
TOTAL RECEIPTS	<u>283,638</u>
EXPENDITURES	
Buildings	10,939
Books and collection	35,948
Operations	15,289
Payroll	156,351
Program	6,878
Technology	20,993
Utilities	13,431
Miscellaneous	<u>438</u>
TOTAL EXPENDITURES	<u>260,267</u>
RECEIPTS OVER (UNDER) EXPENDITURES	23,371
UNENCUMBERED CASH, BEGINNING	<u>83,334</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 106,705</u></u>

CITY OF HESSTON, KANSAS

HESSTON LAND BANK - RELATED MUNICIPAL ENTITY
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 For Year Ended December 31, 2018

	Schedule 3
	<u>Actual</u>
RECEIPTS	
City appropriations	\$ 10,000
Land sales	<u>3,811</u>
TOTAL RECEIPTS	<u>13,811</u>
EXPENDITURES	
Legal fees	414
Special assessments	4,085
Miscellaneous	<u>423</u>
TOTAL EXPENDITURES	<u>4,922</u>
RECEIPTS OVER (UNDER) EXPENDITURES	8,889
UNENCUMBERED CASH, BEGINNING	<u>17,447</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 26,336</u></u>