

CITY OF ROSE HILL, KANSAS

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2017

George, Bowerman & Noel, P.A.
Certified Public Accountants

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
FINANCIAL STATEMENT	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	3
Notes to Financial Statements	5
SUPPLEMENTARY INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget.....	17
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget – Regulatory Basis for:	
General	18
Special Purpose Funds:	
Library	19
Special Streets and Highway	20
Special Parks and Recreation	21
Street Sales Tax	22
Schedule of Receipts and Expenditures – Regulatory Basis for:	
Special Purpose Funds:	
Equipment Reserve	23
Capital Improvement Reserve	24
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis for Debt Service Funds:	
Bond and Interest	25

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Schedule of Receipts and Expenditures –Regulatory Basis – for: Capital Project Funds: Sewer Project Fund	26
Schedule of Receipts and Expenditures – Regulatory Basis – Actual and Budget for: Business Funds: Water Utility	27
Sewer Utility	28
Schedule of Receipts and Expenditures – Regulatory Basis – Actual for: Business Funds: Water Reserve	29
Sewer Reserve	30
 <u>Schedule 3</u>	
Schedule of Receipts and Expenditures – Regulatory Basis – Actual for: Related Municipal Entities: Rose Hill Public Library	31
Public Building Commission	32
 <u>Schedule 4</u>	
Schedule of Receipts and Disbursements – Regulatory Basis – Actual for: Agency Funds	33

George, Bowerman & Noel, P.A.

Certified Public Accountants

Business Consultants

Tax Advisors

Epic Center • 301 N. Main, Suite 1350 • Wichita, Kansas 67202 • Telephone (316) 262-6277 • Fax (316) 265-6150

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Rose Hill, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Rose Hill, Kansas, a Municipal Financial Reporting Entity, 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 the financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for 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 1 of the financial statement, the financial statement is prepared by the City of Rose Hill, Kansas 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 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 Rose Hill, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

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 balances of the City of Rose Hill, Kansas 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 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash 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 schedule of regulatory basis receipts and disbursements—agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for 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 1.

The 2016 actual columns presented in the individual fund schedules of receipts and expenditures—actual and budget, (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2016 basic financial statement upon which we rendered an unqualified opinion dated November 2, 2017. The 2016 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>. Such 2016 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 2016 basic financial statement. The 2016 comparative information 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. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

George Bauerman & Noel, P.A.

Wichita, Kansas
December 14, 2018

CITY OF ROSE HILL, KANSAS

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

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 336,099	\$ -	\$ 1,650,028	\$ 1,679,374	\$ 306,753	\$ 57,374	\$ 364,127
Special Purpose Funds:							
Library	4,115	-	131,921	128,840	7,196	-	7,196
Special Streets & Highway	63,019	-	123,326	89,982	96,363	23,706	120,069
Special Parks and Recreation	8,037	-	3,066	2,500	8,603	-	8,603
Street Sales Tax	530,885	-	305,940	580,108	256,717	60,695	317,412
Equipment Reserve	24,472	-	119,264	9,707	134,029	-	134,029
Capital Improvement Reserve	17,459	-	5	-	17,464	-	17,464
Bond and Interest Fund:							
Bond and Interest	41,070	-	615,585	582,783	73,872	-	73,872
Capital Project Funds:							
Sewer Project Fund	-	-	-	64,271	(64,271) *	64,271	-
Business Funds:							
Water Utility	210,627	-	893,183	759,094	344,716	15,746	360,462
Sewer Utility	613,968	-	1,078,292	1,091,184	601,076	14,144	615,220
Water Reserve	115,347	-	21,000	30,977	105,370	-	105,370
Sewer Reserve	137,081	-	50,000	97,696	89,385	53,718	143,103
Total Primary Government (Excluding Agency Funds)	2,102,179	-	4,991,610	5,116,516	1,977,273	289,654	2,266,927
Related Municipal Entities:							
Rose Hill Public Library	117,324	-	143,313	127,623	133,014	-	133,014
Rose Hill Public Building Commission	-	-	95,735	95,735	-	-	-
Total Reporting Entity (Excluding Agency Funds)	\$ 2,219,503	\$ -	\$ 5,230,658	\$ 5,339,874	\$ 2,110,287	\$ 289,654	\$ 2,399,941

* Per K.S.A. 10-1116, the limits of indebtedness may be exceeded when provision has been made for payment by issuance of bonds or temporary notes.

CITY OF ROSE HILL, KANSAS

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

Composition of Cash:	
Primary Government:	
Rose Hill Bank - Checking Account	\$ 1,352,625
Rose Hill Bank - Certificates of Deposit	596,808
Emprise Bank - Certificates of Deposit	324,633
Petty Cash	<u>520</u>
Total Primary Government	2,274,586
Less: Agency Funds	<u>(7,659)</u>
Total Primary Government (excluding agency funds)	<u>2,266,927</u>
Related Municipal Entities - Rose Hill Public Library:	
Rose Hill Bank - General Checking	37,307
Rose Hill Bank - Capital Improvement Checking	<u>95,707</u>
Total Rose Hill Public Library	<u>133,014</u>
Total Reporting Entity (excluding agency funds)	<u>\$ 2,399,941</u>

The accompanying notes are an integral part of the financial statement.

CITY OF ROSE HILL, KANSAS
NOTES TO FINANCIAL STATEMENT

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Municipal Financial Reporting Entity

The City of Rose Hill, Kansas is incorporated under the laws of the State of Kansas. The City operates under a Mayor-Council form of City government consisting of an elected Mayor and five council persons and provides services to the citizens in the areas of highways and streets, water service, wastewater treatment, public improvement, public safety, planning and zoning, recreation, and general administrative services. The City has the following related municipal entities:

Rose Hill Public Library A seven-member board appointed by the City Council governs the Rose Hill Public Library Board. The Rose Hill Public Library Board operates the public library in the City. The Library Board may not purchase or lease a site or erect a building for use of the library without the approval of the City Council. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special purpose fund of the City. The Library Board also receives funding through state assistance programs and donations from the public. The Rose Hill Public Library does not issue separate audited financial statements.

Rose Hill Public Building Commission A six-member board appointed by the City Council governs the Rose Hill Public Building Commission. Although it is legally separate from the City, the Rose Hill Public Building Commission is reported as a related municipal entity because its sole purpose is to finance and construct the City's public buildings.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, each of which is defined as an accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In accordance with state statutes, several different types of funds are used to record the City's financial transactions. For financial reporting, they have been grouped and are presented in this report as follows:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specific 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 funds – 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 funds – funds financed in whole or in part by fees charged to users of the goods or services.

Agency funds – funds used to report assets held by the City in a purely custodial capacity.

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 revenue 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.

Budgetary principles

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 of the proposed budget and notice of public hearing on the budget on or before August 5th.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to 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 budget amendments during 2017.

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

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

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

Equipment Reserve Fund
Capital Improvement Reserve Fund

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated absences

The City permits employees to accumulate earned but unused vacation and sick pay benefits.

Vacation – All employees of the City, except temporary and part-time employees, accumulate vacation leave at a rate of 6.67 hours per month during their first five years of employment. The rate of accumulation increases to 8 hours per month after five years of employment and 12 hours per month after ten years of employment. An employee can carry over to a new year only that amount of vacation leave that was accumulated during the year. Employees are paid for all accumulated vacation leave, at their current wage rate, upon termination of employment.

Sick Leave – All employees except temporary and part-time employees accumulate sick leave at a rate of 8 hours per month. Sick leave can be accumulated up to 720 hours. Sick leave is paid out upon layoff or voluntary termination, with two weeks notice, at the rate of one-fourth, up to 50 hours of credited sick leave for employees with at least two years of service. Upon retirement, with six months notice and five years of service, one-half, up to 100 hours of credited sick leave, will be paid out. Upon retirement, with six months notice and ten years of service, one-half, up to 200 hours of credited sick leave, will be paid out. The cost of accumulated vacation and sick leave are recorded in the financial statements at the time payments are made to employees.

Pension plan

All full-time employees are members of the State of Kansas Public Employees' Retirement System (KPERs), which is a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs as accrued; such costs to be funded are determined annually by the system's actuary.

Concentration of credit risk

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City. The City does not require security deposits for the credit granted to certain utility customers, however, tap fees or hook-up charges are assessed by the City when the utility service is provided.

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 carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent events have been evaluated through December 14, 2018, which is the date the financial statement was available to be issued.

2. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories, which may be used by governmental entities in Kansas. 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 Federal Depository Insurance Corporation 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 for deposits is the risk that in the event of 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 "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the carrying amount of the City's deposits was \$2,274,066, with the bank balances of such accounts being \$2,290,298. Of the bank balances, \$500,000 was covered by federal depository insurance and the remaining balance of \$1,790,298 was collateralized with securities held by the pledging financial institution's agent in the City's name. The fair value of those pledged securities held by the City's custodial investment agencies was \$3,730,886 at December 31, 2017.

At December 31, 2017, the carrying amount of the Library's deposits was \$133,014, with the bank balances of such accounts being \$133,107. The entire bank balances were covered by federal depository insurance.

3. RECLASSIFICATIONS AND COMPARATIVE DATA

The amounts shown for 2016 in the accompanying financial statement are included, where practicable, only to provide a basis for comparison with 2017 and are not intended to present all information necessary for a fair presentation in accordance with the regulatory basis of presentation. Certain amounts for 2016 have been reclassified to conform to the presentation of similar amounts for 2017.

4. 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. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. 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 the Comprehensive Annual Financial Report that can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. The City's contributions to KPERS for the years ending December 31, 2017 and 2016 were \$80,174 and \$93,068, respectively.

4. PENSION PLAN (continued)

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was 806,703. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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.

5. SPECIAL ASSESSMENTS

Projects, financed in part by special assessments, are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of the bonds are recorded as revenue in the appropriate project fund. Special assessments received after the issuance of bonds are recorded in the Bond and Interest Fund.

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2017:

<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									
General Obligation Bonds, Series 2004-2	4.25-5.00	07-01-04	\$ 437,000	10-01-19	\$ 115,000	\$ -	\$ 35,000	\$ 80,000	\$ 5,353
General Obligation Bonds, Series 2006	3.50-5.45	02-01-06	590,000	10-01-21	245,000	-	45,000	200,000	10,025
General Obligation Bonds, Series 2008	3.75-4.75	07-01-08	762,000	10-01-23	425,000	-	55,000	370,000	17,439
General Obligation Bonds, Series 2009	4.15-5.90	08-01-09	\$455,000	10-01-24	285,000	-	30,000	255,000	13,297
General Obligation Taxable Bonds, Series 2009-3	5.75-6.75	12-01-09	460,000	10-01-30	380,000	-	20,000	360,000	24,800
General Obligation Bonds, Series 2010	2.75-5.25	11-01-10	956,000	10-01-31	810,000	-	40,000	770,000	29,475
General Obligation Bonds, Series 2011	3.25-4.25	04-15-11	575,000	10-01-26	425,000	-	35,000	390,000	17,087
General Obligation Bonds, Series 2012	2.00-5.00	03-01-12	460,000	10-01-32	405,000	-	20,000	385,000	12,898
General Obligation Refunding Bonds, Series 2013	0.80-2.25	08-15-13	975,000	10-01-19	420,000	-	190,000	230,000	7,755
General Obligation Bonds, Series 2014	2.25-4.00	12-01-14	280,000	10-01-30	280,000	-	15,000	260,000	8,788

6. LONG-TERM DEBT (continued)

<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									
	1.90-4.00	12-01-14	1,133,000	10-01-36	\$ 1,133,000	\$ —	\$ 13,000	\$ 1,120,000	\$ 61,974
Total General Obligation Bonds					<u>4,923,000</u>	<u>—</u>	<u>498,000</u>	<u>4,425,000</u>	<u>208,891</u>
<u>Revolving Loans</u>									
KWPCRF Project									
No. C20-1228-01	3.60-3.60	11-30-96	667,047	09-01-17	43,507	—	43,507	—	1,165
KWPCRF Project									
No. C20-1630-01	2.86-2.86	05-01-03	814,460	09-01-24	339,323	—	38,321	301,002	9,433
KWPCRF Project									
No. C20-1720-01	2.50-2.50	10-25-07	6,055,074	09-01-29	4,197,415	—	285,610	3,911,805	113,479
TRF Project No. TR 0007									
	3.62-3.62	12-20-04	562,925	08-21-24	281,260	—	31,504	249,756	10,885
TRF Project No. TR 0083									
	3.74-3.74	09-02-08	400,000	08-01-18	100,453	—	49,296	51,157	4,008
TRF Project No. TR 0123									
	3.41-3.41	12-7-09	690,120	08-01-24	<u>394,922</u>	<u>—</u>	<u>43,163</u>	<u>351,759</u>	<u>14,454</u>
Total Revolving Loans					<u>5,356,880</u>	<u>—</u>	<u>491,401</u>	<u>4,865,479</u>	<u>153,424</u>
<u>Lease Purchase Agreements</u>									
Konica Copier	6.36	01-31-12	12,984	01-20-17	253	—	253	—	—
2013 Police Vehicles	1.99	01-10-13	46,676	01-10-17	9,578	—	9,578	—	129
Backhoe Loader	3.43	12-06-13	81,371	09-06-18	29,637	—	16,852	12,785	801
2015 Police Vehicle	3.15	11-18-15	23,999	11-16-19	14,390	—	4,649	9,741	453
2015 Police Vehicle	3.24	01-06-15	22,201	01-06-18	13,293	—	4,306	8,987	431
Water Meter System	1.94	11-13-15	456,325	11-13-20	368,550	—	89,487	279,063	6,718
Dodge Charger	2.86	12-28-16	28,128	12-28-20	22,182	—	5,314	16,868	632
Dodge Charger	3.63	08-08-17	30,251	08-08-21	—	30,251	6,487	23,764	3
Dump Truck	3.45	04-17-17	109,657	05-01-21	—	109,657	23,517	86,140	—
2017 Ford Explorer	3.63	11-21-17	36,347	11-22-21	—	<u>36,347</u>	<u>7,794</u>	<u>28,553</u>	<u>4</u>
Total Lease Purchase Agreements					<u>457,883</u>	<u>176,255</u>	<u>168,237</u>	<u>465,901</u>	<u>9,171</u>
Total Long-Term Debt - City					10,737,763	176,255	1,157,638	9,756,380	371,486
<u>Rose Hill Public Building Commission:</u>									
Public Building Commission Revenue Bonds Series 2013									
	0.90-3.40	05-01-03	840,000	10-01-23	<u>610,000</u>	<u>—</u>	<u>80,000</u>	<u>530,000</u>	<u>15,735</u>
Total Long-Term Debt					<u>\$11,347,763</u>	<u>\$ 176,255</u>	<u>\$1,237,638</u>	<u>\$10,286,380</u>	<u>\$ 387,221</u>

General obligation bonds

General obligation bonds payable consist of serial and term bonds to be retired through calendar year 2036. Annual debt service requirements to maturity for general obligation bonds are as follows:

6. LONG-TERM DEBT (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 465,000	\$ 165,826	\$ 630,826
2019	480,000	150,079	630,079
2020	345,000	133,141	478,141
2021	350,000	119,914	469,914
2022	320,000	106,388	426,388
2023	325,000	93,890	418,890
2024	265,000	76,255	341,255
2025	235,000	71,540	306,540
2026	240,000	62,688	302,688
2027	195,000	53,425	248,425
2028	210,000	45,937	255,937
2029	215,000	37,663	252,663
2030	225,000	29,037	254,037
2031	165,000	19,988	184,988
2032	100,000	13,950	113,950
2033	70,000	10,525	80,525
2034	70,000	8,075	78,075
2035	75,000	5,625	80,625
2036	75,000	2,812	77,812
	<u>\$ 4,425,000</u>	<u>\$ 1,206,758</u>	<u>\$ 5,631,758</u>

Temporary notes payable

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds or paid through other resources available to the City. Prior to the issuance of the temporary notes, the governing body must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance.

Revolving Loans

Wastewater revolving loan notes payable – The City has entered into loan agreements under the Kansas Water Pollution Control Revolving Loan Fund (KWPCRF), administered by the Kansas Department of Health and Environment (KDHE), for wastewater collection and treatment facility improvements in the City. The debt service requirements of the notes payable to KDHE are being serviced through user fees generated by the Sewer Utility Fund.

The revolving loans will be retired through calendar year 2029. At December 31, 2017 the notes consisted of the following:

6. LONG-TERM DEBT (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 332,944	\$ 113,899	\$ 446,843
2019	342,207	104,636	446,843
2020	351,727	95,116	446,843
2021	361,513	85,330	446,843
2022	371,571	75,272	446,843
2023	381,908	64,935	446,843
2024	392,534	54,309	446,843
2025	355,358	43,730	399,088
2026	365,198	33,890	399,088
2027	375,310	23,778	399,088
2028	385,702	13,386	399,088
2029	<u>196,835</u>	<u>2,706</u>	<u>199,541</u>
	<u>\$ 4,212,807</u>	<u>\$ 710,987</u>	<u>\$ 4,923,794</u>

Transportation revolving loan notes payable – The City has entered into loan agreements under the Kansas Transportation Revolving Fund (TRF), administered by the Kansas Department of Transportation (KDOT), for road improvements in the City. The debt service requirements of the notes payable to KDOT are being serviced through street sales tax receipts.

The revolving loans will be retired through calendar year 2024. At December 31, 2017 the notes consisted of the following:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 128,624	\$ 24,581	\$ 153,205
2019	80,370	19,636	100,006
2020	83,383	16,623	100,006
2021	86,508	13,498	100,006
2022	89,752	10,254	100,006
2023	93,117	6,889	100,006
2024	<u>90,918</u>	<u>3,399</u>	<u>94,317</u>
	<u>\$ 652,674</u>	<u>\$ 94,880</u>	<u>\$ 747,552</u>

Lease purchase agreements

The City has entered into lease purchase agreements for financing certain equipment and building facilities.

The annual requirements to amortize the capital lease obligations outstanding at December 31, 2017, including interest payments, are as follows:

6. LONG-TERM DEBT (continued)

Year ending December 31,

2018	\$ 162,798
2019	149,795
2020	139,956
2021	<u>37,805</u>
Total minimum lease payments	490,354
Less amounts representing interest	<u>(24,453)</u>
Present value of lease payments	<u>\$ 465,901</u>

Public Building Commission Revenue Bonds

During 2003, the Rose Hill Public Building Commission (Commission) issued \$1,315,000 of Improvement Revenue Bonds, the proceeds of which were used to construct a new City administration and police facility. The bonds were refunded during 2013. The agreement requires the Commission to lease the facility back to the City of Rose Hill for an amount necessary to meet the debt service requirement on the outstanding revenue bonds.

Debt service requirements to maturity for outstanding Commission bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 80,000	\$ 14,375	\$ 94,375
2019	85,000	12,775	97,775
2020	85,000	10,820	95,820
2021	90,000	8,695	98,695
2022	95,000	6,175	101,175
2023	<u>95,000</u>	<u>3,230</u>	<u>98,230</u>
	<u>\$ 530,000</u>	<u>\$ 56,070</u>	<u>\$ 586,070</u>

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits

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

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

8. PURCHASE COMMITMENTS

In July 1981 the City entered into a forty-year agreement to purchase its water supply from the City of Wichita, Kansas.

9. COMMITMENTS AND CONTINGENCIES

Grant Programs

The City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. It is management's opinion that any liability for reimbursement, which may arise as the result of these audits, would not be material to the City's financial statement.

Revolving Loans

In October 2017 and July 2018, the City has entered into loan agreements for \$329,248 and \$148,873, respectively under the Kansas Water Pollution Control Revolving Loan Fund (KWPCRF), administered by the Kansas Department of Health and Environment (KDHE), for wastewater improvements in the City. The loan balance was \$-0- at December 31, 2017 and the City began drawing loan funds during 2018. The debt service requirements of the notes payable to KDHE will be serviced through user fees generated by the Sewer Utility Fund.

10. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2017 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 60,000	\$ 71,594
Equipment Reserve	71,594	-
Water Utility	-	51,000
Sewer Utility	-	80,000
Water Reserve	21,000	-
Sewer Reserve	50,000	-
	<u>\$ 202,594</u>	<u>\$ 202,594</u>

11. CAPITAL PROJECT AUTHORIZATIONS

At December 31, 2017 capital project authorizations compared with project expenditures from inception are as follows:

	<u>Project authorizations</u>	<u>Expenditures Project inception To December 31, 2017</u>
Sewer Project Fund	\$ 392,248	\$ 64,271

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF ROSE HILL, KANSAS

Schedule -1-

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

Department	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance favorable (unfavorable)
General Fund	\$ 1,688,082	\$ -	\$ 1,689,909	\$ 1,679,374	\$ 10,535
Special Purpose Funds:					
Library	127,395	-	132,190	128,840	3,350
Special Streets and Highway	125,088	-	141,747	89,982	51,765
Special Parks and Recreation	5,000	-	2,500	2,500	-
Street Sales Tax	393,573	-	608,722	580,108	28,614
Bond and Interest Fund:					
Bond and Interest	520,460	-	585,733	582,783	2,950
Business Funds:					
Water Utility	897,571	-	883,483	759,094	124,389
Sewer Utility	1,218,428	-	1,179,745	1,091,184	88,561

CITY OF ROSE HILL, KANSAS

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)

GENERAL FUND

	Year ended December 31,			
	2017			Variance
	2016			
	Actual	Actual	Budget	(unfavorable)
Cash Receipts:				
Property Taxes	\$ 941,043	\$ 908,729	\$ 901,343	\$ 7,386
Delinquent Property Taxes	12,211	35,341	9,759	25,582
Motor Vehicle Taxes	116,410	167,950	166,413	1,537
Franchise Fees	245,736	257,110	277,056	(19,946)
Court Costs	9,181	11,975	8,000	3,975
Licenses, Permits and Fees	76,379	65,199	51,000	14,199
Fines and Forfeitures	32,897	33,186	35,000	(1,814)
Rents	35,037	35,682	30,000	5,682
Interest Income	8,476	8,272	4,000	4,272
Reimbursed Expenditures	50,170	41,174	36,500	4,674
Transfers from Other Funds	230,402	60,000	60,000	-
Miscellaneous	20,254	25,410	2,000	23,410
Total Cash Receipts	<u>1,778,196</u>	<u>1,650,028</u>	<u>\$ 1,581,071</u>	<u>\$ 68,957</u>
Expenditures:				
Administration	\$ 391,199	\$ 389,032	\$ 379,985	\$ (9,047)
Police	682,267	638,542	714,118	75,576
Courts	82,480	84,372	80,837	(3,535)
Streets	108,631	132,334	100,920	(31,414)
Parks	181,936	186,130	153,805	(32,325)
Planning	36,667	20,670	15,000	(5,670)
Building/Code Enforcement	76,041	55,299	52,150	(3,149)
Other	43,398	101,401	121,500	20,099
Transfers to Other Funds	25,000	71,594	71,594	-
Total Expenditures	<u>1,627,619</u>	<u>1,679,374</u>	<u>\$ 1,689,909</u>	<u>\$ 10,535</u>
Cash Receipts Over (Under)				
Expenditures	150,577	(29,346)		
Unencumbered Cash, Beginning	<u>185,522</u>	<u>336,099</u>	<u>\$ 108,838</u>	<u>\$ 227,261</u>
Unencumbered Cash, Ending	<u>\$ 336,099</u>	<u>\$ 306,753</u>		

CITY OF ROSE HILL, KANSAS

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)

LIBRARY FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2016 Actual	Actual	Budget	
Cash Receipts:				
Property Taxes	\$ 101,755	\$ 110,507	\$ 111,755	\$ (1,248)
Delinquent Property Taxes	1,660	3,824	1,900	1,924
Motor Vehicle Taxes	16,530	17,590	18,060	(470)
Total Cash Receipts	119,945	131,921	<u>\$ 131,715</u>	<u>\$ 206</u>
Expenditures:				
Appropriations	119,100	128,840	<u>\$ 132,190</u>	<u>\$ 3,350</u>
Cash Receipts Over Expenditures	845	3,081		
Unencumbered Cash, Beginning	3,270	4,115	<u>\$ 475</u>	<u>\$ 3,640</u>
Unencumbered Cash, Ending	<u>\$ 4,115</u>	<u>\$ 7,196</u>		

CITY OF ROSE HILL, KANSAS

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)

SPECIAL STREETS AND HIGHWAY FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2016 Actual	Actual	Budget	
Cash Receipts:				
Special Gasoline Tax	\$ 105,555	\$ 106,789	\$ 102,110	\$ 4,679
Gasoline Tax - County	18,277	16,537	17,620	(1,083)
Miscellaneous	–	–	3,291	(3,291)
Reimbursed Expenditures	–	–	–	–
Total Cash Receipts	<u>123,832</u>	<u>123,326</u>	<u>\$ 123,021</u>	<u>\$ 305</u>
Expenditures:				
Personnel Services	54,176	44,743	62,156	17,413
Contractual Services	4,776	14,195	2,500	(11,695)
Commodities	–	–	800	800
Capital Outlay	<u>64,845</u>	<u>31,044</u>	<u>76,291</u>	<u>45,247</u>
Total Expenditures	<u>123,797</u>	<u>89,982</u>	<u>\$ 141,747</u>	<u>\$ 51,765</u>
Cash Receipts Over Expenditures	35	33,344		
Unencumbered Cash, Beginning	46,984	63,019		
Cancellation of Prior Year Encumbrances	<u>16,000</u>	<u>–</u>		
Unencumbered Cash, Ending	<u>\$ 63,019</u>	<u>\$ 96,363</u>		

CITY OF ROSE HILL, KANSAS

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)

SPECIAL PARKS AND RECREATION FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2016 Actual	Actual	Budget	
Cash Receipts:				
Liquor Tax	\$ 430	\$ 3,066	\$ 500	\$ 2,566
Expenditures:				
Capital Outlay	–	2,500	\$ 2,500	\$ –
Cash Receipts Over Expenditures	430	566		
Unencumbered Cash, Beginning	7,607	8,037		
Unencumbered Cash, Ending	\$ 8,037	\$ 8,603		

CITY OF ROSE HILL, KANSAS

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)

STREET SALES TAX FUND

	Year ended December 31,			Variance favorable (unfavorable)
	2016 Actual	Actual	Budget	
Cash Receipts:				
Sales Tax	\$ 273,567	\$ 305,940	\$ 272,000	\$ 33,940
Interest Income	—	—	—	—
Total Cash Receipts	<u>273,567</u>	<u>305,940</u>	<u>\$ 272,000</u>	<u>\$ 33,940</u>
Expenditures:				
Capital Outlay	149,109	347,491	378,058	30,567
Debt Service	<u>244,464</u>	<u>232,617</u>	<u>230,664</u>	<u>(1,953)</u>
Total Expenditures	<u>393,573</u>	<u>580,108</u>	<u>\$ 608,722</u>	<u>\$ 28,614</u>
Expenditures Over Cash Receipts	(120,006)	(274,168)		
Unencumbered Cash, Beginning	533,891	530,885		
Cancellation of Prior Year Encumbrances	<u>117,000</u>	<u>—</u>		
Unencumbered Cash, Ending	<u>\$ 530,885</u>	<u>\$ 256,717</u>		

CITY OF ROSE HILL, KANSAS

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)

EQUIPMENT RESERVE FUND

	Year ended December 31,	
	<u>2016</u>	<u>2017</u>
Cash Receipts:		
Transfers from Other Funds	\$ —	\$ 71,594
Miscellaneous	<u>25,964</u>	<u>47,670</u>
Total Cash Receipts	25,964	119,264
Expenditures:		
Capital Outlay	<u>17,011</u>	<u>9,707</u>
Cash Receipts Over Expenditures	8,953	109,557
Unencumbered Cash, Beginning	<u>15,519</u>	<u>24,472</u>
Unencumbered Cash, Ending	<u>\$ 24,472</u>	<u>\$ 134,029</u>

CITY OF ROSE HILL, KANSAS

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)

CAPITAL IMPROVEMENT RESERVE

	Year ended December 31,	
	2016	2017
Cash Receipts:		
Transfers from Other Funds	\$ 25,000	\$ —
Donations	44,400	—
Reimbursed Expenditures	17,646	5
Total Cash Receipts	87,046	5
Expenditures:		
Capital Outlay	82,141	—
Transfers to Other Funds	23,200	—
Total Expenditures	105,341	—
Cash Receipts Over (Under) Expenditures	(18,295)	5
Unencumbered Cash, Beginning	35,754	17,459
Unencumbered Cash, Ending	\$ 17,459	\$ 17,464

CITY OF ROSE HILL, KANSAS

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)

BOND AND INTEREST FUND

	Year ended December 31,			
		2017		Variance
	2016			favorable
	Actual	Actual	Budget	(unfavorable)
Cash Receipts:				
Property Taxes	\$ 30,320	\$ 111,978	\$ 113,141	\$ (1,163)
Delinquent Taxes	712	1,270	4,000	(2,730)
Motor Vehicle Taxes	3,198	5,304	5,438	(134)
Special Assessments	478,013	497,033	462,000	35,033
Transfers from Other Funds	10,035	—	—	—
Total Cash Receipts	522,278	615,585	\$ 584,579	\$ 31,006
Expenditures:				
Principal	387,400	418,400	420,500	2,100
Interest	99,175	164,383	164,233	(150)
Contractual Services	—	—	1,000	1,000
Total Expenditures	486,575	582,783	\$ 585,733	\$ 2,950
Cash Receipts Over Expenditures	35,703	32,802		
Unencumbered Cash, Beginning	5,367	41,070	\$ 1,154	\$ 39,916
Unencumbered Cash, Ending	\$ 41,070	\$ 73,872		

CITY OF ROSE HILL, KANSAS

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)

SEWER PROJECT FUND

	Year ended December 31,	
	2016	2017
Debt Proceeds	\$ -	\$ -
Expenditures		
Capital Outlay	-	64,271
Expenditures Over Cash Receipts	-	(64,271)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (64,271) *

* Per K.S.A. 10-1116, the limits of indebtedness may be exceeded when provision has been made for payment by issuance of bonds or temporary notes.

CITY OF ROSE HILL, KANSAS

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)

WATER UTILITY FUND

	2016 Actual	Year ended December 31, 2017		Variance favorable (unfavorable)
		Actual	Budget	
Cash Receipts:				
Charges for Services	\$ 798,976	\$ 882,445	\$ 899,336	\$ (16,891)
Connection & Setup Fees	13,725	7,100	17,500	(10,400)
Miscellaneous	6,850	3,638	2,000	1,638
Total Cash Receipts	819,551	893,183	\$ 918,836	\$ (25,653)
Expenditures:				
Personnel Services	143,260	143,270	155,630	12,360
Contractual Services	180,776	149,389	148,909	(480)
Commodities	25,220	28,481	46,350	17,869
Capital Outlay	13,462	4,851	70,270	65,419
Water purchases	262,488	275,606	311,324	35,718
Debt Service	100,618	106,497	100,000	(6,497)
Transfers to Other Funds	49,214	51,000	51,000	–
Total Expenditures	775,038	759,094	\$ 883,483	\$ 124,389
Cash Receipts Over Expenditures	44,513	134,089		
Unencumbered Cash, Beginning	166,114	210,627		
Unencumbered Cash, Ending	\$ 210,627	\$ 344,716		

CITY OF ROSE HILL, KANSAS

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)

SEWER UTILITY FUND

	2016 Actual	Year ended December 31, 2017		Variance favorable (unfavorable)
		Actual	Budget	
Cash Receipts:				
Charges for Services	\$ 563,020	\$ 581,061	\$ 559,843	\$ 21,218
Sewer Improvement Fees	485,757	497,231	504,892	(7,661)
Connection Fees	2,000	–	8,000	(8,000)
Miscellaneous	5,500	–	3,000	(3,000)
Transfers from Other Funds	215	–	–	–
Reimbursed expenditures	–	–	1,000	(1,000)
Total Cash Receipts	<u>1,056,492</u>	<u>1,078,292</u>	<u>\$ 1,076,735</u>	<u>\$ 1,557</u>
Expenditures:				
Personnel Services	173,692	177,630	194,413	16,783
Contractual Services	266,473	250,807	228,800	(22,007)
Commodities	37,414	18,389	45,217	26,828
Capital Outlay	27,920	17,751	95,000	77,249
Debt Service	541,877	546,607	536,315	(10,292)
Transfers to Other Funds	42,294	80,000	80,000	–
Total Expenditures	<u>1,089,670</u>	<u>1,091,184</u>	<u>\$ 1,179,745</u>	<u>\$ 88,561</u>
Expenditures Over Cash Receipts	(33,178)	(12,892)		
Unencumbered Cash, Beginning	<u>647,146</u>	<u>613,968</u>		
Unencumbered Cash, Ending	<u>\$ 613,968</u>	<u>\$ 601,076</u>		

CITY OF ROSE HILL, KANSAS

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)

WATER RESERVE FUND

	Year ended December 31,	
	2016	2017
Cash Receipts:		
Transfers From Other Funds	\$ 10,000	\$ 21,000
Expenditures:		
Capital Outlay	116	30,977
Cash Receipts Over (Under) Expenditures	9,884	(9,977)
Unencumbered Cash, Beginning	100,548	115,347
Cancellation of Prior Year Encumbrances	4,915	—
Unencumbered Cash, Ending	<u>\$ 115,347</u>	<u>\$ 105,370</u>

CITY OF ROSE HILL, KANSAS**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)****SEWER RESERVE FUND**

	Year ended December 31,	
	2016	2017
Cash Receipts:		
Transfers From Other Funds	\$ 15,000	\$ 50,000
Expenditures:		
Capital Outlay	4,574	97,696
Cash Receipts Over (Under) Expenditures	10,426	(47,696)
Unencumbered Cash, Beginning	120,940	137,081
Cancellation of Prior Year Encumbrances	5,715	—
Unencumbered Cash, Ending	<u>\$ 137,081</u>	<u>\$ 89,385</u>

CITY OF ROSE HILL, KANSAS**Schedule of Receipts and Expenditures****Regulatory Basis****For the Year Ended December 31, 2017****ROSE HILL PUBLIC LIBRARY**

	<u>Actual</u>
Cash Receipts:	
Taxes - distributions from the City of Rose Hill	\$ 128,840
Grants and donations	14,166
Interst	<u>307</u>
Total Cash Receipts	<u>143,313</u>
Expenditures:	
Personal services	89,864
Contractual services	5,986
Commodities	15,300
Capital outlay	<u>16,473</u>
Total Expenditures	<u>127,623</u>
Cash Receipts Over Expenditures	15,690
Unencumbered Cash, Beginning	<u>117,324</u>
Unencumbered Cash, Ending	<u><u>\$ 133,014</u></u>

CITY OF ROSE HILL, KANSAS**Schedule of Receipts and Expenditures****Regulatory Basis****For the Year Ended December 31, 2017****ROSE HILL PUBLIC BUILDING COMMISSION**

	<u>Actual</u>
Cash Receipts:	
Lease payments from City	<u>\$ 95,735</u>
Expenditures:	
Principal	80,000
Interest	<u>15,735</u>
Total Expenditures	<u>95,735</u>
Cash Receipts Over Expenditures	—
Unencumbered Cash, Beginning	<u>—</u>
Unencumbered Cash, Ending	<u><u>\$ —</u></u>

CITY OF ROSE HILL, KANSAS

Schedule of Receipts and Disbursements Regulatory Basis For the Year Ended December 31, 2017

AGENCY FUNDS

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Withholding Fund	\$ 9,405	\$ 629,742	\$ 634,238	\$ 4,909
ADSAP / Seized Assets Fund	3,030	—	280	2,750
Totals	<u>\$ 12,435</u>	<u>\$ 629,742</u>	<u>\$ 634,518</u>	<u>\$ 7,659</u>