

**CITY OF OZAWKIE
OZAWKIE, KANSAS**

**FINANCIAL STATEMENT
DECEMBER 31, 2018**

City of Ozawkie, Kansas

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of the
City of Ozawkie, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Ozawkie, Kansas (the City), as of and for the year ended December 31, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

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

Unmodified Opinion on Regulatory Basis of Accounting

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

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

James Gordon & Associates CPA, P.A.

James Gordon & Associates CPA, P.A.
Manhattan, Kansas
April 8, 2019



STATEMENT 1

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances And Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ 107,132	\$ 149,501	\$ 176,919	\$ 79,714	\$ 4,451	\$ 84,165
Special Purpose Funds:						
Special Highway	31,045	34,030	61,637	3,438	39,000	42,438
Capital Improvement Reserve	9,609	10,719	4,609	15,719	-	15,719
City Sales Tax	2,586	57,520	34,067	26,039	34,067	60,106
Water Utility Reserve	58,986	10,000	-	68,986	-	68,986
Sewer Utility Reserve	3,464	-	-	3,464	-	3,464
Capital Project Fund:						
Wastewater Project	40,678	-	40,678	-	-	-
Business Funds:						
Water Utility	155,020	77,712	92,847	139,885	9,757	149,642
Sewer Utility	276,650	209,624	260,608	225,666	1,556	227,222
Trash	14,043	40,638	36,511	18,170	90	18,260
Total	<u>\$ 699,213</u>	<u>\$ 589,744</u>	<u>\$ 707,876</u>	<u>\$ 581,081</u>	<u>\$ 88,921</u>	<u>\$ 670,002</u>

Composition of Cash and Investments:

Checking accounts	\$ 436,191
Certificates of deposit	250,000
Petty cash	250
Agency Funds per Schedule 3	(16,439)
	<u>\$ 670,002</u>

Total Reporting Entity (excluding Agency Funds)

\$ 670,002

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

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

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Ozawkie (the City) is a municipal corporation governed by an elected six-member council. The City as an entity has been defined to include, on a combined basis, (a) the City (b) organizations for which the City is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Regulatory Basis Fund Types

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

The following types of funds were utilized in recording the financial activities of the City for the year 2018:

Regulatory Basis fund types

General 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 revenue sources, other than major capital projects, that are restricted by law or administrative action to expenditures 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 fund, county treasury tax collection accounts, etc.)

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

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues 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.

Reimbursed Expenditures

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

Note 2 – 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 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.
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.

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

Note 2 – Budgetary Information (continued)

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 amendments to the 2018 budget.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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, trust funds and the following special purpose funds: Trash, Capital Improvement Reserve, Water Utility Reserve and Sewer Utility Reserve.

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 3 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 (d) (1) requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

Note 3 – Deposits and Investments (continued)

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's has not designated "peak periods". All deposits were legally secured during 2018.

At December 31, 2018, the carrying amount of the City's deposits was \$670,002 and the bank balance was \$690,506. The bank balance was held at one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the City, the pledging bank, and the independent third-party bank holding the pledged securities.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments during 2018.

Note 4 - Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County.

Property owners have the option of paying one-half of the full amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

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

Note 5 – Long – Term Debt

On December 19, 2017, the City issued Series 2017A GO Bonds in the amount of \$3,140,000, at an interest rate of 3.5% and maturity of December 19, 2057. These bonds were used to pay off the temporary financing used for the City's wastewater project.

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

Note 5 - Long – Term Debt (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest and Service Fee Paid
GO Bonds Payable:									
Series 2017A	3.50%	12/19/2017	\$ 3,140,000	12/19/2057	<u>\$ 3,140,000</u>	<u>\$ -</u>	<u>\$ 137,000</u>	<u>\$ 3,003,000</u>	<u>\$ 109,900</u>

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

Note 5 - Long – Term Debt (continued)

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

	<u>Principal</u>	<u>Interest</u>
2018	\$ 38,000	\$ 108,605
2019	39,000	107,569
2020	40,000	105,910
2021	41,000	104,510
2022	43,000	103,075
2023-2027	243,000	491,868
2028-2032	286,000	446,314
2033-2037	346,000	392,145
2038-2042	411,000	327,122
2043-2047	489,000	250,068
2048-2052	585,000	157,891
2053-2057	442,000	48,222
	<u>\$ 3,003,000</u>	<u>\$ 2,643,299</u>

Note 6 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

The City continues to carry commercial insurance for all other risks of loss, including general liability, crime, inland marine, errors and omissions, business auto, and property. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 7 – Evaluation of Subsequent Events

The City has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report which is the date the financial statement was available for issue.

**Regulatory-Required
Supplementary Information**

SCHEDULE 1

CITY OF OZAWKIE, KANSAS
Summary of Expenditures – Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2018

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Over (Under)</u>
General Funds:					
General	\$ 194,967	\$ -	\$ 194,967	\$ 176,919	\$ (18,048)
Special Purpose Funds:					
Special Highway	62,011	-	62,011	61,637	(374)
City Sales Tax	65,000	-	65,000	34,067	(30,933)
Business Funds:					
Water Utility	185,536	-	185,536	92,847	(92,689)
Sewer Utility	385,798	-	385,798	260,608	(125,190)
Trash	48,595	-	48,595	36,511	(12,084)

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
Receipts:			
Ad Valorem Tax	\$ 70,045	\$ 70,710	\$ (665)
Delinquent Tax	289	-	289
Motor Vehicle Tax	13,065	12,682	383
Recreational Vehicle Tax	184	187	(3)
16/20 M Vehicle Tax	26	26	-
Commercial Vehicle Tax	19	-	19
Watercraft Tax	224	202	22
Specials Tax	1,326	-	1,326
Local Alcoholic Liquor	465	-	465
Local Sales Tax	21,689	27,300	(5,611)
Franchise Fees	26,698	24,375	2,323
Licenses	5,291	2,000	3,291
Charges For Services	2,000	-	2,000
Interest on Idle Funds	2,766	900	1,866
Reimbursed Expenses	436	-	436
Miscellaneous	4,978	6,000	(1,022)
Total Receipts	<u>149,501</u>	<u>\$ 144,382</u>	<u>\$ 5,119</u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
General Fund (Continued)
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
Expenditures:			
General Government			
Personal Services	49,046	\$ 64,000	\$ (14,954)
Contractual Services	40,210	40,000	210
Materials and Supplies	12,412	15,248	(2,836)
Capital Outlay	26,819	-	26,819
Insurance	-	12,000	(12,000)
Police			
Personal Services	-	10,000	(10,000)
Contractual Services	7,611	5,000	2,611
Materials and Supplies	5,409	15,000	(9,591)
Streets			
Materials and Supplies	11,379	10,000	1,379
Street Lights			
Contractual Services	712	2,000	(1,288)
Parks and Recreation			
Electric	276	6,000	(5,724)
Mowing	12,326	5,000	7,326
Transfers Out	10,719	10,719	-
Total Expenditures	<u>176,919</u>	<u>\$ 194,967</u>	<u>\$ (18,048)</u>
 Receipts Over (Under) Expenditures	 (27,418)		
Unencumbered Cash, Beginning	107,132		
Unencumbered Cash, Ending	<u>\$ 79,714</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
Receipts:			
State of Kansas Gas Tax	\$ 17,030	\$ 16,810	\$ 220
Transfers In	<u>17,000</u>	<u>-</u>	<u>17,000</u>
Total Receipts	<u>34,030</u>	<u>\$ 16,810</u>	<u>\$ 17,220</u>
Expenditures:			
Contractual Services	47,705	\$ 42,011	\$ 5,694
Materials and Supplies	<u>13,932</u>	<u>20,000</u>	<u>(6,068)</u>
Total Expenditures	<u>61,637</u>	<u>\$ 62,011</u>	<u>\$ (374)</u>
Receipts Over (Under) Expenditures	(27,607)		
Unencumbered Cash, Beginning	<u>31,045</u>		
Unencumbered Cash, Ending	<u>\$ 3,438</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Capital Improvement Reserve Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
Receipts:			
Transfers In	\$ 10,719	\$ -	\$ 10,719
Total Receipts	<u>10,719</u>	<u>\$ -</u>	<u>\$ 10,719</u>
Expenditures:			
Miscellaneous	4,609	\$ -	\$ -
Total Expenditures	<u>4,609</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	6,110		
Unencumbered Cash, Beginning	<u>9,609</u>		
Unencumbered Cash, Ending	<u>\$ 15,719</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Sales Tax Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>
Receipts:	
Local Sales Tax	<u>\$ 57,520</u>
Total Receipts	<u>57,520</u>
Expenditures:	
Contractual Services	<u>34,067</u>
Total Expenditures	<u>34,067</u>
Receipts Over (Under) Expenditures	23,453
Unencumbered Cash, Beginning	<u>2,586</u>
Unencumbered Cash, Ending	<u><u>\$ 26,039</u></u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Water Utility Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>
Receipts:	
Transfers In	<u>\$ 10,000</u>
Total Receipts	<u>10,000</u>
Expenditures:	
Capital Outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	10,000
Unencumbered Cash, Beginning	<u>58,986</u>
Unencumbered Cash, Ending	<u><u>\$ 68,986</u></u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Sewer Utility Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>
Receipts:	
Transfers In	<u>\$ -</u>
Total Receipts	<u>-</u>
Expenditures:	
Capital Outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>3,464</u>
Unencumbered Cash, Ending	<u><u>\$ 3,464</u></u>

CITY OF OZAWKIE, KANSAS
Wastewater Project Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Project To Date</u>
Receipts:		
Loan Proceeds	\$ -	\$ 6,794,500
KDHE Loan Proceeds	-	845,488
Interest Income	-	5
	<u>-</u>	<u>5</u>
Total Receipts	<u>-</u>	<u>7,639,993</u>
Expenditures:		
Capital Outlay	-	3,099,247
Note Payments - Principal	40,678	4,445,697
Note Payments - Interest	-	60,279
Note Payments - Fees	-	34,770
	<u>-</u>	<u>34,770</u>
Total Expenditures	<u>40,678</u>	<u>7,639,993</u>
Receipts Over (Under) Expenditures	(40,678)	-
Unencumbered Cash, Beginning	<u>40,678</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
Receipts:			
Water Sales	\$ 53,731	\$ 49,100	\$ 4,631
Connections	4,100	-	4,100
Other Utility Charges	-	435	(435)
Surcharge	19,881	19,025	856
Total Receipts	<u>77,712</u>	<u>\$ 68,560</u>	<u>\$ 9,152</u>
Expenditures:			
Personal Services	25,372	\$ 25,000	\$ 372
Contractual Services	35,020	20,000	15,020
Materials and Supplies	17,859	15,000	2,859
Capital Outlay	4,596	115,536	(110,940)
Transfers Out	10,000	10,000	-
Total Expenditures	<u>92,847</u>	<u>\$ 185,536</u>	<u>\$ (92,689)</u>
Receipts Over (Under) Expenditures	(15,135)		
Unencumbered Cash, Beginning	<u>155,020</u>		
Unencumbered Cash, Ending	<u>\$ 139,885</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Sewer Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	Actual	Budget	Variance Over (Under)
Receipts:			
Customer Collections	\$ 89,304	\$ 82,000	\$ 7,304
Debt Service Fee	<u>120,320</u>	<u>96,600</u>	<u>23,720</u>
Total Receipts	<u>209,624</u>	<u>\$ 178,600</u>	<u>\$ 31,024</u>
Expenditures:			
Personal Services	25,372	\$ 25,000	\$ 372
Contractual Services	25,525	25,000	525
Materials and Supplies	1,013	20,000	(18,987)
Capital Outlay	2,476	256,045	(253,569)
Transfers	-	5,000	(5,000)
Principal	96,322	34,947	61,375
Interest Expense	<u>109,900</u>	<u>19,806</u>	<u>90,094</u>
Total Expenditures	<u>260,608</u>	<u>\$ 385,798</u>	<u>\$ (125,190)</u>
Receipts Over (Under) Expenditures	(50,984)		
Unencumbered Cash, Beginning	<u>276,650</u>		
Unencumbered Cash, Ending	<u>\$ 225,666</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Trash Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Customer Collections	\$ 40,638	\$ 39,600	\$ 1,038
Total Receipts	<u>40,638</u>	<u>\$ 39,600</u>	<u>\$ 1,038</u>
Expenditures:			
Contractual Services	36,378	\$ 40,000	\$ (3,622)
Materials and Supplies	133	800	(667)
Capital Outlay	<u>-</u>	<u>7,795</u>	<u>(7,795)</u>
Total Expenditures	<u>36,511</u>	<u>\$ 48,595</u>	<u>\$ (12,084)</u>
Receipts Over (Under) Expenditures	4,127		
Unencumbered Cash, Beginning	<u>14,043</u>		
Unencumbered Cash, Ending	<u>\$ 18,170</u>		

See independent auditor's report on regulatory-required supplementary information.

CITY OF OZAWKIE, KANSAS
Sales Tax Agency Fund
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
City Sales Tax Clearing	\$ 144	\$ 240	\$ 384	\$ -
Deposit Clearing	8,716	22,492	16,039	15,169
Penalty Clearing	<u>13,578</u>	<u>-</u>	<u>12,308</u>	<u>1,270</u>
Total	<u>\$ 22,438</u>	<u>\$ 22,732</u>	<u>\$ 28,731</u>	<u>\$ 16,439</u>

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