

THE CITY OF DIGHTON, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2018

**CITY OF DIGHTON, KANSAS
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Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Dighton, Kansas 67839

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash of the City of Dighton, 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting

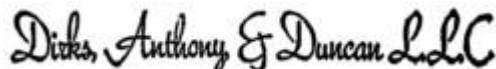
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Dighton as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Dighton, Kansas as of and for the year ended December 31, 2017, and have issued our reported thereon dated June 11, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for the purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.



DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

June 20, 2019

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
<u>General Fund:</u>						
General Fund	\$ 266,520	\$ 735,600	\$ 580,263	\$ 421,857	\$ 11,096	\$ 432,953
<u>Special Purpose Funds:</u>						
Employee Benefits Fund	121,106	148,738	153,380	116,464	66	116,530
Special Highway Fund	38,463	25,759	26,801	37,421	-	37,421
Special Parks Fund	20,661	11,416	10,084	21,993	180	22,173
Equipment Reserve Fund	194,789	53,000	122,617	125,172	-	125,172
Fire Department Fund	4,461	-	35	4,426	-	4,426
Economic Development Fund	50,000	-	-	50,000	-	50,000
<u>Bond and Interest Fund:</u>						
Bond & Interest Fund	198,873	138,211	250,793	86,291	-	86,291
<u>Capital Projects Fund:</u>						
Capital Pharmacy Building Fund	8,860	27,563	3,145	33,278	-	33,278
<u>Business Funds:</u>						
Electric Utility Fund	1,125,582	1,433,768	1,146,159	1,413,191	62,411	1,475,602
Water Utility Fund	333,865	227,184	300,379	260,670	5,060	265,730
Trash Utility Fund	20,056	96,556	93,569	23,043	7,680	30,723
Sewer Utility Fund	78,322	81,358	83,749	75,931	196	76,127
 Total Reporting Entity (Excluding Agency Funds)	 \$ 2,461,558	 \$ 2,979,153	 \$ 2,770,974	 \$ 2,669,737	 \$ 86,689	 \$ 2,756,426
 Composition of Cash:						
				First National Bank		
				Cash in Checking		2,151,723
				Aflac Flex Checking		1,236
				Municipal Court Checking		385
				Dighton Fire Department		4,426
				Money Market		122,806
				Petty Cash		300
				Time Deposits		500,000
				Total Cash		2,780,876
				Less: Agency Fund per Schedule 3		(24,450)
				Total Reporting Entity (Excluding Agency Fund)		\$ 2,756,426

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

THE CITY OF DIGHTON, KANSAS

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

The City of Dighton is a municipal corporation governed by an elected mayor and an elected five-member council. This financial statement presents the City of Dighton (the City) and its related municipal entities. The related municipal entities are not included in the City's reporting entity because, though they were established to benefit the City and/or its constituents, the City did not elect to include the related municipal entity in its audit report.

Related Municipal Entity

The City appoints the board of the housing authority.

1. *The City of Dighton Housing Authority* – the City of Dighton Housing Authority Board has oversight responsibility and operates the Housing Authority. The Housing Authority Board is appointed by the mayor of the City of Dighton. Complete financial records of the Housing Authority may be viewed at the administrative offices of the entity at 600 W Annabella, Dighton, KS 67839.

b) Regulatory Basis Fund Types

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific 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.

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

Business 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.)

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.).

c) 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 regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

d) Budgetary Information

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

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

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

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

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

A legal operating budget is not required for Capital Project Funds, Trust Funds, Agency Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration and Interpretation by legal repetition of the Municipality.

The City did not reissue/void checks that were outstanding over two years, as described by K.S.A. 10-816.

No other statute violations were noted for the year ending December 31, 2018.

NOTE 3 – DEPOSITS AND INVESTMENTS

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

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

NOTE 3 – DEPOSITS AND INVESTMENTS (CONT.)

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

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

Custodial Credit Risk- Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the carrying amount of the City's deposits, including certificates of deposit, was \$2,780,876 and the bank balance was \$2,788,390. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$2,538,390 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 4 – INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Electric Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	\$20,000
Electric Utility Fund	General Fund	K.S.A. 12-825d	65,000
Water Utility Fund	Special Parks Fund	K.S.A. 12-825d	10,000
Water Utility Fund	General Fund	K.S.A. 12-825d	65,000
Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	33,000

NOTE 5 – DEFINED BENEFIT PENSION PLAN

General Information about the 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 the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or before 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 contribution are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

NOTE 5 – DEFINED BENEFIT PENSION PLAN (CONT.)

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 the City were \$23,361 for the year ended December 31, 2018.

Net Pension Liability

At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$212,260. 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's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contribution 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 www.kpers.org or can be obtained as described above.

NOTE 6 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

a) Other Post-Employment Benefits

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

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

b) Death and Disability Other Post-Employment Benefit

As provided by K.S.A. 74-4927, disable 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 payment. The employer contribution rate is set at 1% for the year ended December 31, 2018.

c) Other Employee Benefits

Vacation Leave. Vacation leave is accrued at the rate of 5 days per year with 1 year of employment, 10 days with 2 to 9 years, and 15 days with 10 or more years. Vacation days can be accrued up to five days. Employees are paid for a maximum of 5 days at year-end for any unused accumulated vacation days. Any amount over 5 days is lost. Upon termination, employees will be paid for any accumulated days, not to exceed 5 days.

Sick Leave. Sick days accrue at the rate of 1 day per month. Employees may accrue up to 90 days, and employees are paid for one-third of their accumulated sick leave upon retirement or termination. The amounts for the years ending December 31, 2018 for compensated absences and associated employee benefits are \$10,892 and \$833.

Temporary employees are not eligible for vacation leave. Permanent part-time employees are entitled to leave in proportion to the number of hours worked.

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

NOTE 7 – LONG-TERM DEBT

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2015	2.0 - 4.0%	4/1/2015	\$ 1,640,000	9/1/2035	\$ 1,575,000	\$ -	\$ 70,000	\$ 1,505,000	\$ 51,656
Series 2011-A	1.55 - 3.65%	12/1/2011	\$ 225,000	12/1/2022	125,000	-	125,000	-	4,138
Capital Lease:									
JD Loader	3.25%	7/15/2016	\$ 160,316	8/15/2021	118,335	-	118,335	-	4,283
Total Long-Term Debt					\$ 1,818,335	\$ -	\$ 313,335	\$ 1,505,000	\$ 60,076

Current maturities of long-term debt and interest for the next years through maturity are as follow:
Year

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023-27</u>	<u>2028-32</u>	<u>2033-35</u>	<u>Total</u>
<u>Principal:</u>								
General Obligation Bonds:								
Series 2015	\$ 70,000	\$ 70,000	\$ 75,000	\$ 75,000	\$ 410,000	\$ 475,000	\$ 330,000	\$ 1,505,000
<u>Interest:</u>								
General Obligation Bonds:								
Series 2015	50,255	48,155	46,055	44,368	192,450	123,300	26,800	531,383
Total Principal and Interest	\$ 120,255	\$ 118,155	\$ 121,055	\$ 119,368	\$ 602,450	\$ 598,300	\$ 356,800	\$ 2,036,383

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

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

THE CITY OF DIGHTON, KANSAS

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

THE CITY OF DIGHTON, KANSAS

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CITY OF DIGHTON, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
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)
<u>General Fund:</u>					
General Fund	\$ 827,027	\$ -	\$ 827,027	\$ 580,263	\$ (246,764)
<u>Special Purpose Funds:</u>					
Employee Benefits Fund	181,500	-	181,500	153,380	(28,120)
Special Highway Fund	50,104	-	50,104	26,801	(23,303)
Special Parks Fund	33,435	-	33,435	10,084	(23,351)
<u>Bond and Interest Fund:</u>					
Bond & Interest Fund	300,793	-	300,793	250,793	(50,000)
<u>Business Funds:</u>					
Electric Utility Fund	2,398,588	-	2,398,588	1,146,159	(1,252,429)
Water Utility Fund	534,090	-	534,090	300,379	(233,711)
Trash Utility Fund	112,411	-	112,411	93,569	(18,842)
Sewer Utility Fund	200,937	-	200,937	83,749	(117,188)

CITY OF DIGHTON, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	Over
Receipts	Actual			(Under)
Taxes				
Ad Valorem Property Tax	\$ 195,396	\$ 159,836	168,776	\$ (8,940)
Motor Vehicle & Recreational Vehicle Tax	37,547	34,266	44,385	(10,119)
Back Taxes	3,270	4,934	-	4,934
Redemption Tax	397	-	-	-
Total Taxes	<u>236,610</u>	<u>199,036</u>	<u>213,161</u>	<u>(14,125)</u>
Intergovernmental Revenue				
Liquor Tax	1,250	1,416	2,000	(584)
Compensating Use Tax	15,687	22,445	23,000	(555)
Local Sales Tax	98,332	109,822	110,000	(178)
Total Intergovernmental Revenue	<u>115,269</u>	<u>133,683</u>	<u>135,000</u>	<u>(1,317)</u>
Fines, Permits and Licenses				
Franchise Tax	12,575	12,118	15,000	(2,882)
Court Revenue	9,589	19,042	4,000	15,042
Fines, Permits and Licenses	11,991	24,335	8,000	16,335
Swimming Pool	10,541	9,927	11,000	(1,073)
Total Fines, Permits and Licenses	<u>44,696</u>	<u>65,422</u>	<u>38,000</u>	<u>27,422</u>
Interest Income	1,948	5,081	1,500	3,581
Reimbursements	11,120	7,439	500	6,939
Federal Aid - Emergency Preparedness	17,364	-	-	-
State Aid - Disaster Relief	2,116	-	-	-
Federal Aid - Dept of Transportation	12,000	-	-	-
Pharmacy	8,750	-	-	-
Miscellaneous - Fire Department	-	167,215	-	167,215
Miscellaneous	954	27,724	15,000	12,724
Transfers In	-	130,000	130,000	-
Total Receipts	<u>450,827</u>	<u>735,600</u>	<u>\$ 533,161</u>	<u>\$ 202,439</u>
Expenditures				
General Government				
Personal Services	\$ 112,300	\$ 113,151	\$ 115,000	\$ (1,849)
Contractual Services	27,939	16,582	25,000	(8,418)
Commodities	3,479	3,271	10,000	(6,729)
Capital Outlay	-	-	94,527	(94,527)
Miscellaneous	171	10,609	5,000	5,609
Total Personal Services	<u>143,889</u>	<u>143,613</u>	<u>249,527</u>	<u>(105,914)</u>
Beautification/Improvement				
Contractual Services	2,224	2,076	7,500	(5,424)
Commodities	2,048	1,694	7,500	(5,806)
Capital Outlay	-	7,448	30,000	(22,552)
Total Beautification/Improvement	<u>4,272</u>	<u>11,218</u>	<u>45,000</u>	<u>(33,782)</u>

CITY OF DIGHTON, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)
	2017 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Street Department				
Personal Services	\$ 32,676	\$ 31,503	\$ 50,000	\$ (18,497)
Contractual Services	15,109	28,759	30,000	(1,241)
Commodities	23,601	27,288	40,000	(12,712)
Capital Outlay	<u>91,016</u>	<u>53,561</u>	<u>75,000</u>	<u>(21,439)</u>
Total Street Department	<u>162,402</u>	<u>141,111</u>	<u>195,000</u>	<u>(53,889)</u>
Fire Department				
Personal Services	10,342	7,720	10,000	(2,280)
Contractual Services	14,195	12,744	25,000	(12,256)
Commodities	3,720	2,016	5,000	(2,984)
Capital Outlay	<u>1,934</u>	<u>5,624</u>	<u>15,000</u>	<u>(9,376)</u>
Total Fire Department	<u>30,191</u>	<u>28,104</u>	<u>55,000</u>	<u>(26,896)</u>
Pool				
Personal Services	18,978	19,791	25,000	(5,209)
Contractual Services	5,440	7,186	7,500	(314)
Commodities	6,857	12,454	15,000	(2,546)
Capital Outlay	<u>26,524</u>	<u>10,950</u>	<u>50,000</u>	<u>(39,050)</u>
Total Pool	<u>57,799</u>	<u>50,381</u>	<u>97,500</u>	<u>(47,119)</u>
Municipal Court				
Personal Services	5,400	5,400	7,500	(2,100)
Contractual Services	1,186	1,190	2,500	(1,310)
Commodities	27	173	2,500	(2,327)
Court Expense	<u>8,497</u>	<u>20,292</u>	<u>7,500</u>	<u>12,792</u>
Total Municipal Court	<u>15,110</u>	<u>27,055</u>	<u>20,000</u>	<u>7,055</u>
Police Department - Contractual	165,000	165,000	165,000	-
Pharmacy Rent Paid to Lane County	<u>10,500</u>	<u>13,781</u>	<u>-</u>	<u>13,781</u>
Total Expenditures	<u>589,163</u>	<u>580,263</u>	<u>\$ 827,027</u>	<u>(246,764)</u>
Receipts Over (Under) Expenditures	(138,336)	155,337		<u>\$ 449,203</u>
Unencumbered Cash, Beginning	<u>404,856</u>	<u>266,520</u>		
Unencumbered Cash, Ending	<u>\$ 266,520</u>	<u>\$ 421,857</u>		

CITY OF DIGHTON, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	Over
	<u>Actual</u>			<u>(Under)</u>
Receipts				
Taxes				
Ad Valorem Property Taxes	\$ 49,938	\$ 90,604	\$ 95,714	\$ (5,110)
Back Taxes	1,667	2,676	-	2,676
Motor and Recreation Vehicle Tax	46,451	50,213	11,359	38,854
Miscellaneous	<u>3,960</u>	<u>5,245</u>	<u>1,000</u>	<u>4,245</u>
Total Receipts	<u>102,016</u>	<u>148,738</u>	<u>\$ 108,073</u>	<u>\$ 40,665</u>
Expenditures				
Social Security	29,371	25,999	33,000	(7,001)
KPERS	16,401	23,361	40,000	(16,639)
Department of Human Resources	273	275	500	(225)
Employee Health Insurance/Cafeteria Plan	69,874	84,935	85,000	(65)
Contractual Services	15,799	15,981	20,000	(4,019)
Miscellaneous	<u>2,743</u>	<u>2,829</u>	<u>3,000</u>	<u>(171)</u>
Total Expenditures	<u>134,461</u>	<u>153,380</u>	<u>\$ 181,500</u>	<u>(28,120)</u>
Receipts Over (Under) Expenditures	(32,445)	(4,642)		<u>\$ 68,785</u>
Unencumbered Cash, Beginning	<u>153,551</u>	<u>121,106</u>		
Unencumbered Cash, Ending	<u>\$ 121,106</u>	<u>\$ 116,464</u>		

CITY OF DIGHTON, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		Variance Over (Under)
	<u>2017 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
State of Kansas	\$ 26,123	\$ 25,759	\$ 26,640	\$ (881)
Total Receipts	<u>26,123</u>	<u>25,759</u>	<u>\$ 26,640</u>	<u>\$ (881)</u>
Expenditures				
Personal Services	10,761	11,606	15,000	(3,394)
Contractual Service	2,043	2,129	7,500	(5,371)
Commodities	4,570	13,066	25,000	(11,934)
Capital Outlay	<u>-</u>	<u>-</u>	<u>2,604</u>	<u>(2,604)</u>
Total Expenditures	<u>17,374</u>	<u>26,801</u>	<u>\$ 50,104</u>	<u>(23,303)</u>
Receipts Over (Under) Expenditures	8,749	(1,042)		<u>\$ 22,422</u>
Unencumbered Cash, Beginning	<u>29,714</u>	<u>38,463</u>		
Unencumbered Cash, Ending	<u>\$ 38,463</u>	<u>\$ 37,421</u>		

CITY OF DIGHTON, KANSAS
Special Parks Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		Variance Over (Under)
	<u>2017 Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Liquor Tax	\$ 1,250	\$ 1,416	\$ -	\$ 1,416
Transfer from Water	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Receipts	<u>11,250</u>	<u>11,416</u>	<u>\$ 10,000</u>	<u>\$ 1,416</u>
Expenditures				
Personal Services	1,727	709	2,000	(1,291)
Contractual Services	2,658	2,270	5,000	(2,730)
Commodities	5,906	7,105	10,000	(2,895)
Capital Outlay	<u>4,985</u>	<u>-</u>	<u>16,435</u>	<u>(16,435)</u>
Total Expenditures	<u>15,276</u>	<u>10,084</u>	<u>\$ 33,435</u>	<u>(23,351)</u>
Receipts Over (Under) Expenditures	(4,026)	1,332		<u>\$ 24,767</u>
Unencumbered Cash, Beginning	<u>24,687</u>	<u>20,661</u>		
Unencumbered Cash, Ending	<u>\$ 20,661</u>	<u>\$ 21,993</u>		

CITY OF DIGHTON, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Receipts		
Transfer from Electric & Sewer	\$ 53,000	\$ 53,000
Total Receipts	<u>53,000</u>	<u>53,000</u>
Expenditures		
Lease Payments	<u>32,063</u>	<u>122,617</u>
Total Expenditures	<u>32,063</u>	<u>122,617</u>
Receipts Over (Under) Expenditures	20,937	(69,617)
Unencumbered Cash, Beginning	<u>173,852</u>	<u>194,789</u>
Unencumbered Cash, Ending	<u>\$ 194,789</u>	<u>\$ 125,172</u>

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CITY OF DIGHTON, KANSAS
 Fire Department Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Receipts		
Donation Income	\$ 50	\$ -
Total Receipts	<u> 50</u>	<u> -</u>
Expenditures		
Commodities	<u> -</u>	<u> 35</u>
Total Expenditures	<u> -</u>	<u> 35</u>
Receipts Over (Under) Expenditures	50	(35)
Unencumbered Cash, Beginning	<u> 4,411</u>	<u> 4,461</u>
Unencumbered Cash, Ending	<u>\$ 4,461</u>	<u>\$ 4,426</u>

CITY OF DIGHTON, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Receipts		
Transfer from General Fund	\$ -	\$ -
Total Receipts	<u> -</u>	<u> -</u>
Expenditures		
Appropriation to Board	<u> -</u>	<u> -</u>
Total Expenditures	<u> -</u>	<u> -</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u> 50,000</u>	<u> 50,000</u>
Unencumbered Cash, Ending	<u><u> 50,000</u></u>	<u><u> 50,000</u></u>

CITY OF DIGHTON, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		Variance
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	Over
	<u>Actual</u>			(Under)
Receipts				
Ad Valorem Property Taxes	\$ 245,284	\$ 133,347	\$ 140,749	\$ (7,402)
Back Taxes	2,838	3,780	-	3,780
Motor Vehicle and Recreational Tax	<u>981</u>	<u>1,084</u>	<u>55,702</u>	<u>(54,618)</u>
Total Receipts	<u>249,103</u>	<u>138,211</u>	<u>\$ 196,451</u>	<u>\$ (58,240)</u>
Expenditures				
Principal	85,000	195,000	95,000	100,000
Interest	57,613	55,793	55,793	-
Cash Basis Requirement	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>(150,000)</u>
Total Expenditures	<u>142,613</u>	<u>250,793</u>	<u>\$ 300,793</u>	<u>(50,000)</u>
Receipts Over (Under) Expenditures	106,490	(112,582)		<u>\$ (8,240)</u>
Unencumbered Cash, Beginning	<u>92,383</u>	<u>198,873</u>		
Unencumbered Cash, Ending	<u>\$ 198,873</u>	<u>\$ 86,291</u>		

CITY OF DIGHTON, KANSAS
 Capital Pharmacy Building Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	2017 <u>Actual</u>	2018 <u>Actual</u>
Receipts		
Rental Income	\$ 12,250	\$ 27,563
Total Receipts	<u>12,250</u>	<u>27,563</u>
Expenditures and Transfers		
Contractual Services	<u>11,301</u>	<u>3,145</u>
Total Expenditures	<u>11,301</u>	<u>3,145</u>
Receipts Over (Under) Expenditures	949	24,418
Unencumbered Cash, Beginning	<u>7,911</u>	<u>8,860</u>
Unencumbered Cash, Ending	<u>\$ 8,860</u>	<u>\$ 33,278</u>

CITY OF DIGHTON, KANSAS
Electric Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		
	<u>2017</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
Receipts				
Net Collection Fees	\$ 1,405,430	\$ 1,432,660	\$ 1,425,000	\$ 7,660
Interest Income	61	225	50	175
Miscellaneous	<u>2,804</u>	<u>883</u>	<u>5,000</u>	<u>(4,117)</u>
Total Receipts	<u>1,408,295</u>	<u>1,433,768</u>	<u>\$ 1,430,050</u>	<u>\$ 3,718</u>
Expenditures				
Personal Services	27,052	29,804	45,000	(15,196)
Contractual Services	183,307	158,667	195,000	(36,333)
Commodities	30,555	41,794	65,000	(23,206)
Capital Outlay	37,159	19,036	1,027,588	(1,008,552)
Power Purchases	759,405	772,507	901,000	(128,493)
Sales Tax	40,723	39,351	55,000	(15,649)
Transfer to Equipment Reserve Fund	20,000	20,000	45,000	(25,000)
Transfer to General	<u>-</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Expenditures	<u>1,098,201</u>	<u>1,146,159</u>	<u>\$ 2,398,588</u>	<u>(1,252,429)</u>
Receipts Over (Under) Expenditures	310,094	287,609		<u>\$ 1,256,147</u>
Unencumbered Cash, Beginning	<u>815,488</u>	<u>1,125,582</u>		
Unencumbered Cash, Ending	<u>\$ 1,125,582</u>	<u>\$ 1,413,191</u>		

CITY OF DIGHTON, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance Over (Under)
	2017 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Water Sales	\$ 207,687	\$ 210,581	\$ 220,000	\$ (9,419)
Penalties	15,434	14,252	15,000	(748)
Miscellaneous	<u>3,453</u>	<u>2,351</u>	<u>2,500</u>	<u>(149)</u>
Total Receipts	<u>226,574</u>	<u>227,184</u>	<u>\$ 237,500</u>	<u>\$ (10,316)</u>
Expenditures				
Personal Services	72,743	81,419	115,000	(33,581)
Contractual Services	24,338	31,732	40,000	(8,268)
Commodities	22,567	22,187	40,000	(17,813)
Capital Outlay	38,621	68,130	238,090	(169,960)
Sales Tax and Water Tax	5,447	5,434	9,000	(3,566)
Power Purchases	17,083	16,477	17,000	(523)
Transfer to Special Parks	10,000	10,000	10,000	-
Transfer to General	<u>-</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total Expenditures	<u>190,799</u>	<u>300,379</u>	<u>\$ 534,090</u>	<u>(233,711)</u>
Receipts Over (Under) Expenditures	35,775	(73,195)		<u>\$ 223,395</u>
Unencumbered Cash, Beginning	<u>298,090</u>	<u>333,865</u>		
Unencumbered Cash, Ending	<u>\$ 333,865</u>	<u>\$ 260,670</u>		

CITY OF DIGHTON, KANSAS
 Trash Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		Variance Over (Under)
	<u>2017 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Receipts				
Net Collection Fees	\$ 96,988	\$ 96,556	\$ 97,500	\$ (944)
Total Receipts	<u>96,988</u>	<u>96,556</u>	<u>\$ 97,500</u>	<u>\$ (944)</u>
Expenditures				
Contractual Services	94,443	93,569	103,000	(9,431)
Commodities	<u>-</u>	<u>-</u>	<u>9,411</u>	<u>(9,411)</u>
Total Expenditures	<u>94,443</u>	<u>93,569</u>	<u>\$ 112,411</u>	<u>(18,842)</u>
Receipts Over (Under) Expenditures	2,545	2,987		<u>\$ 17,898</u>
Unencumbered Cash, Beginning	<u>17,511</u>	<u>20,056</u>		
Unencumbered Cash, Ending	<u>\$ 20,056</u>	<u>\$ 23,043</u>		

CITY OF DIGHTON, KANSAS
Sewer Utility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		<u>2018</u>		Variance Over (Under)
	<u>2017</u> <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Net Collection Fees	\$ 78,175	\$ 80,458	\$ 80,000	\$ 458
Reimbursement	<u>-</u>	<u>900</u>	<u>-</u>	<u>900</u>
Total Receipts	<u>78,175</u>	<u>81,358</u>	<u>\$ 80,000</u>	<u>\$ 1,358</u>
Expenditures and Transfers Subject to Budget				
Personal Services	29,210	28,951	40,000	(11,049)
Contractual Services	9,293	14,748	15,000	(252)
Commodities	8,765	7,050	10,000	(2,950)
Capital Outlay	51,522	-	102,937	(102,937)
Transfer to Equipment Reserve	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total Expenditures	<u>131,790</u>	<u>83,749</u>	<u>\$ 200,937</u>	<u>(117,188)</u>
Receipts Over (Under) Expenditures	(53,615)	(2,391)		<u>\$ 118,546</u>
Unencumbered Cash, Beginning	<u>131,937</u>	<u>78,322</u>		
Unencumbered Cash, Ending	<u>\$ 78,322</u>	<u>\$ 75,931</u>		

Schedule 3

CITY OF DIGHTON, KANSAS
 Agency Fund
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2018

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Customer Deposits	\$ 22,805	\$ 8,293	\$ 7,884	\$ 23,214
Aflac Cafeteria Fund	<u>614</u>	<u>1,633</u>	<u>1,011</u>	<u>1,236</u>
Total	<u>\$ 23,419</u>	<u>\$ 9,926</u>	<u>\$ 8,895</u>	<u>\$ 24,450</u>