

CITY OF ELKHART, KANSAS
Elkhart, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2017

CITY OF ELKHART, KANSAS

FINANCIAL STATEMENTS

For the year ended December 31, 2017

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CITY OF ELKHART, KANSAS

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CITY OF ELKHART, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Elkhart, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Elkhart, 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 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.

To the City Council
City of Elkhart, Kansas

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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 Elkhart, 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 Elkhart, Kansas 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 Elkhart, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial

To the City Council
City of Elkhart, Kansas

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statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Elkhart, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated July 31, 2017, which contained an unmodified opinion on the basic financial statement. 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://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. 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 basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note 1.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

July 26, 2018

CITY OF ELKHART, KANSAS

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHREGULATORY BASIS

For the year ended December 31, 2017

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
General	\$ 578,799	\$ 929,995	\$ 891,547	\$ 617,247	\$ 16,584	\$ 633,831
Special Purpose Funds:						
Employees' Benefits	44,745	189,457	204,907	29,295	365	29,660
Fire Equipment Replacement	149,700	35,809	771	184,738	-	184,738
Special City Streets and Highways	183,122	52,971	98,947	137,146	-	137,146
Special Park and Recreation	15,003	378	6,165	9,216	-	9,216
Revenue Fund for Sales Tax						
Revenue Bonds Series 1994	795,979	197,021	289,182	703,818	-	703,818
Debt Service:						
Bond and Interest	183,971	50,287	100,233	134,025	-	134,025
Capital Project Funds:						
Morton Street Improvements	(59,708)	184,708	125,000	-	-	-
Business Funds – Enterprise Type Funds:						
Water System:						
Operating	51,250	424,417	354,000	121,667	8,679	130,346
Customer Deposit	-	10,560	10,560	-	95,162	95,162
Equipment Replacement	123,505	30,000	49,976	103,529	-	103,529
Sanitation System:						
Operating	65,412	251,945	236,814	80,543	-	80,543
Equipment Replacement	117,796	-	-	117,796	-	117,796
Sewer System:						
Operating	-	150,976	104,000	46,976	1,431	48,407
Equipment Replacement	45,981	500	-	46,481	-	46,481
Fiduciary Type Funds – Trust Funds:						
Whistle Stop Park Bequest	6,997	-	30	6,967	-	6,967
Safe Park Equipment	4,495	-	-	4,495	-	4,495
Piano Bequest	555	-	-	555	-	555
Animal Foundation	2,462	1,050	25	3,487	-	3,487
Special Law Enforcement Trust	282	-	200	82	-	82
Fireworks	1,796	5,820	5,861	1,755	-	1,755
Total Reporting Entity	<u>\$2,312,142</u>	<u>\$2,515,894</u>	<u>\$2,478,218</u>	<u>\$2,349,818</u>	<u>\$122,221</u>	<u>\$2,472,039</u>

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

CITY OF ELKHART, KANSAS

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the year ended December 31, 2017

Ending Cash Balance		<u>\$2,472,039</u>
Composition of Cash:		
Cash on hand with City Clerk	\$	600
Deposits in Local Depositories:		
Checking accounts		91,290
Time deposits		<u>2,380,149</u>
Total Reporting Entity		<u>\$2,472,039</u>

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

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Elkhart is a municipal corporation governed by an elected seven member council. This regulatory financial statement presents the City of Elkhart (the municipality). A related municipal entity is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with the City. Based upon the criteria used to evaluate potential related municipal entities, it was determined there were no related municipal entities to present with the municipality's financial statement.

Advisory Boards

The City Council is responsible for appointing members of the Board of Appeals and the Planning Commission. Neither board has any budgetary or disbursing authority. Their function is solely to advise the City Council and, therefore, is a part of the municipality.

Jointly Governed Organizations

The City, in conjunction with Jones, Taloga and Cimarron Townships, has created the Elkhart Cemetery District. The Elkhart Cemetery District's board consists of one representative from each of the participating entities.

Fund Descriptions

In governmental accounting, 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 on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year of 2017:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project 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:

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenue earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds:

Trust Funds – used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

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 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 municipality 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 municipality to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Elkhart, Kansas deposited and/or invested all funds with the First National Bank of Elkhart.

State statutes and local bond ordinances authorize the City to invest in obligations of the U. S. Treasury and certificates of deposit at local financial institutions.

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 bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. 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 of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Budgetary Information

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

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

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

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the 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 projects funds, trust funds, and the following special purpose funds:

Water Customer Deposits 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.

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Morton County.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

Taxes levied to finance the budget are made available to the City of Elkhart, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

Contrary to the provisions of KSA 10-1117 and KSA 79-2934, the City Clerk did not maintain a formal encumbrance record or an unencumbered budget balance record.

No other statutory violations were noted during the audit.

Fund Balances – Designated for Subsequent Year's Budget

Actual cash carryover was not sufficient for the following funds:

	<u>2017</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>2018 Budgeted</u> <u>Unencumbered</u> <u>Cash Carryover</u>
Special Park and Recreation Fund	\$ 9,216	\$ 16,000
Special Highway Fund	137,147	239,000
Special Fire Fund	184,738	187,000
Water Equipment Replacement	103,530	153,000
Sewer Equipment Replacement	46,481	51,000
Sanitation	80,542	87,000

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City of Elkhart. The statute requires banks eligible to hold the City of Elkhart's funds have a main or branch bank in the county in which the City of Elkhart 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 of Elkhart has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City of Elkhart'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 of Elkhart 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 of Elkhart 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 of Elkhart's deposits may not be returned to it. State statutes require the City of Elkhart's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City of Elkhart's carrying amount of deposits was \$2,472,039 and the bank balance was \$2,496,574. Of the bank balance, \$250,000 was covered by federal depository insurance, \$2,399,768 was collateralized with securities held by the pledging financial institutions' agents in the City of Elkhart's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City of Elkhart 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.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 4: Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Water Fund	Water Equipment Replacement Fund	KSA 12-825d	\$ 30,000
Sewer Fund	Sewer Equipment Replacement Fund	KSA 12-6310	500
Sales Tax Revenue Fund	Bond and Interest Fund	KSA 12-187	50,116
Sales Tax Revenue Fund	Morton Street Project	KSA 12-187	184,708
General Fund	Fireworks Fund		1,700

Note 5: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The City of Elkhart, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or 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.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 5: Defined Benefit Pension Plan (Continued)

Contributions (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer 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 the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City of Elkhart were \$82,984 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City of Elkhart's proportionate share of the collective net pension liability reported by KPERS was \$469,473. 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 of Elkhart's proportion of the net pension liability was based on the ratio of the City of Elkhart'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 this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 6: Other Long-Term Obligations from Operations

Compensated Absences

Sick and Vacation Leave

All full-time regular employees are to accrue vacation leave as follows:

- 1 Full year of service – 10 Working days
- 10 Years of service – 15 Working days
- 15 Years of service – 20 Working days

Up to 5 days of unused vacation days may be carried over to the next year but must be used by June 30 of that year.

If an employee is in good standing upon termination of their employment, they may receive monetary compensation for any unused vacation leave.

All full-time regular employees are to accrue sick leave one day for each month of service, not to exceed 90 days. No employee is to receive monetary remuneration for unused sick leave upon termination of their employment.

Deferred Compensation

The City of Elkhart offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation assets, which are funded currently with third party investment companies, are not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City, subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant. The City of Elkhart believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 6: Other Long-Term Obligations from Operations (Continued)

Deferred Compensation (Continued)

The following is a summary of activity for the year ended December 31, 2017:

Beginning account value	\$161,156
Contributions	12,008
Fees	(292)
Change in investment value	<u>(3,555)</u>
Ending account balance	<u>\$169,317</u>

Other Post Employment Benefits

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

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

Note 7: Subsequent Events

The City of Elkhart's management has evaluated events and transactions through July 26, 2018, the date which the financial statement was available to be issued.

CITY OF ELKHART, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

(Continued)

Note 8: Long-Term Debt

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation									
Bond Series 2010B1	1%-3%	07/23/10	\$825,000	09/01/20	\$375,000	-	\$ 90,000	\$285,000	\$10,231
Capital Leases Payable:									
Elgin Street Sweeper	4.169%	08/04/15	168,867	08/04/18	84,360	-	41,303	43,057	3,585
40KW Generator	4.650%	06/07/16	28,811	06/07/19	<u>21,100</u>	<u>-</u>	<u>6,709</u>	<u>14,391</u>	<u>1,002</u>
Total Contractual Indebtedness					<u>\$480,460</u>	<u>-</u>	<u>\$138,012</u>	<u>\$342,448</u>	<u>\$14,818</u>

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
Principal:				
General obligation bond	\$ 90,000	\$ 95,000	\$100,000	\$285,000
Capital leases payable	<u>50,086</u>	<u>7,362</u>	<u>-</u>	<u>57,448</u>
Total principal	<u>\$140,086</u>	<u>\$102,362</u>	<u>\$100,000</u>	<u>\$342,448</u>
Interest:				
General obligation bond	\$ 8,094	\$ 5,731	\$ 3,000	\$ 16,825
Capital leases payable	<u>2,513</u>	<u>350</u>	<u>-</u>	<u>2,863</u>
Total interest	<u>\$ 10,607</u>	<u>\$ 6,081</u>	<u>\$ 3,000</u>	<u>\$ 19,688</u>
Total Principal and Interest	<u>\$150,693</u>	<u>\$108,443</u>	<u>\$103,000</u>	<u>\$362,136</u>

CITY OF ELKHART, KANSAS

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF ELKHART, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
REGULATORY BASIS

For the year ended December 31, 2017

<u>Funds</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General	\$1,420,000	\$ 891,547	\$ (528,453)
Special Purpose Funds:			
Employees' Benefits	255,500	204,907	(50,593)
Fire Equipment Replacement	188,000	771	(187,229)
Special City Streets and Highways	299,000	98,947	(200,053)
Special Park and Recreation	16,000	6,165	(9,835)
Revenue Fund for Sales Tax			
Revenue Bonds Series 1994	985,422	289,182	(696,240)
Debt Service:			
Bond and Interest	233,206	100,233	(132,973)
Business Funds – Enterprise Funds:			
Water System:			
Operating	354,000	354,000	-
Equipment Replacement	170,000	49,976	(120,024)
Sanitation System:			
Operating	318,000	236,814	(81,186)
Sewer System:			
Operating	104,000	104,000	-
Equipment Replacement	59,500	-	(59,500)
	<u>\$4,402,628</u>	<u>\$2,336,542</u>	<u>\$ (2,066,086)</u>

CITY OF ELKHART, KANSAS

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the year ended December 31, 2017

CITY OF ELKHART, KANSAS

Schedule 2-1

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)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$417,749	\$426,548	\$ (8,799)	\$415,798
Delinquent tax	7,873	6,720	1,153	9,646
Motor vehicle tax	76,015	91,536	(15,521)	76,051
Recreational vehicle tax	1,074	1,021	53	1,322
16/20M vehicle tax	2,236	1,439	797	1,745
Commercial vehicle tax	-	3,095	(3,095)	-
Watercraft tax	100	141	(41)	126
Local sales tax	<u>197,022</u>	<u>160,000</u>	<u>37,022</u>	<u>185,446</u>
Total taxes	<u>\$702,069</u>	<u>\$690,500</u>	<u>\$ 11,569</u>	<u>\$690,134</u>
Intergovernmental:				
Federal government taxes in lieu of	\$ 3,800	\$ 4,000	\$ (200)	\$ 4,159
Liquor tax	<u>378</u>	<u>-</u>	<u>378</u>	<u>90</u>
Total intergovernmental	<u>\$ 4,178</u>	<u>\$ 4,000</u>	<u>\$ 178</u>	<u>\$ 4,249</u>
Licenses, Permits, and Fees:				
Permits	\$ 1,031	\$ 1,000	\$ 31	\$ 952
Licenses	810	500	310	1,012
Franchise tax	<u>118,104</u>	<u>120,000</u>	<u>(1,896)</u>	<u>116,239</u>
Total licenses, permits, and fees	<u>\$119,945</u>	<u>\$121,500</u>	<u>\$ (1,555)</u>	<u>\$118,203</u>
Charges for Services:				
Swimming pool and concessions	<u>\$ 19,984</u>	<u>\$ 17,000</u>	<u>\$ 2,984</u>	<u>\$ 18,789</u>
Fines, Forfeitures, and Penalties:				
Police	\$ 35,449	\$ 5,000	\$ 30,449	\$ 16,599
Dog pound	5,019	1,750	3,269	3,868
Fire	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,493</u>
Total fines, forfeitures, & penalties	<u>\$ 40,468</u>	<u>\$ 6,750</u>	<u>\$ 33,718</u>	<u>\$ 24,960</u>
Use of Money and Property:				
Interest on time deposits	\$ 25,378	\$ 2,750	\$ 22,628	\$ 8,870
Rentals and royalties	<u>10,989</u>	<u>12,500</u>	<u>(1,511)</u>	<u>11,319</u>
Total use of money and property	<u>\$ 36,367</u>	<u>\$ 15,250</u>	<u>\$ 21,117</u>	<u>\$ 20,189</u>
Miscellaneous	<u>\$ 6,984</u>	<u>-</u>	<u>\$ 6,984</u>	<u>\$ 17,640</u>
Total Receipts	<u>\$929,995</u>	<u>\$855,000</u>	<u>\$ 74,995</u>	<u>\$894,164</u>

CITY OF ELKHART, KANSAS

Schedule 2-1
(Continued)

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)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u>				
General Government:				
Personal services	\$218,092	\$150,000	\$ 68,092	\$190,712
Contractual services	51,932	50,000	1,932	45,035
Commodities	20,362	30,000	(9,638)	24,197
Capital outlay	19,096	509,000	(489,904)	31,351
Operating transfer	<u>1,700</u>	<u>-</u>	<u>1,700</u>	<u>-</u>
Total general government	<u>\$311,182</u>	<u>\$739,000</u>	<u>\$ (427,818)</u>	<u>\$291,295</u>
Public Safety – Police:				
Personal services	\$105,695	\$117,500	\$ (11,805)	\$101,348
Contractual services	48,348	55,000	(6,652)	50,619
Commodities	11,079	20,000	(8,921)	14,597
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,242</u>
Total public safety – Police	<u>\$165,122</u>	<u>\$192,500</u>	<u>\$ (27,378)</u>	<u>\$167,806</u>
Public Safety – Fire:				
Personal services	\$ 5,928	\$ 7,500	\$ (1,572)	\$ 6,174
Contractual services	21,127	24,000	(2,873)	20,741
Commodities	959	10,000	(9,041)	2,884
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Total public safety – Fire	<u>\$ 28,014</u>	<u>\$ 41,500</u>	<u>\$ (13,486)</u>	<u>\$ 32,199</u>
Public Safety – Animal Shelter:				
Personal services	\$ 4,956	\$ 7,500	\$ (2,544)	\$ 3,809
Contractual services	6,190	7,500	(1,310)	5,103
Commodities	<u>2,054</u>	<u>5,000</u>	<u>(2,946)</u>	<u>2,022</u>
Total public safety – Animal shelter	<u>\$ 13,200</u>	<u>\$ 20,000</u>	<u>\$ (6,800)</u>	<u>\$ 10,934</u>

CITY OF ELKHART, KANSAS

Schedule 2-1
(Continued)

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)

	<u>Current Year</u>		<u>Variance Over (Under)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures</u> (Continued)				
Highways and Streets:				
Personal services	\$ 90,969	\$ 135,000	\$ (44,031)	\$130,933
Contractual services	31,919	35,000	(3,081)	39,449
Commodities	36,445	35,000	1,445	23,601
Capital outlay	<u>6,319</u>	<u>10,000</u>	<u>(3,681)</u>	<u>6,962</u>
Total highways and streets	<u>\$165,652</u>	<u>\$ 215,000</u>	<u>\$ (49,348)</u>	<u>\$200,945</u>
Parks:				
Personal services	\$ 44,239	\$ 45,000	\$ (761)	\$ 45,479
Contractual services	22,826	22,000	826	21,295
Commodities	8,160	10,000	(1,840)	8,205
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total parks	<u>\$ 75,225</u>	<u>\$ 77,000</u>	<u>\$ (1,775)</u>	<u>\$ 84,979</u>
Swimming Pool:				
Personal services	\$ 29,288	\$ 30,000	\$ (712)	\$ 27,546
Contractual services	13,620	20,000	(6,380)	12,884
Commodities	26,406	20,000	6,406	19,546
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,154</u>
Total swimming pool	<u>\$ 69,314</u>	<u>\$ 70,000</u>	<u>\$ (686)</u>	<u>\$ 68,130</u>
Street Lighting:				
Contractual services	<u>\$ 63,838</u>	<u>\$ 65,000</u>	<u>\$ (1,162)</u>	<u>\$ 59,598</u>
Total Expenditures	<u>\$891,547</u>	<u>\$1,420,000</u>	<u>\$ (528,453)</u>	<u>\$915,886</u>
Receipts Over (Under) Expenditures	\$ 38,448			\$ (21,722)
Unencumbered Cash, Beginning	<u>578,799</u>			<u>600,521</u>
Unencumbered Cash, Ending	<u>\$617,247</u>			<u>\$578,799</u>

CITY OF ELKHART, KANSAS

Schedule 2-2

EMPLOYEES' 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$153,323	\$155,500	\$ (2,177)	\$153,648
Delinquent tax	2,916	3,431	(515)	3,085
Motor vehicle tax	28,324	33,825	(5,501)	28,063
Recreational vehicle tax	402	-	402	495
16/20M vehicle tax	845	532	313	556
Commercial vehicle tax	-	1,144	(1,144)	-
Watercraft tax	<u>37</u>	<u>52</u>	<u>(15)</u>	<u>47</u>
Total taxes	\$185,847	\$194,484	\$ (8,637)	\$185,894
Intergovernmental:				
Federal government taxes in lieu of	1,395	1,000	395	1,543
Miscellaneous	<u>2,215</u>	<u>-</u>	<u>2,215</u>	<u>-</u>
Total Receipts	<u>\$189,457</u>	<u>\$195,484</u>	<u>\$ (6,027)</u>	<u>\$187,437</u>
<u>Expenditures</u>				
Employees' Benefits:				
Social Security	\$ 34,504	\$ 37,500	\$ (2,996)	\$ 36,682
KPERS	34,644	42,500	(7,856)	40,475
Unemployment	455	500	(45)	484
Insurance	<u>135,304</u>	<u>175,000</u>	<u>(39,696)</u>	<u>163,226</u>
Total Expenditures	<u>\$204,907</u>	<u>\$255,500</u>	<u>\$ (50,593)</u>	<u>\$240,867</u>
Receipts Over (Under) Expenditures	\$ (15,450)			\$ (53,430)
Unencumbered Cash, Beginning	<u>44,745</u>			<u>98,175</u>
Unencumbered Cash, Ending	<u>\$ 29,295</u>			<u>\$ 44,745</u>

CITY OF ELKHART, KANSAS

Schedule 2-3

FIRE EQUIPMENT REPLACEMENT 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Taxes and Shared Receipts:				
Ad valorem property tax	\$ 29,208	\$ 30,125	\$ (917)	\$ 29,550
Delinquent tax	576	690	(114)	687
Motor vehicle tax	5,503	6,505	(1,002)	5,804
16/20M vehicle tax	171	102	69	124
Recreational vehicle tax	78	73	5	102
Commercial vehicle tax	-	220	(220)	-
Watercraft tax	<u>7</u>	<u>10</u>	<u>(3)</u>	<u>10</u>
Total taxes	\$ 35,543	\$ 37,725	\$ (2,182)	\$ 36,277
Intergovernmental:				
Federal government taxes in lieu of	266	275	(9)	298
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,500</u>
Total Receipts	\$ <u>35,809</u>	\$ <u>38,000</u>	\$ <u>(2,191)</u>	\$ <u>69,075</u>
<u>Expenditures</u>				
Public Safety – Fire:				
Contractual services	\$ 771	\$188,000	\$ (187,229)	\$ 475
Commodities	-	-	-	4,503
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,000</u>
Total Expenditures	\$ <u>771</u>	\$ <u>188,000</u>	\$ <u>(187,229)</u>	\$ <u>268,978</u>
Receipts Over (Under) Expenditures	\$ 35,038			\$ (199,903)
Unencumbered Cash, Beginning	<u>149,700</u>			<u>349,603</u>
Unencumbered Cash, Ending	<u>\$184,738</u>			<u>\$ 149,700</u>

CITY OF ELKHART, KANSAS

Schedule 2-4

SPECIAL CITY STREETS AND HIGHWAYS 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Gasoline tax	\$ <u>52,971</u>	\$ <u>56,000</u>	\$ <u>(3,029)</u>	\$ <u>55,097</u>
<u>Expenditures</u>				
Highways and Streets:				
Contractual services	\$ <u>12,853</u>	\$ <u>15,000</u>	\$ <u>(2,147)</u>	\$ <u>20,956</u>
Capital outlay	<u>86,094</u>	<u>284,000</u>	<u>(197,906)</u>	<u>39,000</u>
Total Expenditures	\$ <u>98,947</u>	\$ <u>299,000</u>	\$ <u>(200,053)</u>	\$ <u>59,956</u>
Receipts Over (Under) Expenditures	\$ (45,976)			\$ (4,859)
Unencumbered Cash, Beginning	<u>183,122</u>			<u>187,981</u>
Unencumbered Cash, Ending	\$ <u>137,146</u>			\$ <u>183,122</u>

CITY OF ELKHART, KANSAS

Schedule 2-5

SPECIAL PARK AND 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Intergovernmental:				
Liquor tax	\$ <u>378</u>	<u>-</u>	\$ <u>378</u>	\$ <u>90</u>
<u>Expenditures</u>				
Contractual services	\$ 771	\$ -	\$ 771	\$ 474
Commodities	<u>5,394</u>	<u>16,000</u>	<u>(10,606)</u>	<u>-</u>
Total Expenditures	\$ <u>6,165</u>	\$ <u>16,000</u>	\$ <u>(9,835)</u>	\$ <u>474</u>
Receipts Over (Under) Expenditures	\$ (5,787)			\$ (384)
Unencumbered Cash, Beginning	<u>15,003</u>			<u>15,387</u>
Unencumbered Cash, Ending	\$ <u>9,216</u>			\$ <u>15,003</u>

CITY OF ELKHART, KANSAS

Schedule 2-6

BOND AND INTEREST 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
<u>Receipts</u>			<u>(Under)</u>	<u>Actual</u>
Taxes and Shared Receipts:				
16/20M Vehicle tax	\$ -	-	\$ -	\$ 4
Delinquent tax	<u>171</u>	<u>-</u>	<u>171</u>	<u>316</u>
Total taxes	\$ 171	\$ -	\$ 171	\$ 320
Operating transfers	<u>50,116</u>	<u>50,116</u>	<u>-</u>	<u>48,519</u>
Total Receipts	\$ <u>50,287</u>	\$ <u>50,116</u>	\$ <u>171</u>	\$ <u>48,839</u>
<u>Expenditures</u>				
Bond principal	\$ 90,000	\$ 90,000	\$ -	\$ 85,000
Interest coupons	10,231	10,231	-	12,038
Miscellaneous	<u>2</u>	<u>132,975</u>	<u>(132,973)</u>	<u>1</u>
Total Expenditures	\$ <u>100,233</u>	\$ <u>233,206</u>	\$ <u>(132,973)</u>	\$ <u>97,039</u>
Receipts Over (Under) Expenditures	\$ (49,946)			\$ (48,200)
Unencumbered Cash, Beginning	<u>183,971</u>			<u>232,171</u>
Unencumbered Cash, Ending	\$ <u>134,025</u>			\$ <u>183,971</u>

CITY OF ELKHART, KANSAS

Schedule 2-7

REVENUE FUND FOR SALES TAX
REVENUE BONDS SERIES 1994
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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Sales tax	\$ <u>197,021</u>	\$ <u>165,000</u>	\$ <u>32,021</u>	\$ <u>185,446</u>
<u>Expenditures</u>				
Contractual services	\$ 4,770	\$ -	\$ 4,770	\$ -
Capital outlay	49,588	935,306	(885,718)	44,889
Operating transfers	<u>234,824</u>	<u>50,116</u>	<u>184,708</u>	<u>48,519</u>
Total Expenditures	\$ <u>289,182</u>	\$ <u>985,422</u>	\$ <u>(696,240)</u>	\$ <u>93,408</u>
Receipts Over (Under) Expenditures	\$ (92,161)			\$ 92,038
Unencumbered Cash, Beginning	<u>795,979</u>			<u>703,941</u>
Unencumbered Cash, Ending	\$ <u>703,818</u>			\$ <u>795,979</u>

CITY OF ELKHART, KANSAS

Schedule 2-8

WATER SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Charges for Services:				
Water sales to customers	\$390,814	\$335,000	\$ 55,814	\$345,796
Penalties and forfeitures	12,590	10,000	2,590	9,030
Other	16,746	9,000	7,746	10,858
Taps	<u>3,800</u>	<u>-</u>	<u>3,800</u>	<u>1,850</u>
Total charges for services	\$423,950	\$354,000	\$ 69,950	\$367,534
Use of Money and Property:				
Interest on time deposits	<u>467</u>	<u>-</u>	<u>467</u>	<u>241</u>
Total Receipts	<u>\$424,417</u>	<u>\$354,000</u>	<u>\$ 70,417</u>	<u>\$367,775</u>
<u>Expenditures</u>				
Personal services	\$140,028	\$139,000	\$ 1,028	\$156,432
Contractual services	133,953	115,000	18,953	120,921
Commodities	43,249	45,000	(1,751)	35,463
Capital outlay	6,770	25,000	(18,230)	9,879
Operating transfers	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total Expenditures	<u>\$354,000</u>	<u>\$354,000</u>	<u>-</u>	<u>\$352,695</u>
Receipts Over (Under) Expenditures	\$ 70,417			\$ 15,080
Unencumbered Cash, Beginning	<u>51,250</u>			<u>36,170</u>
Unencumbered Cash, Ending	<u>\$121,667</u>			<u>\$ 51,250</u>

CITY OF ELKHART, KANSAS

Schedule 2-9

WATER EQUIPMENT REPLACEMENT 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Operating transfers	\$ 30,000	\$ <u>30,000</u>	<u>-</u>	\$ 30,000
<u>Expenditures</u>				
Capital outlay	<u>49,976</u>	<u>\$170,000</u>	<u>\$ (120,024)</u>	<u>17,027</u>
Receipts Over (Under) Expenditures	\$ (19,976)			\$ 12,973
Unencumbered Cash, Beginning	<u>123,505</u>			<u>110,532</u>
Unencumbered Cash, Ending	<u>\$103,529</u>			<u>\$123,505</u>

CITY OF ELKHART, KANSAS

Schedule 2-10

SANITATION SERVICE 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Charges for Services:				
Service charges	\$251,912	\$255,000	\$ (3,088)	\$257,611
Use of Money and Property:				
Interest on time deposits	<u>33</u>	<u>-</u>	<u>33</u>	<u>17</u>
Total Receipts	<u>\$251,945</u>	<u>\$255,000</u>	<u>\$ (3,055)</u>	<u>\$257,628</u>
<u>Expenditures</u>				
Contractual services	\$236,749	\$318,000	\$ (81,251)	\$234,363
Commodities	<u>65</u>	<u>-</u>	<u>65</u>	<u>51</u>
Total Expenditures	<u>\$236,814</u>	<u>\$318,000</u>	<u>\$ (81,186)</u>	<u>\$234,414</u>
Receipts Over (Under) Expenditures	\$ 15,131			\$ 23,214
Unencumbered Cash, Beginning	<u>65,412</u>			<u>42,198</u>
Unencumbered Cash, Ending	<u>\$ 80,543</u>			<u>\$ 65,412</u>

CITY OF ELKHART, KANSAS

Schedule 2-11

SANITATION EQUIPMENT REPLACEMENT 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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>	-	-	-	-
<u>Expenditures</u>	-	-	-	-
Receipts Over (Under) Expenditures	\$ -			\$ -
Unencumbered Cash, Beginning	<u>117,796</u>			<u>117,796</u>
Unencumbered Cash, Ending	<u>\$117,796</u>			<u>\$117,796</u>

CITY OF ELKHART, KANSAS

Schedule 2-12

SEWER SYSTEM 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)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Over</u>	<u>Year</u>
			<u>(Under)</u>	<u>Actual</u>
<u>Receipts</u>				
Charges for Services:				
Sewer service charge	\$150,954	\$104,000	\$ 46,954	\$105,371
Use of Money and Property:				
Interest on time deposits	<u>22</u>	<u>-</u>	<u>22</u>	<u>11</u>
Total Receipts	<u>\$150,976</u>	<u>\$104,000</u>	<u>\$ 46,976</u>	<u>\$105,382</u>
<u>Expenditures</u>				
Personal services	\$ 68,048	\$ 60,000	\$ 8,048	\$ 72,452
Contractual services	18,490	20,000	(1,510)	20,318
Commodities	9,250	7,000	2,250	12,784
Capital outlay	7,712	11,000	(3,288)	2,280
Operating transfers	<u>500</u>	<u>6,000</u>	<u>(5,500)</u>	<u>6,000</u>
Total Expenditures	<u>\$104,000</u>	<u>\$104,000</u>	<u>-</u>	<u>\$113,834</u>
Receipts Over (Under) Expenditures	\$ 46,976			\$ (8,452)
Unencumbered Cash, Beginning	<u>-</u>			<u>8,452</u>
Unencumbered Cash, Ending	<u>\$ 46,976</u>			<u>-</u>

CITY OF ELKHART, KANSAS

Schedule 2-13

SEWER EQUIPMENT REPLACEMENT 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)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Over</u> <u>(Under)</u>	<u>Year</u> <u>Actual</u>
<u>Receipts</u>				
Loan proceeds	\$ -	\$ -	\$ -	\$ 28,811
Operating transfers	<u>500</u>	<u>6,000</u>	<u>(5,500)</u>	<u>6,000</u>
Total Receipts	\$ 500	\$ <u>6,000</u>	\$ <u>(5,500)</u>	\$ 34,811
<u>Expenditures</u>				
Capital outlay	<u>-</u>	\$ <u>59,500</u>	\$ <u>(59,500)</u>	<u>36,523</u>
Receipts Over (Under) Expenditures	\$ 500			\$ (1,712)
Unencumbered Cash, Beginning	<u>45,981</u>			<u>47,693</u>
Unencumbered Cash, Ending	\$ <u>46,481</u>			\$ <u>45,981</u>

CITY OF ELKHART, KANSAS

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

For the year ended December 31, 2017

CITY OF ELKHART, KANSAS

Schedule 2-14

WATER CUSTOMER DEPOSITS 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Customer deposits received	\$ 10,560	\$ 9,861
<u>Expenditures</u>		
Customer deposits returned, forfeited or forfeitable	<u>10,560</u>	<u>9,861</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

CITY OF ELKHART, KANSAS

Schedule 2-15

WHISTLE STOP PARK BEQUEST 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Donations	\$ -	\$ 232
<u>Expenditures</u>		
Commodities	<u>30</u>	<u>928</u>
Receipts Over (Under) Expenditures	\$ (30)	\$ (696)
Unencumbered Cash, Beginning	<u>6,997</u>	<u>7,693</u>
Unencumbered Cash, Ending	<u>\$ 6,967</u>	<u>\$ 6,997</u>

CITY OF ELKHART, KANSAS

Schedule 2-16

SAFE PARK 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>	-	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>4,495</u>	<u>4,495</u>
Unencumbered Cash, Ending	\$ <u>4,495</u>	\$ <u>4,495</u>

CITY OF ELKHART, KANSAS

Schedule 2-17

PIANO BEQUEST 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>	-	-
<u>Expenditures</u>	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	<u>555</u>	<u>555</u>
Unencumbered Cash, Ending	<u>\$ 555</u>	<u>\$ 555</u>

CITY OF ELKHART, KANSAS

Schedule 2-18

ANIMAL FOUNDATION 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Donations	\$ 1,050	-
<u>Expenditures</u>		
Commodities	<u>25</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ 1,025	\$ -
Unencumbered Cash, Beginning	<u>2,462</u>	<u>2,462</u>
Unencumbered Cash, Ending	<u>\$ 3,487</u>	<u>\$ 2,462</u>

CITY OF ELKHART, KANSAS

Schedule 2-19

MORTON STREET IMPROVEMENTS 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Operating transfers	\$184,708	\$ -
<u>Expenditures</u>		
Contractual services	<u>125,000</u>	<u>44,000</u>
Receipts Over (Under) Expenditures	\$ 59,708	\$ (44,000)
Unencumbered Cash, Beginning	<u>(59,708)</u>	<u>(15,708)</u>
Unencumbered Cash, Ending	<u>-</u>	<u>\$ (59,708)</u>

CITY OF ELKHART, KANSAS

Schedule 2-20

SPECIAL LAW ENFORCEMENT TRUST 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>	\$ -	\$ -
<u>Expenditures</u>		
Commodities	<u>200</u>	<u>2,025</u>
Receipts Over (Under) Expenditures	\$ (200)	\$ (2,025)
Unencumbered Cash, Beginning	<u>282</u>	<u>2,307</u>
Unencumbered Cash, Ending	\$ <u><u>82</u></u>	\$ <u><u>282</u></u>

CITY OF ELKHART, KANSAS

Schedule 2-21

FIREWORKS 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)

	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Operating transfers	\$ 1,700	\$ -
Miscellaneous	<u>4,120</u>	<u>1,796</u>
Total Receipts	\$ 5,820	\$ 1,796
<u>Expenditures</u>		
Commodities	<u>5,861</u>	<u>-</u>
Receipts Over (Under) Expenditures	\$ (41)	\$ 1,796
Unencumbered Cash, Beginning	<u>1,796</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u>1,755</u>	\$ <u>1,796</u>

