

CITY OF KANOPOLIS, KANSAS

FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CITY OF KANOPOLIS, KANSAS

FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

To the Mayor and City Council
Kanopolis, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kanopolis, Kansas, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; 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 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 basis for our audit opinion.

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

As described in Note 2 of the financial statement, the financial statement is prepared by the City of Kanopolis to meet the requirements of the State of 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 2 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 Kanopolis, as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Kanopolis, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

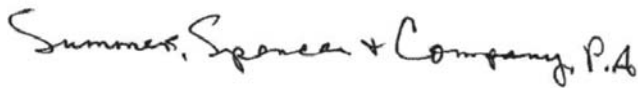
Other Matters

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, summary of receipts and disbursements, and schedule of receipts and expenditures - related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional 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 2.

The 2016 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget and schedule of receipts and expenditures - related municipal entity (Schedules 2 and 4 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The City of Kanopolis, Kansas' basic financial statement for the year ended December 31, 2016 (not presented herein), was audited by Clubine & Rettele, Chartered who merged with Summers, Spencer & Company, P.A. as of November 1, 2017, and whose report dated August 7, 2017, expressed an unmodified opinion on the basic financial statement. The 2016 basic financial statement and the other auditor's report are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated August 7, 2017, stated that the individual fund schedules of regulatory basis receipts and expenditures - actual and budget and schedule of receipts and expenditures - related municipal entity for the year ended December 31, 2016 was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note 2.

A handwritten signature in cursive script that reads "Summers, Spencer & Company, P.A.".

Summers, Spencer & Company, P.A.

Salina, Kansas

December 18, 2018

CITY OF KANOPOLIS, KANSAS

Statement 1

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended December 31, 2017**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
						Encumbrances and Accounts Payable		
General Fund:								
General	\$ 81,108	\$ -	\$ 194,830	\$ 176,185	\$ 99,753	\$ 1,180	\$	100,933
Special Purpose Funds:								
Employee Benefits	2,701	-	31,325	30,803	3,223	-		3,223
Library	1,769	-	10,341	10,329	1,781	-		1,781
Noxious Weed	1,492	-	257	1,158	591	-		591
Special Highway	265	-	12,597	-	12,862	-		12,862
Recreation	4,222	-	1,063	1,786	3,499	-		3,499
Cemetery	2,430	-	6,649	3,558	5,521	-		5,521
Municipal Equipment	44,824	-	20,458	22,002	43,280	-		43,280
Municipal Improvement	61,335	-	10,734	59,813	12,256	-		12,256
Capital Project Fund:								
Capital Projects	387	-	56,662	50,891	6,158	4,284		10,442
Business Funds:								
Solid Waste	11,461	-	38,760	38,710	11,511	-		11,511
Water Utility	81,789	-	95,322	112,334	64,777	2,026		66,803
Sewer Utility	104,579	-	55,963	46,267	114,275	45		114,320
Sewer Utility Revolving	4,851	-	6,900	5,878	5,873	-		5,873
	403,213	-	541,861	559,714	385,360	7,535		392,895

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

CITY OF KANOPOLIS, KANSAS

Statement 1

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended December 31, 2017**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Related Municipal Entity: Public Library	\$ 33,381	\$ -	\$ 5,400	\$ 3,003	\$ 35,778	\$ -	\$ 35,778
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 436,594</u>	<u>\$ -</u>	<u>\$ 547,261</u>	<u>\$ 562,717</u>	<u>\$ 421,138</u>	<u>\$ 7,535</u>	<u>\$ 428,673</u>
Composition of Cash:							
				Certificates of Deposit			\$ 230,805
				Checking Accounts			36,688
				Savings Accounts			142,518
				Cash on Hand			151
				Total Related Municipal Entity			<u>35,778</u>
				Total Cash			445,940
				Agency Fund per Schedule 3			<u>(17,267)</u>
				Total Reporting Entity (Excluding Agency Funds)			<u>\$ 428,673</u>

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

CITY OF KANOPOLIS, KANSAS

NOTES TO THE FINANCIAL STATEMENT For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The City of Kanopolis is a municipal corporation governed by a citizen - elected mayor and five council members. The financial statement presents the City of Kanopolis (the municipality) and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the city and/or its constituents.

Kanopolis Public Library. The Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issues must also be approved by the City and the City annually levies a tax for the library.

Note 2 – Summary of Significant Account Policies

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.

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

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

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

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.).

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

CITY OF KANOPOLIS, KANSAS

NOTES TO THE FINANCIAL STATEMENT For the Year Ended December 31, 2017

Note 3 – 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital project funds and the following special purpose funds:

Municipal Equipment Fund

Municipal Improvement Fund

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

Note 4 – 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 KANOPOLIS, KANSAS

NOTES TO THE FINANCIAL STATEMENT For the Year Ended December 31, 2017

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposits 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%. The City has not designated a "peak period." All deposits were legally secured at December 31, 2017.

Deposits. At December 31, 2017, the City's carrying amount of deposits was \$445,789 and the bank balance was \$411,175. 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 \$161,175 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Note 5 – Capital Projects

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

	Project Authorization	Expenditures to Date
Water Project	\$ 1,999,035	\$ 50,891

Note 6 – Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Project Fund	K.S.A. 12-1,118	\$ 15,000
Water Utility Fund	Capital Project Fund	K.S.A. 12-1,118	15,000
Water Utility Fund	Employee Benefits Fund	K.S.A. 12-825d	10,000
Sewer Utility Fund	Employee Benefits Fund	K.S.A. 12-825d	10,000
General Fund	Cemetery Fund	K.S.A. 12-101a	3,000
Sewer Utility Fund	Sewer Utility Revolving Loan Fund	K.S.A. 12-631o	6,900

Note 7 – Deferred Compensation Plan

Plan Description. On April 9, 1997, the City passed ordinance 651 establishing an IRS Code Section 457 plan. This is a voluntary deferred compensation plan where employees may elect to defer current federal and state income taxes while investing for future retirement.

CITY OF KANOPOLIS, KANSAS

NOTES TO THE FINANCIAL STATEMENT For the Year Ended December 31, 2017

Note 8 – 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 local government is subsidizing the retirees because each participant is charged as a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Note 9 – Compensated Absences

Vacation Leave. The City provides vacation leave to full-time employees. For the first five years of service, employees earn one day per month, for a total of 12 days per year. After five years of service, employees earn one and one fourth days per month, for a total of 15 days per year. The maximum accumulation employees may accrue should not exceed 120 hours (15 days) of vacation. Any earned, but unused leave for any permanent employee leaving the service of the City shall be compensated at the employee's hourly rate.

Sick Leave. The City provides sick leave for full-time employees at a rate of one day per month of continuous service with the City. Sick leave may be accumulated but not taken until such employee has completed three continual months of service. Employees may accumulate sick leave up to a maximum of 240 hours (30 days). Sick leave credits are considered as have cash value of one-half time of sick days at the employee's hourly rate if employee terminates at retirement in good standing.

Note 10 – Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance to protect themselves from these risks.

Note 11 – Restatement of Beginning Balance

The beginning unencumbered balance in the Water Utility Fund was restated from \$97,219 to \$81,789. The balance in the water utility fund was adjusted to remove the meter deposit balance and record it as an agency fund on Schedule 3.

Note 12 – Related Parties

Two members that served on the City Council during 2017 were directly related.

Note 13 – Subsequent Events

The City's management has evaluated events and transactions occurring after December 31, 2017 through December 18, 2018. The aforementioned date represents the date the financial statement was available to be issued.

CITY OF KANOPOLIS, KANSAS

**NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2017**

Note 14 - Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
KDHE Revolving Loan									
Water Pollution Control	2.83%	10/28/2004	\$ 120,000	9/1/2025	\$ 46,419	\$ -	\$ 4,597	\$ 41,822	\$ 1,281
Capital Lease									
Fire Station	1.00%	9/1/2000	50,000	12/10/2019	8,150	-	2,689	5,461	75
Total Contractual Indebtedness					<u>\$ 54,569</u>	<u>\$ -</u>	<u>\$ 7,286</u>	<u>\$ 47,283</u>	<u>\$ 1,356</u>

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

	Year					Total	
	2018	2019	2020	2021	2022	2023-2025	
Principal:							
KDHE Water Pollution Control Loan	\$ 4,728	\$ 4,863	\$ 5,002	\$ 5,144	\$ 5,291	\$ 16,794	\$ 41,822
Fire Station Capital Lease	2,717	2,744	-	-	-	-	5,461
Total Principal	<u>7,445</u>	<u>7,607</u>	<u>5,002</u>	<u>5,144</u>	<u>5,291</u>	<u>16,794</u>	<u>47,283</u>
Interest:							
KDHE Water Pollution Control Loan	1,162	1,027	889	747	601	883	5,309
Fire Station Capital Lease	48	21	-	-	-	-	69
Total Interest and Service Fee	<u>1,210</u>	<u>1,048</u>	<u>889</u>	<u>747</u>	<u>601</u>	<u>883</u>	<u>5,378</u>
Total Principal, Interest and Service Fee	<u>\$ 8,655</u>	<u>\$ 8,655</u>	<u>\$ 5,891</u>	<u>\$ 5,891</u>	<u>\$ 5,892</u>	<u>\$ 17,677</u>	<u>\$ 52,661</u>

CITY OF KANOPOLIS, KANSAS

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
December 31, 2017**

CITY OF KANOPOLIS, KANSAS

Schedule 1

Summary of Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2017

Funds	Certified Budget	Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
		Budget Credits	Qualifying Budget Credits			
General Fund:						
General	\$ 300,453	\$ -	\$ -	\$ 300,453	\$ 176,185	\$ (124,268)
Special Purpose Funds:						
Employee Benefits	109,283	-	-	109,283	30,803	(78,480)
Library	13,380	-	-	13,380	10,329	(3,051)
Noxious Weed	1,933	-	-	1,933	1,158	(775)
Special Highway	12,804	-	-	12,804	-	(12,804)
Recreation	5,714	-	-	5,714	1,786	(3,928)
Cemetery	9,680	-	-	9,680	3,558	(6,122)
Business Funds:						
Solid Waste Disposal	66,800	-	-	66,800	38,710	(28,090)
Water Utility	163,955	-	-	163,955	112,334	(51,621)
Sewer Utility	160,842	-	-	160,842	46,267	(114,575)
Sewer Revolving Loan	25,550	-	-	25,550	5,878	(19,672)

CITY OF KANOPOLIS, KANSAS

Schedule 2

General Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 77,042	\$ 76,925	\$ 77,875	\$ (950)
Delinquent	2,268	2,985	3,080	(95)
Motor Vehicle	18,192	16,015	16,394	(379)
Recreational Vehicle	469	432	387	45
16/20M Vehicles	342	291	340	(49)
Commercial Vehicle	1,041	850	1,147	(297)
Sales and Use Tax	43,038	38,041	52,730	(14,689)
Franchise	31,287	33,284	40,500	(7,216)
Licenses and Permits	225	568	582	(14)
Fines and Fees	155	490	540	(50)
Dog Tax	-	949	385	564
Fire	2,500	3,016	2,845	171
Street	-	-	270	(270)
Dividends	4,109	4,824	4,460	364
Lease	1	1	15	(14)
Community Center	3,275	6,575	2,630	3,945
Library Community Room	600	750	1,490	(740)
Interest	554	667	400	267
Miscellaneous	2,690	8,167	2,585	5,582
Total Cash Receipts	187,788	194,830	\$ 208,655	\$ (13,825)

CITY OF KANOPOLIS, KANSAS

Schedule 2

General Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures				
Administration				
Personal Services	\$ 35,605	\$ 39,921	\$ 32,035	\$ 7,886
Contractual Services	21,340	27,053	25,800	1,253
Commodities	13,106	9,323	17,820	(8,497)
Capital Outlay	-	-	91,913	(91,913)
Community Center	3,577	5,228	6,025	(797)
Fire Station Lease	2,765	2,765	2,765	-
Fire Truck Secured Loan Principal	18,000	-	-	-
Fire Truck Secured Loan Interest	782	-	-	-
Fire Department	17,857	14,877	14,835	42
Police Department	18,826	19,263	19,640	(377)
Park Department	1,741	2,445	4,120	(1,675)
Street Department	47,805	19,899	48,620	(28,721)
Street Lighting	13,892	13,697	14,940	(1,243)
Smoky Hill Department	3,714	3,714	3,940	(226)
Operating Transfers	15,000	18,000	18,000	-
Total Expenditures	<u>214,010</u>	<u>176,185</u>	<u>\$ 300,453</u>	<u>\$ (124,268)</u>
Receipts Over (Under) Expenditures	(26,222)	18,645		
Unencumbered Cash, Beginning	<u>107,330</u>	<u>81,108</u>		
Unencumbered Cash, Ending	<u>\$ 81,108</u>	<u>\$ 99,753</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Employee Benefits Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 8,792	\$ 8,986	\$ 9,098	\$ (112)
Delinquent	237	327	310	17
Motor Vehicle	2,029	1,834	1,876	(42)
Recreational Vehicle	52	49	44	5
16/20M Vehicles	34	32	39	(7)
Commercial Vehicle	116	97	131	(34)
Employee Withholdings	-	-	52,000	(52,000)
Operating Transfers	9,000	20,000	20,000	-
Total Cash Receipts	<u>20,260</u>	<u>31,325</u>	<u>\$ 83,498</u>	<u>\$ (52,173)</u>
Expenditures				
Employee Benefits	<u>23,317</u>	<u>30,803</u>	<u>\$ 109,283</u>	<u>\$ (78,480)</u>
Receipts Over (Under) Expenditures	(3,057)	522		
Unencumbered Cash, Beginning	<u>5,758</u>	<u>2,701</u>		
Unencumbered Cash, Ending	<u>\$ 2,701</u>	<u>\$ 3,223</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Library Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 7,903	\$ 8,080	\$ 8,178	\$ (98)
Delinquent	226	300	350	(50)
Motor Vehicle	1,824	1,647	1,686	(39)
Recreational Vehicle	47	44	40	4
16/20M Vehicles	34	29	35	(6)
Commercial Vehicle	104	87	118	(31)
Reimbursements	-	154	-	154
Total Cash Receipts	<u>10,138</u>	<u>10,341</u>	<u>\$ 10,407</u>	<u>\$ (66)</u>
Expenditures				
Personal Services	6,185	7,855	\$ 7,200	\$ 655
Contractual Services	2,788	2,474	1,325	1,149
Commodities	60	-	1,256	(1,256)
Capital Outlay	-	-	3,599	(3,599)
Total Expenditures	<u>9,033</u>	<u>10,329</u>	<u>\$ 13,380</u>	<u>\$ (3,051)</u>
Receipts Over (Under) Expenditures	1,105	12		
Unencumbered Cash, Beginning	<u>664</u>	<u>1,769</u>		
Unencumbered Cash, Ending	<u>\$ 1,769</u>	<u>\$ 1,781</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Noxious Weed Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 197	\$ 204	\$ 205	\$ (1)
Delinquent	6	8	8	-
Motor Vehicle	46	41	42	(1)
Recreational Vehicle	1	1	1	-
16/20M Vehicles	1	1	1	-
Commercial Vehicle	3	2	3	(1)
Total Cash Receipts	<u>254</u>	<u>257</u>	<u>\$ 260</u>	<u>\$ (3)</u>
Expenditures				
Commodities	<u>288</u>	<u>1,158</u>	<u>\$ 1,933</u>	<u>\$ (775)</u>
Receipts Over (Under) Expenditures	(34)	(901)		
Unencumbered Cash, Beginning	<u>1,526</u>	<u>1,492</u>		
Unencumbered Cash, Ending	<u>\$ 1,492</u>	<u>\$ 591</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Special Highway Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State of Kansas Gas Tax	\$ 12,642	\$ 12,597	\$ 12,750	\$ (153)
Expenditures				
Contractual Services	12,400	-	\$ 12,804	\$ (12,804)
Receipts Over (Under) Expenditures	242	12,597		
Unencumbered Cash, Beginning	23	265		
Unencumbered Cash, Ending	\$ 265	\$ 12,862		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Recreation Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 196	\$ 204	\$ 205	\$ (1)
Delinquent	6	8	8	-
Motor Vehicle	46	41	42	(1)
Recreational Vehicle	1	1	1	-
16/20M Vehicles	1	1	1	-
Commercial Vehicle	3	2	3	(1)
Donations	-	-	60	(60)
Tournament	800	806	775	31
Total Cash Receipts	<u>1,053</u>	<u>1,063</u>	<u>\$ 1,095</u>	<u>\$ (32)</u>
Expenditures				
Commodities	<u>1,483</u>	<u>1,786</u>	<u>\$ 5,714</u>	<u>\$ (3,928)</u>
Receipts Over (Under) Expenditures	(430)	(723)		
Unencumbered Cash, Beginning	<u>4,652</u>	<u>4,222</u>		
Unencumbered Cash, Ending	<u>\$ 4,222</u>	<u>\$ 3,499</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Cemetery Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 1,979	\$ 2,022	\$ 2,045	\$ (23)
Delinquent	56	75	-	75
Motor Vehicle	456	412	422	(10)
Recreational Vehicle	12	11	10	1
Commercial Vehicle	26	22	29	(7)
16/20M Vehicles	8	7	9	(2)
Sale of Lots	102	1,100	1,150	(50)
Operating Transfers	-	3,000	3,000	-
Total Cash Receipts	<u>2,639</u>	<u>6,649</u>	<u>\$ 6,665</u>	<u>\$ (16)</u>
Expenditures				
Personal Services	795	2,907	\$ 3,265	\$ (358)
Contractual Services	866	651	2,415	(1,764)
Capital Outlay	-	-	4,000	(4,000)
Total Expenditures	<u>1,661</u>	<u>3,558</u>	<u>\$ 9,680</u>	<u>\$ (6,122)</u>
Receipts Over (Under) Expenditures	978	3,091		
Unencumbered Cash, Beginning	<u>1,452</u>	<u>2,430</u>		
Unencumbered Cash, Ending	<u>\$ 2,430</u>	<u>\$ 5,521</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Municipal Equipment Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 15,000	\$ -
Sale of Equipment	3,170	14,415
Reimbursements	-	6,043
Donation	200	-
Total Cash Receipt	<u>18,370</u>	<u>20,458</u>
Expenditures		
Capital Outlay	<u>15,200</u>	<u>22,002</u>
Receipts Over (Under) Expenditures	3,170	(1,544)
Unencumbered Cash, Beginning	<u>41,654</u>	<u>44,824</u>
Unencumbered Cash, Ending	<u><u>\$ 44,824</u></u>	<u><u>\$ 43,280</u></u>

CITY OF KANOPOLIS, KANSAS

Schedule 2

Municipal Improvement Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 15,000	\$ -
Sale of Equipment	-	1,085
Reimbursements	-	2,699
Donations	1,900	6,950
Total Cash Receipts	<u>16,900</u>	<u>10,734</u>
Expenditures		
Contractual	<u>3,200</u>	<u>59,813</u>
Receipts Over (Under) Expenditures	13,700	(49,079)
Unencumbered Cash, Beginning	<u>47,635</u>	<u>61,335</u>
Unencumbered Cash, Ending	<u><u>\$ 61,335</u></u>	<u><u>\$ 12,256</u></u>

CITY OF KANOPOLIS, KANSAS

Schedule 2

Capital Projects Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
USDA Grant	\$ -	\$ 26,662
Operating Transfers	-	30,000
Total Cash Receipts	-	56,662
Expenditures		
Water Project Expense	-	50,891
Receipts Over (Under) Expenditures	-	5,771
Unencumbered Cash, Beginning	387	387
Unencumbered Cash, Ending	\$ 387	\$ 6,158

CITY OF KANOPOLIS, KANSAS

Schedule 2

Solid Waste Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Customer Collection	\$ 38,278	\$ 38,760	\$ 41,200	\$ (2,440)
Expenditures				
Personal Services	904	926	\$ 935	\$ (9)
Contractual Services	37,465	37,784	27,105	10,679
Capital Outlay	-	-	38,760	(38,760)
Operating Transfers	1,000	-	-	-
Total Expenditures	39,369	38,710	\$ 66,800	\$ (28,090)
Receipts Over (Under) Expenditures	(1,091)	50		
Unencumbered Cash, Beginning	12,552	11,461		
Unencumbered Cash, Ending	\$ 11,461	\$ 11,511		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Water Utility Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Customer Collection	\$ 92,017	\$ 93,095	\$ 95,605	\$ (2,510)
Sales Tax	354	334	290	44
Reimbursements	323	822	-	822
Interest	970	1,071	895	176
Total Cash Receipts	<u>93,664</u>	<u>95,322</u>	<u>\$ 96,790</u>	<u>\$ (1,468)</u>
Expenditures				
Personal Services	43,808	48,835	\$ 40,685	\$ 8,150
Contractual Services	17,275	18,381	14,200	4,181
Commodities	10,444	13,210	9,030	4,180
Capital Outlay	884	3,525	74,400	(70,875)
Customer Refunds	1,207	-	425	(425)
Miscellaneous	1,828	3,383	215	3,168
Operating Transfers	19,000	25,000	25,000	-
Total Expenditures	<u>94,446</u>	<u>112,334</u>	<u>\$ 163,955</u>	<u>\$ (51,621)</u>
Receipts Over (Under) Expenditures	(782)	(17,012)		
Unencumbered Cash, Beginning	<u>82,571</u>	<u>81,789</u>		
Unencumbered Cash, Ending	<u>\$ 81,789</u>	<u>\$ 64,777</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Sewer Utility Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 56,772	\$ 55,784	\$ 62,000	\$ (6,216)
Miscellaneous	-	-	50	(50)
Interest	129	179	62	117
Total Cash Receipts	<u>56,901</u>	<u>55,963</u>	<u>\$ 62,112</u>	<u>\$ (6,149)</u>
Expenditures				
Personal Services	22,197	19,912	\$ 21,200	\$ (1,288)
Contractual Services	5,383	4,374	2,885	1,489
Commodities	1,836	5,081	9,110	(4,029)
Capital Outlay	-	-	110,747	(110,747)
Operating Transfers	<u>10,900</u>	<u>16,900</u>	<u>16,900</u>	<u>-</u>
Total Expenditures	<u>40,316</u>	<u>46,267</u>	<u>\$ 160,842</u>	<u>\$ (114,575)</u>
Receipts Over (Under) Expenditures	16,585	9,696		
Unencumbered Cash, Beginning	<u>87,994</u>	<u>104,579</u>		
Unencumbered Cash, Ending	<u>\$ 104,579</u>	<u>\$ 114,275</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Sewer Utility Revolving Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 6,900	\$ 6,900	\$ 6,900	\$ -
Expenditures				
Principal	1,409	4,597	\$ 24,257	\$ (19,660)
Interest and Service Fee	4,470	1,281	1,293	(12)
Total Expenditures	5,879	5,878	\$ 25,550	\$ (19,672)
Receipts Over (Under) Expenditures	1,021	1,022		
Unencumbered Cash, Beginning	3,830	4,851		
Unencumbered Cash, Ending	\$ 4,851	\$ 5,873		

CITY OF KANOPOLIS, KANSAS

Schedule 3

**Agency Fund
Summary of Receipts and Disbursements (Regulatory Basis)
For the Year Ended December 31, 2017**

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Meter Deposits	<u>\$ 15,430</u>	<u>\$ 2,340</u>	<u>\$ 503</u>	<u>\$ 17,267</u>

CITY OF KANOPOLIS, KANSAS

Schedule 4

Related Municipal Entity
Kanopolis Public Library
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended December 31, 2017
(With Comparative Actual Total for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ 150	\$ 143
Central Kansas Library System	5,258	4,133
Donations	820	800
Interest	101	124
Other	2,113	200
Total Cash Receipts	<u>8,442</u>	<u>5,400</u>
Expenditures		
Books and periodicals	2,060	807
Supplies	617	1,326
Other	2,406	870
Total Expenditures	<u>5,083</u>	<u>3,003</u>
Receipts Over (Under) Expenditures	3,359	2,397
Unencumbered Cash, Beginning	<u>30,022</u>	<u>33,381</u>
Unencumbered Cash, Ending	<u>\$ 33,381</u>	<u>\$ 35,778</u>