

**CITY OF QUINTER, KANSAS**

**Financial Statement and Regulatory-Required  
Supplementary Information with Independent Auditor's Report**

**For the Year Ended December 31, 2018**

**MAPES & MILLER LLP  
Certified Public Accountants  
Quinter, Kansas**

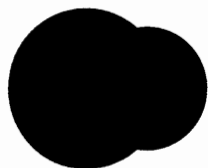
# CITY OF QUINTER, KANSAS

## Financial Statement and Regulatory-Required Supplementary Information with Independent Auditor's Report

For the Year Ended December 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council  
City of Quinter  
Quinter, Kansas 67752

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Quinter, Kansas, 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 Quinter, 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 Quinter, Kansas, 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 Quinter, Kansas, 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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 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.

***Mapes & Miller LLP***

Certified Public Accountants  
Quinter, Kansas

September 5, 2019

**CITY OF QUINTER, 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
General Funds:						
General Fund	\$ 280,136	1,057,308	961,350	376,094	201,477	577,571
Special Purpose Funds:						
Library Fund	2,562	71,049	68,445	5,166	0	5,166
Employee Benefits Fund	16,814	68,269	58,300	26,783	4,643	31,426
Special Highway Fund	135,786	26,577	24,994	137,369	0	137,369
Equipment Reserve Fund	40,991	10,000	16,089	34,902	1,073	35,975
Capital Improvement Fund	49,471	10,000	7,343	52,128	0	52,128
Bond and Interest Funds:						
Series A, 2015 Principal and Interest Fund	0	12,283	11,920	363	0	363
Capital Project Funds:						
Ball Field Project Fund	43,378	214,809	267,587	(9,400)	69,472	60,072
Business Funds:						
Water Utility - Revenue Fund	174,746	160,421	173,102	162,065	0	162,065
Water Utility - Operations & Maintenance Fund	0	98,102	98,102	0	1,338	1,338
Sewer Utility Fund	100,952	150,558	126,860	124,650	294	124,944
Sewer Utility - Principal & Interest Fund	76,512	72,500	76,395	72,617	0	72,617
Trust Funds:						
Revolving Loan I Fund	45,439	10,103	124	55,418	11	55,429
Revolving Loan II Fund	111,754	12,538	124	124,168	11	124,179
Insurance Claim-Formation Plastics	0	132,622	0	132,622	0	132,622
Total Reporting Entity	\$ 1,078,541	2,107,139	1,890,735	1,294,945	278,319	1,573,264

**Composition of Cash:**

The Bank, Quinter, KS	
Checking Accounts	\$ 190,659
Money Market Accounts	856,188
NOW Accounts	<u>526,417</u>

Total Reporting Entity      \$ 1,573,264

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

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

**1. Summary of Significant Accounting Policies**

**(a) Municipal Financial Reporting Entity**

The City of Quinter, Kansas, is a municipal corporation governed by an elected five-member council. This regulatory financial statement presents only the City of Quinter, Kansas, and does not include the following related municipal entity:

Jay Johnson Public Library – The Jay Johnson Public Library Board operates the City's public library. Acquisitions or dispositions of real property by the board must be approved by the City as well as bond issuances.

**(b) Regulatory Basis Fund Types**

The following types of funds comprise the financial activities of the City of Quinter for the year ended December 31, 2018:

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 (enterprise and internal service fund).

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.).

**(c) 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.

**(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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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 Sewer Principal and Interest and Water Utility Operations funds were amended 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, Schedule 2 as listed in the table of contents, for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for 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

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

## **2. 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.

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, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$1,573,264 and the bank balance was \$1,579,122. 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 balance of \$1,329,122 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. At December 31, 2018, the City held no investments.



### 3. Defined Benefit Pension Plan

*Plan description.* The City of Quinter, 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 benefits provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contributions rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for 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 of Quinter, Kansas, were \$21,949 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 \$214,490. 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 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 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 position liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

### 4. Revolving Loan I Fund

The City of Quinter, Kansas, obtained funds from a Small Cities Community Development-Economic Development Grant in 1986 and subsequently loaned the funds to Flex-King, Inc. According to the grant agreement, the recapture of the grant money from Flex-King, Inc. could be returned to the State or retained locally to create a Revolving Loan Fund. The latter option was chosen.

The City of Quinter Revolving Loan Fund I was established to stimulate private investment and create or retain permanent jobs for low and moderate income citizens of the City. The monies from this fund provide fixed asset financing for new and expanding businesses. Potential businesses must demonstrate that their project is economically viable and it meets other eligibility requirements.

## **5. Revolving Loan II Fund**

The City obtained funds from a Rural Business Enterprise Grant in 1999 to establish this fund. The purpose of this fund is to stimulate private investment and create or retain permanent jobs in Quinter. To be eligible for the monies, a potential business must demonstrate economic viability, be located within the city limits, and meet leverage requirements. The City is required to comply with certain relending criteria.

## **6. 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 purchased commercial insurance for these potential risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past three fiscal years.

## **7. Other Long-Term Obligations**

### **(a) Compensated Absences**

*Sick Leave.* Full-time employees earn one full day per month of sick leave. There is no maximum accumulation for sick leave. Sick leave accumulates monthly and may be claimed with pay only in the case of an illness which renders the employee incapable of performing their duties, doctors appointments, or care of a close relative. Any accumulated days over 120 will be paid at fifty percent.

*Vacation Leave.* Vacation leave accumulates for one year only and may be claimed as part of the pay for each unit of twelve months of continuous service.

Full-time employees are entitled to vacation leave as follows:

Year 1	-	5 days
Year 2 to 10	-	10 days per year
Year 11 to 20	-	15 days per year
Year 21 and above	-	20 days per year

Accrued vacation leave is paid to the employee upon termination.

*Compensatory Time.* Compensatory time is earned for overtime hours worked and is accrued at one and one-half times the overtime hours worked. Compensatory time may be carried over from month to month and year to year, but will not exceed 20 hours from any given month or year. All hours over the allowed 20 hours at the end of each month are paid, subject to review by the City Administrator/City Clerk.

**(b) 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.

**(c) Other Post-Employment Benefits**

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

**8. Special Items-Industrial Revenue Bonds**

On April 13, 2015, the City authorized the issuance of \$2,800,000 Taxable Industrial Revenue Bonds Series 2015A and Series 2015B for the purpose of the acquisition, construction, furnishing and equipping a commercial hotel facility to lease such facility to Quinter Area Hospitality Group, LLC. The lease agreement provides the lease payment to be paid by Quinter Area Hospitality Group, LLC directly to the fiscal agent, Farmers & Merchant Bank of Colby, Colby, Kansas. The fiscal agent is responsible for collecting the lease payments and paying the interest and bonds to the bondholders.

**9. Interfund Transfers**

Operating transfers were as follows:

From	To	Amount	Statutory Authority
General Fund	Capital Improvement Fund	\$ 10,000	12-1,118
General Fund	Equipment Reserve Fund	10,000	12-1,117
Water Utility—Revenue Fund	General Fund	75,000	12-825d
Water Utility—Revenue Fund	Water Utility—Operations & Maintenance Fund	98,102	12-825d
Sewer Utility Fund	General Fund	25,000	12-825d
Sewer Utility Fund	Sewer Utility – Principal & Interest Fund	72,500	12-825d

**10. Capital Projects**

In 2017, the City accepted a grant agreement with the Kansas Department of Commerce for a Community Development Block Grant (CDBG) in an amount not to exceed \$217,089 for the construction of a ball field. As part of the grant application, the City is responsible for matching funds totaling \$72,363. The agreement commenced on May 1, 2017, and shall be completed by April 30, 2019. In 2018, the construction of the ball field commenced. The City received and expended \$204,189 in grant monies as well as expended another \$63,398 from private donations for a total of \$267,587. As of December 31, 2018, expenditures for the project from inception total \$314,059.

**11. Stewardship, Compliance and Accountability****(a) Cash Basis Violation**

K.S.A. 10-1113 requires each fund to comply with the cash-basis laws of the State of Kansas. That is, no commitments or indebtedness should be incurred unless there is available cash in the fund. The Ball Field Project Fund incurred indebtedness in excess of the available cash balance by \$9,044. This is a violation of this statute.

**(b) Funds Disbursed by Law**

K.S.A. 12-105a requires all claims against a municipality be presented in writing and approved by the governing body unless the claims meet one of the exemptions listed in K.S.A. 12-105b. K.S.A. 12-105b (e) does allow a municipality to authorize an officer or employee to pay any claim which may provide discount for early payment, or to avoid assessment of a penalty for late payment prior to approval by the governing body. Several claims paid for the ball field project and hail insurance damage were made prior to City Council approval. The claims paid do not appear to meet the exemption under K.S.A. 12-105b (e). This is a violation of this statute.

**12. 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 of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Principal Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2012	0.00%	2012	\$ 233,760	2021	\$ 104,000	-	26,000	78,000	-
Series A 2015	3.00%	2015	175,000	2035	164,000	-	7,000	157,000	4,920
KDHE Loans:									
Sewer Improvement	3.39%	2001	535,140	2022	126,787	-	26,541	100,246	3,775
Sewer Improvement	2.77%	2007	800,007	2028	431,535	-	34,060	397,475	10,662
Capital Leases Payable:									
Pickup	3.45%	2016	28,800	2018	9,602	-	9,602	-	331
Vacuum Excavator	3.25%	2016	39,700	2019	16,732	-	8,230	8,502	551
Skid Steer	3.50%	2017	35,609	2019	23,188	-	11,395	11,793	812
Other Debt:									
Firefighters Relief Association Loan	1.00%	2015	22,670	2020	11,476	-	4,556	6,920	103
Total Contractual Indebtedness					\$ 887,320	-	127,384	759,936	21,154

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

Principal:		2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2038	Total
General Obligation Bonds	\$	33,000	34,000	34,000	8,000	8,000	46,000	50,000	22,000	235,000
KDHE Loans		62,459	64,373	66,348	53,074	39,082	212,385	-	-	497,721
Capital Leases Payable		20,295	-	-	-	-	-	-	-	20,295
Other Debt		4,602	2,318	-	-	-	-	-	-	6,920
Total principal		<u>120,356</u>	<u>100,691</u>	<u>100,348</u>	<u>61,074</u>	<u>47,082</u>	<u>258,385</u>	<u>50,000</u>	<u>22,000</u>	<u>759,936</u>
Interest:										
General Obligation Bonds		4,710	4,500	4,260	4,020	3,780	12,270	7,800	990	42,330
KDHE Loans		12,732	10,974	9,162	7,294	6,092	15,023	-	-	61,277
Capital Leases Payable		693	-	-	-	-	-	-	-	693
Other Debt		58	12	-	-	-	-	-	-	70
Total interest		<u>18,193</u>	<u>15,486</u>	<u>13,422</u>	<u>11,314</u>	<u>9,872</u>	<u>27,293</u>	<u>7,800</u>	<u>990</u>	<u>104,370</u>
Total principal and interest	\$	<u><u>138,549</u></u>	<u><u>116,177</u></u>	<u><u>113,770</u></u>	<u><u>72,388</u></u>	<u><u>56,954</u></u>	<u><u>285,678</u></u>	<u><u>57,800</u></u>	<u><u>22,990</u></u>	<u><u>864,306</u></u>

Regulatory-Required  
Supplementary Information

**CITY OF QUINTER, KANSAS**  
**Summary of Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the 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 Funds:					
General Fund	\$ 912,274	254,800	1,167,074	961,350	(205,724)
Special Purpose Funds:					
Library Fund	68,445	0	68,445	68,445	0
Employee Benefits Fund	67,969	0	67,969	58,300	(9,669)
Special Highway Fund	25,000	0	25,000	24,994	(6)
Bond and Interest Fund					
Series A, 2015 Principal and Interest Fund	11,920	0	11,920	11,920	0
Business Funds:					
Water Utility - Revenue Fund	234,000	0	234,000	173,102	(60,898)
Water Utility - Operations & Maintenance Fund	180,000	0	180,000	98,102	(81,898)
Sewer Utility Fund	146,441	0	146,441	126,860	(19,581)
Sewer Utility - Principal & Interest Fund	76,395	0	76,395	76,395	0



## CITY OF QUINTER, KANSAS

Schedule 2

## General Funds

Page 1

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
<b>General Fund</b>			
<b>Receipts</b>			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 308,105	317,475	(9,370)
Neighborhood Revitalization Rebate	0	(11,972)	11,972
Delinquent Tax	7,753	0	7,753
Motor Vehicle Tax	46,715	30,705	16,010
Recreational Vehicle Tax	944	739	205
16/20M Vehicle Tax	590	332	258
Commercial Vehicle Tax	2,757	2,153	604
Watercraft Tax	0	375	(375)
Intergovernmental:			
Local Intangibles Tax	6,752	8,889	(2,137)
Local Alcoholic Liquor	43	500	(457)
Sales Tax	109,485	100,000	9,485
Compensating Use Tax	15,137	12,000	3,137
Transient Guest Tax	17,002	13,500	3,502
Franchise Tax	56,275	48,500	7,775
Fines, Permits, Licenses, and Tags	9,531	5,150	4,381
Swimming Pool	14,622	13,000	1,622
Interest on Idle Funds	8,405	2,000	6,405
Recreation	16,199	14,500	1,699
Recreation - Concession Stand	7,229	0	7,229
Miscellaneous	5,742	9,000	(3,258)
Insurance Claim Proceeds	254,800	0	254,800
Reimbursements	2,284	1,500	784
Fire Department - Miscellaneous	7,038	500	6,538
Donations - Park	400	0	400
Gove County - Rural Fire District	35,500	35,500	0
Gove County - Fire Rescue Truck	24,000	24,000	0
Transfer from Sewer Utility Fund	25,000	25,000	0
Transfer from Water Utility - Revenue Fund	75,000	75,000	0
<b>Total Receipts</b>	<b>1,057,308</b>	<b>728,346</b>	<b>328,962</b>
<b>Expenditures</b>			
General Government			
Personal Services	68,924	92,500	(23,576)
Contractual Services	17,200	15,000	2,200
Commodities	9,300	13,500	(4,200)
Capital Outlay	25,600	88,090	(62,490)
Health Insurance	13,530	0	13,530
Telephone	6,570	5,535	1,035
Insurance	41,027	35,000	6,027
Training & Miscellaneous	1,928	6,000	(4,072)
<b>Total General Government</b>	<b>\$ 184,079</b>	<b>255,625</b>	<b>(71,546)</b>

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General Funds  
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	Actual	Budget	Variance Over (Under)
<b>General Fund</b>			
<b>Expenditures</b>			
Police			
Personal Services	\$ 50,132	48,000	2,132
Contractual Services	9,308	3,000	6,308
Commodities	3,165	5,000	(1,835)
Capital Outlay	950	7,000	(6,050)
Total Police	63,555	63,000	555
Pool			
Personal Services	34,698	35,265	(567)
Contractual Services	1,397	1,500	(103)
Commodities	18,412	8,000	10,412
Capital Outlay	7,508	7,500	8
Total Pool	62,015	52,265	9,750
Street			
Personal Services	67,753	57,500	10,253
Contractual Services	11,547	25,000	(13,453)
Commodities	33,368	25,000	8,368
Capital Outlay	30,284	25,000	5,284
Total Street	142,952	132,500	10,452
Fire			
Personal Services	9,010	9,000	10
Contractual Services	8,459	1,500	6,959
Commodities	7,181	2,850	4,331
Capital Outlay	8,461	20,255	(11,794)
Total Fire	33,111	33,605	(494)
Park			
Contractual Services	164	6,000	(5,836)
Commodities	2,917	1,500	1,417
Capital Outlay	3,106	0	3,106
Total Park	\$ 6,187	7,500	(1,313)

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	Actual	Budget	Variance Over (Under)
<b>General Fund</b>			
Expenditures			
Recreation			
Personal Services	\$ 53,297	52,578	719
Contractual Services	11,128	10,000	1,128
Contractual Services - Concessions	3,893	0	3,893
Commodities	14,046	10,000	4,046
Commodities - Concessions	3,337	0	3,337
Capital Outlay	12,718	12,500	218
	<u>98,419</u>	<u>85,078</u>	<u>13,341</u>
Total Recreation			
	98,419	85,078	13,341
Utility Service Cost	56,271	63,000	(6,729)
Audit Cost	8,000	8,000	0
Noxious Weed	55	1,000	(945)
Appropriation to Senior Citizens Center	5,162	5,200	(38)
Transient Guest Tax Expenditure	13,290	0	13,290
Fire Station Bond Payment - Principal	26,000	26,001	(1)
Fire Station Bond Payment - Fees	1	0	1
FRA Payment	2,330	5,500	(3,170)
Gove County - Fire Rescue Truck	5,250	24,000	(18,750)
Grant/Donation Expenditures	35,000	0	35,000
Capital Outlay - Insurance Claim	199,673	0	199,673
Capital Outlay - carryover	0	135,000	(135,000)
Transfer to Capital Improvement Fund	10,000	5,000	5,000
Transfer to Equipment Reserve Fund	10,000	10,000	0
Adjustment for Qualifying Budget Credits			
Insurance Claim Proceeds	0	254,800	(254,800)
	<u>961,350</u>	<u>1,167,074</u>	<u>(205,724)</u>
Total Expenditures			
	961,350	1,167,074	(205,724)
Receipts over (under) Expenditures	95,958		
Unencumbered Cash, Beginning	280,136		
	<u>376,094</u>		
Unencumbered Cash, Ending	\$ 376,094		

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Special Purpose Funds  
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	Actual	Budget	Variance Over (Under)
<b>Library Fund</b>			
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 59,838	61,660	(1,822)
Neighborhood Revitalization Rebate	0	(1,095)	1,095
Delinquent Tax	1,462	0	1,462
Motor Vehicle Tax	8,931	5,808	3,123
Recreational Vehicle Tax	181	140	41
16/20M Vehicle Tax	115	63	52
Watercraft Tax	0	71	(71)
Commercial Vehicle Tax	522	407	115
Total Receipts	<u>71,049</u>	<u>67,054</u>	<u>3,995</u>
Expenditures			
Appropriation to Jay Johnson Public Library	<u>68,445</u>	<u>68,445</u>	<u>0</u>
Receipts over (under) Expenditures	2,604		
Unencumbered Cash, Beginning	<u>2,562</u>		
Unencumbered Cash, Ending	\$ <u>5,166</u>		
<b>Employee Benefits Fund</b>			
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 58,904	60,696	(1,792)
Neighborhood Revitalization Rebate	0	(1,123)	1,123
Delinquent Tax	1,266	0	1,266
Motor Vehicle Tax	7,428	4,619	2,809
Recreational Vehicle Tax	153	111	42
16/20M Vehicle Tax	102	50	52
Commercial Vehicle Tax	416	324	92
Watercraft Tax	0	56	(56)
Total Receipts	<u>68,269</u>	<u>64,733</u>	<u>3,536</u>
Expenditures			
Social Security and Medicare	25,145	29,279	(4,134)
KPERs	23,508	32,232	(8,724)
State Unemployment	8,291	383	7,908
Workman's Compensation Insurance	<u>1,356</u>	<u>6,075</u>	<u>(4,719)</u>
Total Expenditures	<u>58,300</u>	<u>67,969</u>	<u>(9,669)</u>
Receipts over (under) Expenditures	9,969		
Unencumbered Cash, Beginning	<u>16,814</u>		
Unencumbered Cash, Ending	\$ <u>26,783</u>		

CITY OF QUINTER, KANSAS  
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Special Highway Fund</b>			
Receipts			
State of Kansas	\$ 26,577	25,570	1,007
KDOT - HWY 212	<u>0</u>	<u>130,600</u>	<u>(130,600)</u>
Total Receipts	<u>26,577</u>	<u>156,170</u>	<u>(129,593)</u>
Expenditures			
Capital Outlay	<u>24,994</u>	<u>25,000</u>	<u>(6)</u>
Receipts over (under) Expenditures	1,583		
Unencumbered Cash, Beginning	<u>135,786</u>		
Unencumbered Cash, Ending	<u>\$ 137,369</u>		

CITY OF QUINTER, KANSAS  
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	<u>Actual</u>
<b>Equipment Reserve Fund</b>	
Receipts	
Transfer from General Fund	\$ <u>10,000</u>
Expenditures	
Capital Outlay	<u>16,089</u>
Receipts over (under) Expenditures	(6,089)
Unencumbered Cash, Beginning	<u>40,991</u>
Unencumbered Cash, Ending	\$ <u><u>34,902</u></u>
 <b>Capital Improvement Fund</b>	
Receipts	
Transfer from General Fund	\$ <u>10,000</u>
Expenditures	
Capital Outlay	<u>7,343</u>
Receipts over (under) Expenditures	2,657
Unencumbered Cash, Beginning	<u>49,471</u>
Unencumbered Cash, Ending	\$ <u><u>52,128</u></u>

**CITY OF QUINTER, KANSAS**  
**Bond and Interest Funds**  
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	Actual	Budget	Variance Over (Under)
<b>Series A, Principal and Interest Fund</b>			
Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 183	191	(8)
Neighborhood Revitalization Rebate	0	(192)	192
Delinquent Taxes	170	0	170
Special Assessments	11,930	11,920	10
Total Receipts	<u>12,283</u>	<u>11,919</u>	<u>364</u>
Expenditures			
Principal	7,000	7,000	0
Interest	4,920	4,920	0
Total Expenditures	<u>11,920</u>	<u>11,920</u>	<u>0</u>
Receipts over (under) Expenditures	363		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>363</u>		

CITY OF QUINTER, KANSAS  
Capital Project Funds  
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	<u>Actual</u>
<b>Ball Field Project Fund</b>	
Receipts	
Grants and Donations	\$ 10,620
Federal Aid	<u>204,189</u>
Total Receipts	<u>214,809</u>
Expenditures	
Project Expenditures	<u>267,587</u>
Receipts over (under) Expenditures	(52,778)
Unencumbered Cash, Beginning	<u>43,378</u>
Unencumbered Cash, Ending	<u><u>\$ (9,400)</u></u>



**CITY OF QUINTER, KANSAS**  
**Business Funds**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Water Utility - Revenue Fund</b>			
Receipts			
Water Sales	\$ 153,772	165,000	(11,228)
Deposits and Taps	3,930	1,500	2,430
Reconnect and Late Fees	1,840	1,000	840
Miscellaneous	879	2,000	(1,121)
Total Receipts	<u>160,421</u>	<u>169,500</u>	<u>(9,079)</u>
Expenditures			
Transfer to General Fund	75,000	75,000	0
Transfer to Water Utility - Operation & Maintenance Fund	98,102	159,000	(60,898)
Total Expenditures	<u>173,102</u>	<u>234,000</u>	<u>(60,898)</u>
Receipts over (under) Expenditures	(12,681)		
Unencumbered Cash, Beginning	<u>174,746</u>		
Unencumbered Cash, Ending	<u>\$ 162,065</u>		

CITY OF QUINTER, KANSAS  
Business Funds  
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	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Water Utility - Operations &amp; Maintenance Fund</b>			
Receipts			
Transfer from Water Utility - Revenue Fund	\$ 98,102	180,000	(81,898)
Expenditures			
Personal Services	52,934	61,739	(8,805)
Contractual Services	12,842	11,622	1,220
Commodities	16,303	15,785	518
Capital Outlay	8,947	8,947	0
Miscellaneous	3,741	3,617	124
Travel	734	688	46
State Water Plan	2,601	2,602	(1)
Transfer to General Fund	0	75,000	(75,000)
Total Expenditures	<u>98,102</u>	<u>180,000</u>	<u>(81,898)</u>
Receipts over (under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

**CITY OF QUINTER, KANSAS**  
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	Actual	Budget	Variance Over (Under)
<b>Sewer Utility Fund</b>			
Receipts			
User Charges	\$ 150,558	150,000	558
Expenditures			
Contractual Services	5,660	5,000	660
Commodities	4,003	12,500	(8,497)
Capital Outlay	4,293	17,500	(13,207)
Sewer Maintenance Contract	15,404	13,941	1,463
Transfer to General Fund	25,000	25,000	0
Transfer to Sewer Utility - Principal & Interest Fund	72,500	72,500	0
Total Expenditures	126,860	146,441	(19,581)
Receipts over (under) Expenditures	23,698		
Unencumbered Cash, Beginning	100,952		
Unencumbered Cash, Ending	\$ 124,650		
 <b>Sewer Utility - Principal &amp; Interest Fund</b>			
Receipts			
Transfer from Sewer Utility Fund	\$ 72,500	72,500	0
Expenditures			
Principal - KDHE	60,601	60,601	0
Interest - KDHE	14,436	14,436	0
Fees	1,358	1,358	0
Total Expenditures	76,395	76,395	0
Receipts over (under) Expenditures	(3,895)		
Unencumbered Cash, Beginning	76,512		
Unencumbered Cash, Ending	\$ 72,617		

**CITY OF QUINTER, KANSAS**  
Trust Funds  
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	<u>Actual</u>
<b>Revolving Loan I Fund</b>	
Receipts	
Principal and Interest Payments	\$ 9,833
Interest on Idle Funds	<u>270</u>
Total Receipts	<u>10,103</u>
Expenditures	
Contractual Services	<u>124</u>
Receipts over (under) Expenditures	9,979
Unencumbered Cash, Beginning	<u>45,439</u>
Unencumbered Cash, Ending	<u><u>\$ 55,418</u></u>
 <b>Revolving Loan II Fund</b>	
Receipts	
Principal and Interest Payments	\$ 11,756
Interest on Idle Funds	<u>782</u>
Total Receipts	<u>12,538</u>
Expenditures	
Contractual Services	<u>124</u>
Receipts over (under) Expenditures	12,414
Unencumbered Cash, Beginning	<u>111,754</u>
Unencumbered Cash, Ending	<u><u>\$ 124,168</u></u>
 <b>Insurance Claim-Formation Plastics</b>	
Receipts	
Insurance Proceeds	\$ <u>132,622</u>
Expenditures	
Disbursements	<u>0</u>
Receipts over (under) Expenditures	132,622
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 132,622</u></u>