

CITY OF RUSSELL, KANSAS

DECEMBER 31, 2017

CITY OF RUSSELL, KANSAS

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Russell, Kansas
Russell, Kansas

Report on the Financial Statement

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash of the City of Russell, Kansas (the City), 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 regulatory basis reporting provisions permitted in the Kansas Municipal Audit and Accounting Guide (KMAAG), 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 preparing the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' 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, 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 the accounting policies used and the reasonableness of significant 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 reasonable 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 permitted in KMAAG, 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 matters 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 accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2017, or the respective changes in financial position or where applicable, its changes in cash flows for the year then ended.

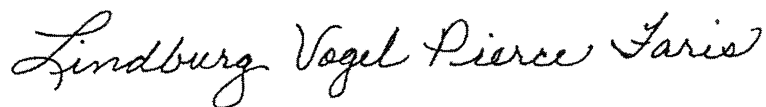
Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions permitted in KMAAG described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2017 fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the agency funds schedule of receipts and disbursements – regulatory basis (Schedules 1 through 3, as listed in the table of contents) are presented for additional analysis and are not a required part of the 2017 basic financial statement; however, they are required to be presented under the provisions in KMAAG. 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 2017 basic financial statement. The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 actual column presented in the individual fund schedules of receipts and expenditures - actual and budget – regulatory basis (Schedule 2 as listed in the table of contents), is also presented for comparative analysis, and was not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated May 20, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the Kansas Department of Administration website at the 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.



Certified Public Accountants

Hutchinson, Kansas
July 10, 2018

CITY OF RUSSELL, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2017

Page 1 of 3

Funds	Unencumbered Cash Balance 01/01/17	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Unencumbered Cash Balance 12/31/17	Add Encumbrances and Accounts Payable	Cash Balance 12/31/17
GENERAL FUND	\$ 1,847,695	\$ -	\$ 3,051,841	\$ 3,056,916	\$ 1,842,620	\$ 116,102	\$ 1,958,722
SPECIAL PURPOSE FUNDS							
Airport	25,619	-	69,411	79,686	15,344	120	15,464
Industrial	139,589	-	365,823	312,566	192,846	765	193,611
Special Highway	274,540	-	122,002	143,621	252,921	31,600	284,521
Library	2,046	-	147,777	149,823	-	-	-
Fire Equipment	78,889	-	41,652	42,440	78,101	3,550	81,651
Recreation	792	-	130,085	130,877	-	-	-
Personnel Benefits	259,909	-	1,849,209	1,767,673	341,445	10,106	351,551
Special Parks and Recreation	88,233	-	16,813	47,174	57,872	-	57,872
Capital Improvements	1,304,630	-	670,678	1,093,895	881,413	95,449	976,862
Equipment Reserve	412,658	-	146,981	272,591	287,048	123,317	410,365
Risk Management Reserve	18,403	-	5,084	526	22,961	-	22,961
TOTAL SPECIAL PURPOSE FUNDS	2,605,308	-	3,565,515	4,040,872	2,129,951	264,907	2,394,858
BOND AND INTEREST FUND							
Bond and Interest	172,623	-	471,403	470,672	173,354	-	173,354
TRUST FUNDS							
Johnson Trust	901,278	-	121,050	109,847	912,481	52,317	964,798
Deines Center Trust	39,843	-	160	13,992	26,011	-	26,011
Donation	836	-	169,051	164,445	5,442	-	5,442
TOTAL TRUST FUNDS	941,957	-	290,261	288,284	943,934	52,317	996,251

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

CITY OF RUSSELL, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For Year Ended December 31, 2017

Page 2 of 3

Funds	Unencumbered Cash Balance 01/01/17	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Unencumbered Cash Balance 12/31/17	Add Encumbrances and Accounts Payable	Cash Balance 12/31/17
CAPITAL PROJECT FUNDS							
Pfeifer Well Expansion	\$ 368,529	\$ -	\$ 1,289	\$ 223,450	\$ 146,368	\$ 90,100	\$ 236,468
Airport Improvement Project	(95,677)	38,321	57,356	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	272,852	38,321	58,645	223,450	146,368	90,100	236,468
BUSINESS FUNDS							
Electric	3,675,816	-	10,281,691	10,124,348	3,833,159	634,312	4,467,471
Electric Depreciation Reserve	2,194,501	-	313,825	214,404	2,293,922	204,545	2,498,467
Water	1,481,684	-	2,760,074	2,248,367	1,993,391	44,263	2,037,654
Water Depreciation Reserve	932,467	-	373,903	128,126	1,178,244	50	1,178,294
Wastewater	264,489	-	539,147	555,650	247,986	17,120	265,106
Wastewater Replacement	315,218	-	153,420	55,069	413,569	-	413,569
Sanitation	141,412	-	593,832	480,867	254,377	15,138	269,515
Sanitation Reserve	645	-	75,000	394	75,251	-	75,251
TOTAL BUSINESS FUNDS	9,006,232	-	15,090,892	13,807,225	10,289,899	915,428	11,205,327
RELATED MUNICIPAL ENTITIES							
Russell Recreation Commission	97,677	-	223,170	239,397	81,450	1,674	83,124
TOTAL FINANCIAL REPORTING ENTITY (Excluding Agency Funds)	\$ 14,944,344	\$ 38,321	\$ 22,751,727	\$ 22,126,816	\$ 15,607,576	\$ 1,440,528	\$ 17,048,104

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

CITY OF RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
 REGULATORY BASIS
 For Year Ended December 31, 2017

Page 3 of 3

COMPOSITION OF CASH

Cash on hand	\$ 500
Checking account	3,926,727
KMEA deposit	64,428
Money Market and CD's	2,135,574
Kansas Municipal Investment Pool	10,855,582
Total Related Municipal Entities	<u>83,124</u>
 TOTAL CASH	 17,065,935
 AGENCY FUNDS (Schedule 4)	 <u>(17,831)</u>
 TOTAL REPORTING ENTITY	 <u><u>\$ 17,048,104</u></u>

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

CITY OF RUSSELL, KANSAS
NOTES TO THE FINANCIAL STATEMENT
December 31, 2017

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Russell, Kansas (the City), a municipal corporation, is the county seat of Russell County, Kansas, and was incorporated in 1871. The City is governed by an elected mayor and an elected eight-member Council form of government and provides the following services: public safety and administration of justice, water and electric utility, transportation and environmental services, community development, and recreation activities

The Recreation Commission, a related municipal entity, is authorized by K.S.A. 12-1922 under an agreement with the City of Russell, Kansas to provide a system of public recreation and playgrounds. The governing body of the Recreation Commission consists of five members appointed by the City. The Recreation Commission operates as a separate governing body but the City levies the taxes for the Recreation Commission and the Recreation Commission has only powers granted by statute, K.S.A. 12-1928.

The Recreation Commission is a related municipal entity of the City of Russell, Kansas. The Recreation Commission is controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The City's regulatory financial statement presents only the City's financial information and the Russell Recreation Commission, a related municipal entity. The statement does not include the City's related municipal entities as follows:

- Russell Library
- Russell Housing Authority

B. Regulatory Basis Fund Types

General Fund

The chief operating fund, is used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund

Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for 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 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. Water Fund, Electric Fund, etc.).

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trust Fund

Funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund

Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. Payroll Clearing Fund, county treasurer tax collection accounts, etc.).

C. 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 City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles, and allowing the City to use the regulatory basis of accounting.

D. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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. An amended budget was prepared for the Airport Fund for the year ended December 31, 2017.

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Information (Continued)

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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Trust Funds, Agency Funds, and the following Special Purpose Funds: Equipment Reserve, Capital Improvements, and Risk Management Reserve Fund, and the following Business Funds: Electric Depreciation Reserve Fund, Water Depreciation Reserve Fund, Sanitation Reserve Fund, and Wastewater Replacement 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.

E. Reimbursements

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.

F. Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specific funds for the payment of debt services and fiscal fees on long-term debt, and for expenditures awarded by federal and state grant contracts. Also, cash is restricted in the trust funds of the City for specific purposes.

The City, as part of the Western Area Power Administration (WAPA) contract with KMEA is required by section 6(c) of the Hydro Power Pooling Contract, to have on deposit \$64,428 in the KMEA Hydro Power Project trust account. Any investment income on the deposit will be credited annually to the deposit account.

G. Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuation based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The taxes are due one-half on December 20 and one-half the following May 10. Any taxes unpaid at the due dates are considered delinquent.

Collection of current year property tax by the County Treasurer is not completed, apportioned, or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing State statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance to current operation of the City and therefore are not susceptible to accrual.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes (Continued)

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

NOTE 2—DEPOSITS AND INVESTMENTS

As of December 31, 2017, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		Rating U.S.
		Less than 1	1-2	
Kansas Municipal Investment Pool	<u>\$ 10,855,582</u>	<u>\$ 10,855,582</u>	<u>\$ -</u>	N/A

K.S.A. 9-1401 establishes the depositories, which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Deposit Insurance Corporation (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 (KMIP). The City has an investment policy that would further limit its investment choices which excludes investment in repurchase agreements. The rating of the City's investments is noted above.

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. The City's investment policy does provide for an investment limitation of 55% per financial institution. The City's policy states that the KMIP is not to be considered as a financial institution. The City's allocation of investments as of December 31, 2017, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100

Concentration of 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%. In 2017, the City did not enter into any peak depository agreement. All deposits were legally secured at December 31, 2017.

NOTE 2—DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk – Deposits (Continued)

At December 31, 2017, the City's carrying amount of deposits was \$6,062,301 and the bank balance was \$6,090,656. The bank balance was held by two banks, which did not result in a concentration of credit risk. Of the bank balance, \$648,338 was covered by FDIC and \$5,442,318 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2017, the Recreation Commission's carrying amount of deposits was \$83,124 and the bank balance was \$85,063. The bank balance was held by two banks, which did not result in a concentration of credit risk. Of the bank balance, all was covered by federal depository insurance.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2017, the City had invested \$10,855,582 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligation of, or obligations that are insured as to principal and interest, by the U.S. Government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 3—LONG-TERM DEBT

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

Issue	Interest Rates	Dates of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2011	2.00%-3.10%	12/15/11	\$ 5,165,000	08/01/27	\$ 3,700,000	\$ -	\$ 300,000	\$ 3,400,000	\$ 90,801
Series 2015-A	0.75-3.00%	10/28/15	1,015,000	08/01/30	950,000	-	60,000	890,000	19,870
Revolving Loans									
KPWS Loan Fund - 2791	2.23%	11/08/12	1,223,635	02/01/34	1,111,020	-	50,782	1,060,238	24,494
KPWS Loan Fund - 2731	2.42%	01/09/12	350,099	02/01/33	290,389	-	14,511	275,878	6,940
Lease Purchase Agreements									
UMB Financial Services, Inc.									
Sewer Lagoon Mixers	2.60%	11/30/14	259,266	06/01/18	105,932	-	52,277	53,655	2,792
					<u>\$ 6,157,341</u>	<u>\$ -</u>	<u>\$ 477,570</u>	<u>\$ 5,679,771</u>	<u>\$ 144,897</u>

NOTE 3—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:

Issue	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2036	Total
PRINCIPAL									
General Obligation Bonds									
Series 2011	\$ 305,000	\$ 315,000	\$ 320,000	\$ 325,000	\$ 335,000	\$ 1,800,000	\$ -	\$ -	\$ 3,400,000
Series 2015-A	60,000	60,000	65,000	65,000	65,000	345,000	230,000	-	890,000
Revolving Loans									
KPWS Loan Fund - 2791	51,921	53,086	54,276	55,493	56,737	303,352	338,924	146,448	1,060,237
KPWS Loan Fund - 2731	14,864	15,226	15,597	15,977	16,366	88,002	99,249	10,597	275,878
Lease Purchase Agreements									
UMB Financial Services, Inc.									
Sewer Lagoon Mixers	53,655	-	-	-	-	-	-	-	53,655
TOTAL PRINCIPAL	\$ 485,440	\$ 443,312	\$ 454,873	\$ 461,470	\$ 473,103	\$ 2,536,354	\$ 668,173	\$ 157,045	\$ 5,679,770
Issue	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2036	Total
INTEREST									
General Obligation Bonds									
Series 2011	\$ 84,801	\$ 78,701	\$ 72,401	\$ 65,841	\$ 58,691	\$ 160,590	\$ -	\$ -	\$ 521,025
Series 2015-A	19,270	18,670	17,860	16,983	15,910	59,538	13,763	-	161,994
Revolving Loans									
KPWS Loan Fund - 2791	23,355	22,191	21,001	19,784	18,539	73,031	37,459	4,105	219,465
KPWS Loan Fund - 2731	6,587	6,225	5,854	5,475	5,086	19,254	8,006	128	56,615
Lease Purchase Agreements									
UMB Financial Services, Inc.									
Sewer Lagoon Mixers	1,414	-	-	-	-	-	-	-	1,414
TOTAL INTEREST	\$ 135,427	\$ 125,787	\$ 117,116	\$ 108,083	\$ 98,226	\$ 312,413	\$ 59,228	\$ 4,233	\$ 960,513
TOTAL PRINCIPAL AND INTEREST	\$ 620,867	\$ 569,099	\$ 571,989	\$ 569,553	\$ 571,329	\$ 2,848,767	\$ 727,401	\$ 161,278	\$ 6,640,283

NOTE 4—DEFINED BENEFIT 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. 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, 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.

NOTE 4—DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer 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 were \$287,964 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$2,727,992. 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 these financial statements.

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.

NOTE 5—OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City 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 this financial statement.

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

Compensated Absences and Other Employee Benefits

Prior to January 1, 1988, the City's policy regarding vacation permitted employees to accumulate and carry over to the following year a maximum of 60 working days of vacation.

Effective January 1, 1988, the City froze all vacation carry over up to 60 days and established a new policy. Effective January 1, 2014, employees may carryover 80 hours of vacation on their anniversary each year.

NOTE 5—OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Compensated Absences and Other Employee Benefits (Continued)

Upon resignation or retirement, employees are entitled to payment of accumulated current vacation leave, plus all frozen vacation leave.

The City's prior policy regarding sick pay allowed employees to accumulate unlimited sick leave days. Effective January 1, 1988, the City froze all accumulated sick leave over 100 days. Any days accumulated up to 100 days were carried over with the City's new policy. Under the post 1988 policy, employees may accumulate up to 960 hours of sick leave, including frozen sick leave.

Retiring employees are compensated at a rate of 75% of current hourly rates for both frozen and post 1988 accruals. Post 1988 sick leave hours are limited to 160 hours and are only paid for amounts in excess of 80 hours. Sick leave is compensated at a rate of 100% of current hourly rate for deceased employees and 25% for terminated employees, using the same calculations described above to calculate eligible hours.

The accumulated vacation, sick leave, and comp time liability at December 31, 2017, is \$124,606, \$78,272, and \$1,036, respectively.

The director of the Recreation Commission has a provision in his contract that states he is to receive 40 hours of vacation and sick leave per year. Any hours remaining at year end are lost. There is no potential liability at December 31, 2017.

NOTE 6—INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund	To Fund	Authority	Amount
General	Industrial Development	K.S.A. 12-197	\$ 30,000
General	Capital Improvement	K.S.A. 12-1,118	248,115
General	Equipment Reserve	K.S.A. 12-1,117	120,000
General	Risk Management Reserve	K.S.A. 12-2615	500
Electric	General	K.S.A. 12-825d	450,000
Electric	Personnel Benefits	K.S.A. 12-825d	395,000
Electric	Risk Management Reserve	K.S.A. 12-2615	3,500
Water	Personnel Benefits	K.S.A. 12-825d	265,000
Water	Bond and Interest	K.S.A. 12-825d	470,672
Water	General	K.S.A. 12-825d	120,000
Water	Water Depreciation Reserve	K.S.A. 12-825d	370,000
Water	Risk Management Reserve	K.S.A. 12-2615	1,000
Wastewater	General	K.S.A. 12-825d	110,000
Wastewater	Personnel Benefits	K.S.A. 12-825d	105,000
Wastewater	Wastewater Replacement	K.S.A. 12-2615	152,124
Sanitation	General	K.S.A. 12-825d	35,000
Sanitation	Personnel Benefits	K.S.A. 12-825d	115,000
Electric	Electric Depreciation Reserve	K.S.A. 12-825d	250,000
Airport	Airport Improvement	K.S.A. 12-1,118	27,736
Sanitation	Sanitation Reserve	K.S.A. 12-825d	75,000
Special Highway	Capital Improvement	K.S.A. 12-1,118	75,000

NOTE 7—CLAIMS AND JUDGMENT

The City participates in federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government.

The City is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage for 2017 and settled claims from these risks have not exceeded commercial insurance coverage. The City's electrical distribution system is not insured.

NOTE 8—JOINT VENTURE

In June of 1995, the cities of Hays and Russell entered into an agreement to share in the purchase and management of the Circle K Ranch and attendant water rights. The City paid \$619,440, allocated \$159,444 for land, water rights \$323,410, and \$136,586 for buildings, equipment, and improvements. Subsequent to that agreement, the Public Wholesale Water Supply District No. 15 was created with the City providing for a sharing of expenses and income on an 82% to 18% ratio. The Public Wholesale Water Supply District No. 15 was formed for the development of water supply sources and projects related directly thereto.

The City received \$10,380 in February 2017, for their share of the 2016 net income. In 2016, the City received \$15,529 for their share of the 2015 net income.

NOTE 9—INDUSTRIAL REVENUE BONDS

K.S.A. 12-1740 authorizes the City to issue Industrial Revenue Bonds (IRB's) to acquire, remodel, improve, and equip certain facilities for commercial and industrial purposes and to enter into leases and lease-purchase agreements with any firm or corporation for such facilities.

IRB Series 2005 and Refunding Series 2006

In December 2005, the Council approved Ordinance No. 1761 authorizing the City to issue IRB's Series 2005 (Main Street Media, Inc.) in the aggregate principal amount of \$1,370,000. The City accepted ownership of the property and will lease it back to Main Street Media, Inc.

In October 2006, the Council authorized the City to issue a new series of \$1,300,000 in IRB's for Main Street Media, Inc. to refund the original 2005 taxable bonds.

The City, as issuer, has no obligation for the debt beyond the resources received from the third party. The principal balance of the bonds at December 31, 2017, was \$295,211.

IRB Series 2008

In January 2008, the Council approved resolution 01-08, an ordinance (No. 1790) authorizing the City to issue taxable Industrial Revenue Bonds, Series 2008, for Land O'Lakes Purina Feed, L.L.C. project, in a principal amount not to exceed \$20,000,000. The City accepted ownership of the property and leased it back to Land O'Lakes Purina Feed, L.L.C. The City, as issuer, has no obligation for the debt beyond the resources received from the third party. The principal balance of the IRB's at December 31, 2017, was \$4,912,773.

NOTE 10—SUBSEQUENT EVENTS

In January 2018, the City was awarded \$600,000 from the Kansas Small Cities Community Development Block Grant Program to reconstruct Lincoln Street from Wisconsin to the Union Pacific Railroad Tracks and 15th Street from Kansas Street to Fossil Street. The total project cost is estimated to be \$1,322,825. The project will be completed in 2018.

NOTE 10—SUBSEQUENT EVENTS (CONTINUED)

In January 2018, the City Council approved the replacement of the radio system for the outdoor warning siren system. The purchase of the new system will be from Storm Sirens, Inc. in the amount of \$43,500, which will be purchased out of the Duke Johnson Fund.

In January 2018, the City Council approved a contract with Lochner, Inc. in the amount of \$57,500 for the design and submission of an engineer's report for funding from the FAA to replace the lighting on the airport runways. The total project cost is estimated at \$445,000.

In February 2018, the City Council approved a bid from Cool Tower Depot in the amount of \$384,947 to refurbish cooling towers #1 and #3 at the main power plant facility.

On April 17, 2018, the City Council approved an agreement with PCiRoads, LLC, in the amount of \$209,904, for bridge repairs on the 5th, 7th, and 8th Street bridges.

CITY OF RUSSELL, KANSAS

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2017

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Over (Under) Budget
GENERAL FUND	\$ 4,540,661	\$ -	\$ 4,540,661	\$ 3,056,916	\$ (1,483,745)
SPECIAL PURPOSE FUNDS					
Airport	100,135	-	100,135	79,686	(20,449)
Industrial	117,154	200,000	317,154	312,566	(4,588)
Special Highway	285,263	-	285,263	143,621	(141,642)
Library	163,438	-	163,438	149,823	(13,615)
Fire Equipment	70,713	-	70,713	42,440	(28,273)
Recreation	141,119	-	141,119	130,877	(10,242)
Personnel Benefits	1,917,541	-	1,917,541	1,767,673	(149,868)
Special Parks and Recreation	79,637	-	79,637	47,174	(32,463)
BOND AND INTEREST FUND					
Bond and Interest	470,672	-	470,672	470,672	-
BUSINESS FUNDS					
Electric	11,834,348	-	11,834,348	10,124,348	(1,710,000)
Water	2,523,705	-	2,523,705	2,248,367	(275,338)
Wastewater	555,650	-	555,650	555,650	-
Sanitation	542,300	-	542,300	480,867	(61,433)
RELATED MUNICIPAL ENTITY					
Russell Recreation Commission	244,540	-	244,540	239,397	(5,143)

CITY OF RUSSELL, KANSAS

GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-1
 Page 1 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 1,161,796	\$ 843,707	\$ 890,886	\$ (47,179)
Delinquent	24,618	16,565	-	16,565
Motor vehicle	162,666	187,940	196,564	(8,624)
Recreational vehicle	3,522	4,499	2,944	1,555
16/20M vehicle	2,162	3,240	3,796	(556)
Commercial vehicle	-	-	33,807	(33,807)
Watercraft	-	-	1,053	(1,053)
County sales	201,520	98,115	200,000	(101,885)
Local sales	397,383	399,733	300,000	99,733
In lieu of taxes (IRB)	-	25,546	-	25,546
Total taxes	1,953,667	1,579,345	1,629,050	(49,705)
Intergovernmental				
Liquor tax	13,129	11,486	14,164	(2,678)
State Highway Connecting Links	26,058	26,022	26,000	22
State of Kansas KDOT Grant	35,152	40,544	30,000	10,544
Federal/State FEMA Grant	-	32,837	-	32,837
County 911 reimbursement	184,002	230,377	190,000	40,377
Total intergovernmental	258,341	341,266	260,164	81,102
Licenses and permits				
Franchise tax	145,677	175,681	168,000	7,681
Licenses	15,331	19,466	16,800	2,666
Permits	6,024	19,297	-	19,297
Total licenses and permits	167,032	214,444	184,800	29,644
Fines and forfeitures				
Fines and court fees	51,483	42,566	50,000	(7,434)
Uses of money and property				
Interest earned	6,450	10,665	2,000	8,665
Royalties	281	278	300	(22)
Total uses of money and property	6,731	10,943	2,300	8,643
Miscellaneous revenue				
Weed abatement fees	950	850	1,000	(150)
General transportation fares	12,297	11,757	12,000	(243)
Golf course fees - membership	67,129	66,944	59,630	7,314
Cemetery receipts	7,978	9,491	6,000	3,491
Reimbursed expense	3,009	7,266	1,000	6,266
Impound fees	2,266	2,372	500	1,872
Swimming pool	22,932	30,361	23,500	6,861
Grants	10,000	-	-	-
Miscellaneous receipts	23,875	19,236	20,000	(764)
Total miscellaneous revenue	150,436	148,277	123,630	24,647
Operating transfers	715,000	715,000	715,000	-
TOTAL RECEIPTS	3,302,690	3,051,841	\$ 2,964,944	\$ 86,897

CITY OF RUSSELL, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-1

Page 2 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
	Actual	Actual	Budget	Budget
EXPENDITURES				
Mayor/Council	\$ 56,250	\$ 45,206	\$ 51,675	\$ (6,469)
City Manager	263,255	213,675	252,895	(39,220)
City Clerk	236,466	168,892	184,389	(15,497)
Transportation	63,364	61,499	75,550	(14,051)
Police Department	448,803	457,069	482,931	(25,862)
Public works, inspection	72,358	77,574	79,179	(1,605)
Fire Department	213,151	209,966	271,800	(61,834)
Municipal Court	56,105	54,048	62,430	(8,382)
911 dispatch	358,986	364,242	384,600	(20,358)
Building, Planning, and Zoning	113,217	117,942	118,825	(883)
Street department	364,727	359,213	372,850	(13,637)
Golf course	171,902	171,415	189,000	(17,585)
Swimming pool	78,121	67,275	97,150	(29,875)
Park department	216,206	204,883	233,350	(28,467)
Deines Cultural Center	45,857	50,468	49,650	818
Armory	5,156	6,147	9,800	(3,653)
Capital Improvements	-	6,705	1,300,000	(1,293,295)
Neighborhood Revitalization Rebate	37,852	22,082	24,087	(2,005)
Operating transfers	741,750	398,615	300,500	98,115
TOTAL EXPENDITURES	<u>3,543,526</u>	<u>3,056,916</u>	<u>\$ 4,540,661</u>	<u>\$ (1,483,745)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(240,836)	(5,075)		
UNENCUMBERED CASH, BEGINNING	<u>2,088,531</u>	<u>1,847,695</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,847,695</u>	<u>\$ 1,842,620</u>		

CITY OF RUSSELL, KANSAS

AIRPORT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 55	\$ 32,941	\$ 34,689	\$ (1,748)
Delinquent	373	126	126	-
Motor vehicle	2,321	663	11	652
Recreational vehicle	53	8	-	8
16/20M vehicle	2	53	-	53
Commercial vehicle	-	-	2	(2)
Rental	9,031	8,439	9,000	(561)
Fuel sales	24,520	26,783	39,000	(12,217)
Interest income	83	121	114	7
Miscellaneous revenue	539	277	-	277
TOTAL RECEIPTS	<u>36,977</u>	<u>69,411</u>	<u>\$ 82,942</u>	<u>\$ (13,531)</u>
EXPENDITURES				
Telephone	458	467	\$ 500	\$ (33)
Insurance	5,514	5,545	6,000	(455)
Dues and subscriptions	142	10	300	(290)
Professional services	14,857	14,686	14,000	686
Printing and advertising	-	-	100	(100)
Operating supplies	244	70	500	(430)
Repairs and maintenance	5,789	3,152	5,000	(1,848)
Fuel for resale	27,201	22,130	37,521	(15,391)
Sales tax expense	1,938	2,154	1,200	954
Credit card fees	2,170	2,812	5,745	(2,933)
Office supplies	44	64	100	(36)
Revitalization District refund	2	860	938	(78)
Operating transfer	4,643	27,736	28,231	(495)
TOTAL EXPENDITURES	<u>63,002</u>	<u>79,686</u>	<u>\$ 100,135</u>	<u>\$ (20,449)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(26,025)	(10,275)		
UNENCUMBERED CASH, BEGINNING	<u>51,644</u>	<u>25,619</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 25,619</u>	<u>\$ 15,344</u>		

CITY OF RUSSELL, KANSAS

INDUSTRIAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-3

	Prior Year Actual	Current Year		Over (Under) Budget
	Actual	Actual	Budget	Budget
RECEIPTS				
Taxes				
Ad valorem	\$ 81	\$ 752	\$ 531	\$ 221
Delinquent	724	250	-	250
Motor vehicle	5,524	1,252	12	1,240
Recreational vehicle	120	15	-	15
16/20M vehicle	70	111	-	111
Commercial vehicle	-	-	2	(2)
Interest income	275	669	100	569
Grants	80,000	200,000	-	200,000
Capital sales	-	132,774	-	132,774
Miscellaneous revenue	5,492	-	-	-
Operating transfers	40,000	30,000	30,000	-
TOTAL RECEIPTS	<u>132,286</u>	<u>365,823</u>	<u>\$ 30,645</u>	<u>\$ 335,178</u>
EXPENDITURES				
Dues, subscriptions, and licenses	738	947	\$ 800	\$ 147
Printing and advertising	100	-	500	(500)
Economic development incentive	2,000	202,000	2,000	200,000
Russell Main Street	24,000	24,000	24,000	-
Economic development	25,000	25,000	25,000	-
Miscellaneous	14,840	11,840	14,840	(3,000)
Capital expense	31,252	48,766	50,000	(1,234)
Revitalization District refund	3	13	14	(1)
Legal General Fund budget	<u>97,933</u>	<u>312,566</u>	<u>117,154</u>	<u>195,412</u>
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>(200,000)</u>
TOTAL EXPENDITURES	<u>97,933</u>	<u>312,566</u>	<u>\$ 317,154</u>	<u>\$ (4,588)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>34,353</u>	<u>53,257</u>		
UNENCUMBERED CASH, BEGINNING	<u>105,236</u>	<u>139,589</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 139,589</u>	<u>\$ 192,846</u>		

CITY OF RUSSELL, KANSAS

SPECIAL HIGHWAY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-4

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Fuel tax	\$ 119,663	\$ 120,423	\$ 116,380	\$ 4,043
Interest income	571	1,579	200	1,379
TOTAL RECEIPTS	<u>120,234</u>	<u>122,002</u>	<u>\$ 116,580</u>	<u>\$ 5,422</u>
EXPENDITURES				
Street materials	11,535	6,063	\$ 75,000	\$ (68,937)
Professional services	9,992	60,070	-	60,070
Capital outlay	-	2,488	135,263	(132,775)
Transfer to - Capital Improvement Fund	-	75,000	75,000	-
TOTAL EXPENDITURES	<u>21,527</u>	<u>143,621</u>	<u>\$ 285,263</u>	<u>\$ (141,642)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	98,707	(21,619)		
UNENCUMBERED CASH, BEGINNING	<u>175,833</u>	<u>274,540</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 274,540</u>	<u>\$ 252,921</u>		

CITY OF RUSSELL, KANSAS

LIBRARY FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-5

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 126,104	\$ 123,857	\$ 130,504	\$ (6,647)
Delinquent	3,245	2,068	-	2,068
Motor vehicle	21,140	20,960	21,333	(373)
Recreational vehicle	448	495	320	175
16/20M vehicle	380	397	412	(15)
Commercial vehicle	-	-	3,669	(3,669)
Watercraft	-	-	114	(114)
TOTAL RECEIPTS	<u>151,317</u>	<u>147,777</u>	<u>\$ 156,352</u>	<u>\$ (8,575)</u>
EXPENDITURES				
Library appropriation	153,383	146,588	\$ 159,910	\$ (13,322)
Revitalization District refund	<u>4,109</u>	<u>3,235</u>	<u>3,528</u>	<u>(293)</u>
TOTAL EXPENDITURES	<u>157,492</u>	<u>149,823</u>	<u>\$ 163,438</u>	<u>\$ (13,615)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(6,175)	(2,046)		
UNENCUMBERED CASH, BEGINNING	<u>8,221</u>	<u>2,046</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 2,046</u>	<u>\$ -</u>		

CITY OF RUSSELL, KANSAS

FIRE EQUIPMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-6

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 28,255	\$ 25,039	\$ 26,388	\$ (1,349)
Delinquent	1,997	872	-	872
Motor vehicle	19,082	8,616	4,782	3,834
Recreational vehicle	437	157	72	85
16/20M vehicle	12	440	92	348
Commercial vehicle	-	-	823	(823)
Watercraft	-	-	26	(26)
Interest income	225	448	100	348
Grants	1,900	6,080	-	6,080
TOTAL RECEIPTS	51,908	41,652	\$ 32,283	\$ 9,369
EXPENDITURES				
Capital expenses - equipment	8,867	41,786	\$ 70,000	\$ (28,214)
Revitalization District refund	921	654	713	(59)
TOTAL EXPENDITURES	9,788	42,440	\$ 70,713	\$ (28,273)
RECEIPTS OVER (UNDER) EXPENDITURES	42,120	(788)		
UNENCUMBERED CASH, BEGINNING	36,769	78,889		
UNENCUMBERED CASH, ENDING	\$ 78,889	\$ 78,101		

CITY OF RUSSELL, KANSAS

RECREATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-7

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Ad valorem	\$ 107,916	\$ 109,482	\$ 115,347	\$ (5,865)
Delinquent	2,770	1,752	-	1,752
Motor vehicle	18,250	18,076	18,255	(179)
Recreational vehicle	391	424	273	151
16/20M vehicle	292	351	352	(1)
Commercial vehicle	-	-	3,140	(3,140)
Watercraft	-	-	98	(98)
TOTAL RECEIPTS	<u>129,619</u>	<u>130,085</u>	<u>\$ 137,465</u>	<u>\$ (7,380)</u>
EXPENDITURES				
Recreation appropriation	132,140	128,017	\$ 138,000	\$ (9,983)
Revitalization District refund	<u>3,516</u>	<u>2,860</u>	<u>3,119</u>	<u>(259)</u>
TOTAL EXPENDITURES	<u>135,656</u>	<u>130,877</u>	<u>\$ 141,119</u>	<u>\$ (10,242)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(6,037)	(792)		
UNENCUMBERED CASH, BEGINNING	<u>6,829</u>	<u>792</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 792</u>	<u>\$ -</u>		

CITY OF RUSSELL, KANSAS
PERSONNEL BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2017
(With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-8

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	Budget
RECEIPTS				
Taxes				
Ad valorem	\$ 364,368	\$ 619,267	\$ 652,492	\$ (33,225)
Delinquent	10,999	5,515	-	5,515
Motor vehicle	69,578	59,207	61,646	(2,439)
Recreational vehicle	1,346	3,408	923	2,485
16/20M vehicle	2,556	984	1,190	(206)
Commercial vehicle	-	-	10,603	(10,603)
Watercraft	-	-	330	(330)
Reimbursed expenses	217,662	278,424	200,000	78,424
Interest income	985	2,368	300	2,068
Miscellaneous revenue	71	36	-	36
Operating transfers	860,000	880,000	880,000	-
TOTAL RECEIPTS	<u>1,527,565</u>	<u>1,849,209</u>	<u>\$ 1,807,484</u>	<u>\$ 41,725</u>
EXPENDITURES				
Blue Cross/Blue Shield	912,786	1,124,873	\$ 1,116,200	\$ 8,673
Social Security - Medicare	255,652	249,809	283,400	(33,591)
KPERS	312,187	287,964	350,000	(62,036)
Workers' compensation	90,131	85,242	140,000	(54,758)
Unemployment insurance	2,535	3,282	10,000	(6,718)
Dues, fees, subscriptions	30	-	-	-
Other insurance	201	330	300	30
Revitalization District refund	11,871	16,173	17,641	(1,468)
TOTAL EXPENDITURES	<u>1,585,393</u>	<u>1,767,673</u>	<u>\$ 1,917,541</u>	<u>\$ (149,868)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(57,828)	81,536		
UNENCUMBERED CASH, BEGINNING	<u>317,737</u>	<u>259,909</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 259,909</u>	<u>\$ 341,445</u>		

CITY OF RUSSELL, KANSAS

SPECIAL PARKS AND RECREATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-9

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
State distribution	\$ 13,129	\$ 11,486	\$ 14,164	\$ (2,678)
Grants	-	5,000	-	5,000
Interest income	198	327	70	257
TOTAL RECEIPTS	13,327	16,813	<u>\$ 14,234</u>	<u>\$ 2,579</u>
EXPENDITURES				
Professional fees	-	1,800	\$ -	\$ 1,800
Operating supplies	-	6,047	-	6,047
Capital outlay	5,675	39,327	79,637	(40,310)
TOTAL EXPENDITURES	5,675	47,174	<u>\$ 79,637</u>	<u>\$ (32,463)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	7,652	(30,361)		
UNENCUMBERED CASH, BEGINNING	80,581	88,233		
UNENCUMBERED CASH, ENDING	<u>\$ 88,233</u>	<u>\$ 57,872</u>		

CITY OF RUSSELL, KANSAS
 CAPITAL IMPROVEMENTS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

	Schedule 2-10	
	2017	2016
RECEIPTS		
Interest income	\$ 2,525	\$ 3,116
Reimbursement - State of Kansas	-	3,750
Grants	330,626	550,000
Golf course fees	8,625	9,675
Donations	4,137	-
Miscellaneous income	1,650	-
Operating transfers	323,115	464,000
TOTAL RECEIPTS	670,678	1,030,541
EXPENDITURES		
Professional services	1,075	3,225
Administration	-	31,443
911 Dispatch	23,676	223,565
Street department	1,058,032	259,098
Golf course	3,565	10,606
Swimming pool	-	49,988
Park department	7,547	535,690
TOTAL EXPENDITURES	1,093,895	1,113,615
RECEIPTS OVER (UNDER) EXPENDITURES	(423,217)	(83,074)
UNENCUMBERED CASH, BEGINNING	1,304,630	1,387,704
UNENCUMBERED CASH, ENDING	\$ 881,413	\$ 1,304,630

CITY OF RUSSELL, KANSAS

EQUIPMENT RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-11

	2017	2016
RECEIPTS		
Interest income	\$ 1,981	\$ 785
Grants	25,000	-
Operating transfers	120,000	237,250
	<u>146,981</u>	<u>238,035</u>
TOTAL RECEIPTS		
EXPENDITURES		
Police Department	64,291	43,166
Administration	11,065	1,210
Airport	3,262	-
Fire	56,521	-
Street	112,252	-
Golf course	20,863	-
Park department	-	89,784
Building, Planning, and Zoning	4,337	-
	<u>272,591</u>	<u>134,160</u>
TOTAL EXPENDITURES		
RECEIPTS OVER (UNDER) EXPENDITURES	(125,610)	103,875
UNENCUMBERED CASH, BEGINNING	412,658	308,783
	<u>412,658</u>	<u>308,783</u>
UNENCUMBERED CASH, ENDING	<u>\$ 287,048</u>	<u>\$ 412,658</u>

CITY OF RUSSELL, KANSAS

RISK MANAGEMENT RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-12

	2017	2016
RECEIPTS		
Interest income	\$ 84	\$ 34
Operating transfers	5,000	5,000
TOTAL RECEIPTS	5,084	5,034
EXPENDITURES		
Transportation	526	-
Airport	-	1,200
Time clocks	-	3,285
TOTAL EXPENDITURES	526	4,485
RECEIPTS OVER (UNDER) EXPENDITURES	4,558	549
UNENCUMBERED CASH, BEGINNING	18,403	17,854
UNENCUMBERED CASH, ENDING	<u>\$ 22,961</u>	<u>\$ 18,403</u>

CITY OF RUSSELL, KANSAS

BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-13

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Taxes				
Delinquent	\$ 318	\$ 91	\$ -	\$ 91
Motor vehicle	480	-	-	-
Recreational vehicle	7	-	-	-
16/20M vehicle	45	-	-	-
Interest income	363	640	80	560
Operating transfers	472,139	470,672	470,672	-
TOTAL RECEIPTS	<u>473,352</u>	<u>471,403</u>	<u>\$ 470,752</u>	<u>\$ 651</u>
EXPENDITURES				
Bond principal	360,000	360,000	\$ 360,000	\$ -
Interest coupons	112,139	110,672	110,672	-
TOTAL EXPENDITURES	<u>472,139</u>	<u>470,672</u>	<u>\$ 470,672</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	1,213	731		
UNENCUMBERED CASH, BEGINNING	<u>171,410</u>	<u>172,623</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 172,623</u>	<u>\$ 173,354</u>		

CITY OF RUSSELL, KANSAS

CAPITAL PROJECT FUNDS
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

Schedule 2-14

	Pfeifer Well Expansion	Airport Improvement Project
RECEIPTS		
Grant	\$ -	\$ 29,620
Interest income	1,289	-
Operating transfers	-	27,736
	<u>1,289</u>	<u>57,356</u>
TOTAL RECEIPTS		
	<u>1,289</u>	<u>57,356</u>
EXPENDITURES		
Professional services	93,045	-
Capital expense	130,405	-
	<u>223,450</u>	<u>-</u>
TOTAL EXPENDITURES		
	<u>223,450</u>	<u>-</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(222,161)	57,356
UNENCUMBERED CASH, BEGINNING	368,529	(95,677)
PRIOR YEAR CANCELLED ENCUMBRANCES	-	38,321
	<u>-</u>	<u>38,321</u>
UNENCUMBERED CASH, ENDING	<u>\$ 146,368</u>	<u>\$ -</u>

CITY OF RUSSELL, KANSAS

JOHNSON TRUST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-15

	2017	2016
RECEIPTS		
Trust distributions	\$ 112,566	\$ 103,656
Reimbursement	4,154	-
Interest income	4,330	1,911
	<u>121,050</u>	<u>105,567</u>
TOTAL RECEIPTS		
EXPENDITURES		
Professional services	109,847	1,375
Dues, licenses, fees	-	5
Capital outlay	-	36,384
	<u>109,847</u>	<u>37,764</u>
TOTAL EXPENDITURES		
RECEIPTS OVER (UNDER) EXPENDITURES	11,203	67,803
UNENCUMBERED CASH, BEGINNING	901,278	812,683
PRIOR YEAR CANCELLED ENCUMBRANCES	-	20,792
UNENCUMBERED CASH, ENDING	<u>\$ 912,481</u>	<u>\$ 901,278</u>

CITY OF RUSSELL, KANSAS

DEINES CENTER TRUST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

	Schedule 2-16	
	2017	2016
RECEIPTS		
Interest income	\$ 160	\$ 66
EXPENDITURES	13,992	-
RECEIPTS OVER (UNDER) EXPENDITURES	(13,832)	66
UNENCUMBERED CASH, BEGINNING	39,843	39,777
UNENCUMBERED CASH, ENDING	<u>\$ 26,011</u>	<u>\$ 39,843</u>

CITY OF RUSSELL, KANSAS

DONATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

	Schedule 2-17	
	2017	2016
RECEIPTS		
Other income	\$ 169,051	\$ 34,846
EXPENDITURES		
Angel utility payments	-	500
Professional services	-	34,500
Operating supplies	294	22
Animal expenses	-	701
Capital expense	164,151	-
TOTAL EXPEDITURES	164,445	35,723
RECEIPTS OVER (UNDER) EXPENDITURES	4,606	(877)
UNENCUMBERED CASH, BEGINNING	836	1,713
UNENCUMBERED CASH, ENDING	\$ 5,442	\$ 836

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-18
 Page 1 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Sale of electricity	\$ 10,149,686	\$ 10,100,761	\$ 12,284,000	\$ (2,183,239)
Late payment penalty	16,298	16,444	15,000	1,444
Reimbursed expense	1,388	16,750	-	16,750
Bad debt collections	175	78	-	78
Rent income	10,914	5,457	5,500	(43)
FEMA Grant	-	40,315	-	40,315
Steam and heat sales	-	9,472	-	9,472
Interest income	10,135	20,558	4,500	16,058
Miscellaneous revenue	68,852	71,856	-	71,856
TOTAL RECEIPTS	<u>10,257,448</u>	<u>10,281,691</u>	<u>\$ 12,309,000</u>	<u>\$ (2,027,309)</u>
EXPENDITURES				
General and administrative				
Personnel salaries	75,189	136,378	\$ 134,948	\$ 1,430
Accrued leave buy back	-	250	250	-
Telephone	623	625	800	(175)
Postage	6,247	6,123	6,500	(377)
Insurance	-	143	300	(157)
Bad debt	-	-	3,000	(3,000)
Fuel and oil	-	-	250	(250)
Professional services	12,060	43,085	35,000	8,085
Dues and subscriptions	19,467	18,858	20,000	(1,142)
Sales tax	2,572	2,473	2,000	473
Training and seminars	11,292	4,878	8,000	(3,122)
Printing and advertising	-	250	1,000	(750)
Interest on consumer deposits	69	50	500	(450)
Supplies	-	8	250	(242)
Operating supplies	137	-	500	(500)
Consumer deposits refunded	3,952	19,500	-	19,500
Office supplies	29	-	250	(250)
Repairs and maintenance	9	18	250	(232)
Apparatus and tools	-	-	1,200	(1,200)
Armory utilities	4,567	4,067	5,000	(933)
Total general and administrative	<u>136,213</u>	<u>236,706</u>	<u>219,998</u>	<u>16,708</u>

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-18
 Page 2 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Production				
Personnel salaries	\$ 263,207	\$ 258,126	\$ 315,000	\$ (56,874)
Overtime salaries	10,976	8,786	10,000	(1,214)
Accrued leave buy back	500	250	1,000	(750)
Telephone	4,449	4,327	4,000	327
Postage	66	124	250	(126)
Natural gas	1,448	1,686	2,500	(814)
Insurance	168,178	152,211	163,000	(10,789)
Dues and subscription	1,581	1,472	1,500	(28)
Training and seminars	2,413	2,816	4,000	(1,184)
Professional services	2,483	11,891	15,000	(3,109)
Printing and advertising	343	58	250	(192)
Compensating use tax	131	626	350	276
Operating supplies	1,688	1,414	5,000	(3,586)
Repairs and maintenance	54,260	67,394	100,000	(32,606)
General fuel and oil	-	5,152	50,000	(44,848)
Natural gas	78,234	7,410	50,000	(42,590)
Turbine maintenance	-	34,336	30,000	4,336
Transport natural gas - turbines	85,261	31,656	120,000	(88,344)
Purchased power	7,460,200	7,431,934	8,960,000	(1,528,066)
Chemicals	3,999	6,803	5,000	1,803
Fuel and oil	2,905	2,374	4,500	(2,126)
Apparatus and tools	54	1,882	1,500	382
Office supplies	920	1,705	2,000	(295)
Uniforms	6,034	11,886	8,000	3,886
Transport downtown power plant	4,318	3,850	5,000	(1,150)
Capital expenditures				
Equipment	-	766	850	(84)
Total production	8,153,648	8,050,935	9,858,700	(1,807,765)
Transportation and distribution				
Personnel salaries	306,237	346,925	382,000	(35,075)
Overtime salaries	21,249	14,831	12,000	2,831
Accrued leave buy back	112	-	350	(350)
Telephone	870	1,195	1,000	195
Natural gas	2,262	2,564	3,000	(436)
Postage	39	23	100	(77)
Insurance	12,211	14,121	13,500	621

CITY OF RUSSELL, KANSAS

ELECTRIC FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-18
 Page 3 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
	Actual	Actual	Budget	Budget
EXPENDITURES (CONTINUED)				
Transportation and distribution (continued)				
Dues and subscriptions	\$ 4,154	\$ 16,402	\$ 5,000	\$ 11,402
Training and seminars	5,663	2,738	6,000	(3,262)
Professional services	7,350	18,954	20,000	(1,046)
Printing and advertising	27	-	100	(100)
Compensating use tax	249	156	1,000	(844)
Operating supplies	1,181	3,788	3,000	788
Repairs and maintenance	230,319	201,970	182,000	19,970
Chemicals	-	-	600	(600)
Lease/rent	-	625	-	625
Fuel and oil	14,640	12,799	15,000	(2,201)
Apparatus and tools	1,569	9,658	7,000	2,658
Office supplies	161	164	500	(336)
Uniforms	4,082	12,248	5,000	7,248
Capital expenditures				
Equipment	-	79,046	-	79,046
Total transportation and distribution	612,375	738,207	657,150	81,057
Operating transfers				
Transfer to:				
Personnel Benefits Fund	390,000	395,000	395,000	-
General Fund	450,000	450,000	450,000	-
Risk Management Reserve Fund	3,500	3,500	3,500	-
Electric Depreciation Reserve Fund	250,000	250,000	250,000	-
Total operating transfers	1,093,500	1,098,500	1,098,500	-
TOTAL EXPENDITURES	9,995,736	10,124,348	<u>\$ 11,834,348</u>	<u>\$ (1,710,000)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	261,712	157,343		
UNENCUMBERED CASH, BEGINNING	3,414,104	3,675,816		
UNENCUMBERED CASH, ENDING	<u>\$ 3,675,816</u>	<u>\$ 3,833,159</u>		

CITY OF RUSSELL, KANSAS

ELECTRIC DEPRECIATION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-19

	2017	2016
RECEIPTS		
Interest income	\$ 10,280	\$ 4,486
Environmental surcharge rider	53,545	53,603
Operating transfers	<u>250,000</u>	<u>250,000</u>
TOTAL RECEIPTS	313,825	308,089
EXPENDITURES		
Capital outlay	<u>214,404</u>	<u>151</u>
RECEIPTS OVER (UNDER) EXPENDITURES	99,421	307,938
UNENCUMBERED CASH, BEGINNING	<u>2,194,501</u>	<u>1,886,563</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 2,293,922</u></u>	<u><u>\$ 2,194,501</u></u>

CITY OF RUSSELL, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-20
 Page 1 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
	Actual	Actual	Budget	Budget
RECEIPTS				
Consumer sales	\$ 2,550,791	\$ 2,695,177	\$ 2,256,000	\$ 439,177
State water fee	8,084	8,268	8,000	268
Late payment penalty	6,589	6,733	5,000	1,733
Water main tap fees	2,030	10,314	-	10,314
Interest income	3,467	8,851	1,200	7,651
Ranch agreement	15,529	10,380	6,000	4,380
Miscellaneous revenue	14,962	20,351	5,000	15,351
TOTAL RECEIPTS	<u>2,601,452</u>	<u>2,760,074</u>	<u>\$ 2,281,200</u>	<u>\$ 478,874</u>
EXPENDITURES				
General and administrative				
Postage	3,748	3,674	\$ 4,000	\$ (326)
Compensating use tax	-	-	150	(150)
Professional services	5,202	7,330	6,000	1,330
Training	5,763	3,978	4,000	(22)
Printing and advertising	179	250	100	150
Dues and subscriptions	2,072	2,500	3,000	(500)
Interest on consumer deposits	14	23	-	23
Principal payments	63,835	65,293	65,294	(1)
Interest payments	32,892	31,434	31,436	(2)
Consumer deposits refunded	512	1,119	-	1,119
Office supplies	-	-	400	(400)
Armory utilities	228	221	230	(9)
Bad debt expense	4,079	8,768	1,500	7,268
Total general and administrative	<u>118,524</u>	<u>124,590</u>	<u>116,110</u>	<u>8,480</u>

CITY OF RUSSELL, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-20

Page 2 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
	Actual	Actual	Budget	Budget
EXPENDITURES (CONTINUED)				
Production				
Personnel salaries	\$ 230,823	\$ 214,946	\$ 295,948	\$ (81,002)
Overtime salaries	12,923	12,791	13,000	(209)
Accrued leave buy back	140	140	-	140
Telephone	1,830	1,497	2,100	(603)
Postage	1,121	1,557	1,000	557
Natural gas	3,789	4,225	6,000	(1,775)
Electric services	40,651	44,405	50,000	(5,595)
Insurance	31,204	40,051	32,500	7,551
Dues and subscription	1,153	1,936	1,700	236
Training and seminars	1,182	2,189	1,800	389
Professional services	15,418	12,506	25,000	(12,494)
Printing and advertising	203	74	500	(426)
State water fees	8,098	8,285	8,000	285
Operating supplies	2,252	704	10,000	(9,296)
Clean drinking water fee	7,592	7,767	8,000	(233)
Repairs and maintenance	58,810	52,662	50,000	2,662
Chemicals	233,736	147,448	255,000	(107,552)
Fuel and oil	3,200	2,521	5,000	(2,479)
Apparatus and tools	1,338	308	1,500	(1,192)
Office supplies	730	1,016	500	516
Uniforms	2,780	2,093	3,500	(1,407)
Purchased water	41,127	31,594	100,000	(68,406)
Lease and rent	45,000	55,000	45,000	10,000
R-9 Ranch expenses	-	-	1,000	(1,000)
Capital outlay	960	-	-	-
Total production	746,060	645,715	917,048	(271,333)

CITY OF RUSSELL, KANSAS

WATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-20

Page 3 of 3

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Transportation and distribution				
Personnel salaries	\$ 192,345	\$ 186,346	\$ 179,000	\$ 7,346
Overtime salaries	5,931	4,395	6,175	(1,780)
Accrued leave buy back	236	-	-	-
Telephone	1,706	1,638	1,100	538
Postage	-	11	500	(489)
Natural gas	1,566	1,991	4,000	(2,009)
Insurance	5,814	10,919	6,000	4,919
Dues and subscriptions	3,934	6,041	3,000	3,041
Training and seminars	-	576	1,000	(424)
Professional services	1,292	1,387	2,000	(613)
Printing and advertising	87	73	500	(427)
Operating supplies	119	55	1,000	(945)
Repairs and maintenance	27,190	25,345	40,000	(14,655)
Fuel and oil	10,144	10,753	15,000	(4,247)
Apparatus and tools	173	-	2,000	(2,000)
Office supplies	33	65	100	(35)
Uniforms	1,809	1,795	2,500	(705)
Capital expense	673	-	-	-
Total transportation and distribution	<u>253,052</u>	<u>251,390</u>	<u>263,875</u>	<u>(12,485)</u>
Operating transfers	<u>1,223,139</u>	<u>1,226,672</u>	<u>1,226,672</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,340,775</u>	<u>2,248,367</u>	<u>\$ 2,523,705</u>	<u>\$ (275,338)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	260,677	511,707		
UNENCUMBERED CASH, BEGINNING	<u>1,221,007</u>	<u>1,481,684</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,481,684</u>	<u>\$ 1,993,391</u>		

CITY OF RUSSELL, KANSAS

WATER DEPRECIATION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-21

	<u>2017</u>	<u>2016</u>
RECEIPTS		
Interest income	\$ 3,903	\$ 1,542
Operating transfers	<u>370,000</u>	<u>370,000</u>
TOTAL RECEIPTS	<u>373,903</u>	<u>371,542</u>
EXPENDITURES		
Professional services	47,795	72,485
Conservation expenditures	1,000	5,641
Capital expenditures	<u>79,331</u>	<u>103,698</u>
TOTAL EXPENDITURES	<u>128,126</u>	<u>181,824</u>
RECEIPTS OVER (UNDER) EXPENDITURES	245,777	189,718
UNENCUMBERED CASH, BEGINNING	<u>932,467</u>	<u>742,749</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 1,178,244</u></u>	<u><u>\$ 932,467</u></u>

CITY OF RUSSELL, KANSAS

WASTEWATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-22

	Prior Year Actual	Current Year		Over (Under) Budget
	Actual	Actual	Budget	Budget
RECEIPTS				
Sewer use charge	\$ 514,789	\$ 532,498	\$ 520,000	\$ 12,498
Penalty	1,811	1,728	1,600	128
Sewer main tap fees	200	600	500	100
Interest income	727	1,643	500	1,143
Miscellaneous revenue	2,661	2,678	2,000	678
TOTAL RECEIPTS	<u>520,188</u>	<u>539,147</u>	<u>\$ 524,600</u>	<u>\$ 14,547</u>
EXPENDITURES				
Personnel salaries	110,957	125,480	\$ 108,000	\$ 17,480
Overtime salaries	4,344	4,751	5,000	(249)
Accrued leave buy back	210	70	-	70
Telephone	874	802	250	552
Postage	1,813	1,831	2,000	(169)
Natural gas	871	1,114	1,500	(386)
Insurance	3,424	3,682	3,800	(118)
Bad debt	-	2,289	1,500	789
Dues and subscriptions	10,565	4,212	2,500	1,712
Training and seminars	1,989	2,691	2,000	691
Professional services	9,932	3,274	7,500	(4,226)
Printing and advertising	-	318	200	118
Operating supplies	565	489	1,000	(511)
Repairs and maintenance	20,736	23,904	30,000	(6,096)
Chemicals	3,028	3,166	3,000	166
Fuel and oil	9,932	8,770	8,500	270
Apparatus and tools	105	239	1,500	(1,261)
Office supplies	226	708	500	208
Armory utilities	220	277	300	(23)
Uniforms	459	459	750	(291)
Capital expenditures	-	-	850	(850)
Operating transfer	325,000	367,124	375,000	(7,876)
TOTAL EXPENDITURES	<u>505,250</u>	<u>555,650</u>	<u>\$ 555,650</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	14,938	(16,503)		
UNENCUMBERED CASH, BEGINNING	<u>249,551</u>	<u>264,489</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 264,489</u>	<u>\$ 247,986</u>		

CITY OF RUSSELL, KANSAS

WASTEWATER REPLACEMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-23

	2017	2016
RECEIPTS		
Interest income	\$ 1,296	\$ 575
Operating transfers	<u>152,124</u>	<u>115,000</u>
TOTAL RECEIPTS	153,420	115,575
EXPENDITURES		
Capital outlay	<u>55,069</u>	<u>91,724</u>
RECEIPTS OVER (UNDER) EXPENDITURES	98,351	23,851
UNENCUMBERED CASH, BEGINNING	<u>315,218</u>	<u>291,367</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 413,569</u></u>	<u><u>\$ 315,218</u></u>

CITY OF RUSSELL, KANSAS

SANITATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)

For Year Ended December 31, 2017

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

Schedule 2-24

Page 1 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Consumer sales	\$ 295,363	\$ 367,560	\$ 300,000	\$ 67,560
Consumer sales - landfill	149,621	201,246	148,000	53,246
Sales tax	864	702	1,000	(298)
Polykart sales	9,410	9,630	7,500	2,130
Recycling sales	9,098	8,353	3,500	4,853
Penalty	1,654	2,104	1,400	704
Interest income	458	1,211	200	1,011
Miscellaneous revenue	8,468	3,026	4,800	(1,774)
TOTAL RECEIPTS	<u>474,936</u>	<u>593,832</u>	<u>\$ 466,400</u>	<u>\$ 127,432</u>
EXPENDITURES				
General and administrative				
Sales tax	667	683	\$ 1,500	\$ (817)
Professional services	3,362	2,152	2,000	152
Postage	1,250	1,225	1,500	(275)
Bad debt	3,258	2,562	750	1,812
Office supplies	-	-	500	(500)
Repairs and maintenance	77	81	500	(419)
Supplies	13,315	108	1,000	(892)
Armory utilities	68	66	100	(34)
Dues, licenses, fees, and subscriptions	1,575	1,382	1,900	(518)
Total general and administrative	<u>23,572</u>	<u>8,259</u>	<u>9,750</u>	<u>(1,491)</u>
Sanitation				
Personnel salaries	124,922	128,073	144,000	(15,927)
Overtime salaries	845	520	2,000	(1,480)
Accrued leave buy back	320	70	250	(180)
Landfill charges	98,682	97,534	110,000	(12,466)
Training and seminars	1,912	1,707	5,000	(3,293)

CITY OF RUSSELL, KANSAS

SANITATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-24
 Page 2 of 2

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
EXPENDITURES (CONTINUED)				
Sanitation (continued)				
Insurance	\$ 1,965	\$ 2,427	\$ 2,000	\$ 427
Professional services	355	325	1,000	(675)
Printing and advertising	390	261	500	(239)
Operating supplies	6,460	62	13,000	(12,938)
Repairs and maintenance	7,998	4,431	8,000	(3,569)
Fuel and oil	10,220	10,627	20,000	(9,373)
Uniforms	1,443	1,571	1,800	(229)
Capital expenditures	15	-	-	-
Total sanitation	255,527	247,608	307,550	(59,942)
Operating transfers	220,000	225,000	225,000	-
TOTAL EXPENDITURES	499,099	480,867	<u>\$ 542,300</u>	<u>\$ (61,433)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(24,163)	112,965		
UNENCUMBERED CASH, BEGINNING	165,575	141,412		
UNENCUMBERED CASH, ENDING	<u>\$ 141,412</u>	<u>\$ 254,377</u>		

CITY OF RUSSELL, KANSAS

SANITATION RESERVE FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL)

For Year Ended December 31, 2017

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

Schedule 2-25

	<u>2017</u>	<u>2016</u>
RECEIPTS		
Interest income	\$ -	\$ 75
Grant	-	15,000
Operating transfers	<u>75,000</u>	<u>75,000</u>
TOTAL RECEIPTS	75,000	90,075
EXPENDITURES		
Capital outlay	<u>394</u>	<u>164,430</u>
RECEIPTS OVER (UNDER) EXPENDITURES	74,606	(74,355)
UNENCUMBERED CASH, BEGINNING	<u>645</u>	<u>75,000</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 75,251</u></u>	<u><u>\$ 645</u></u>

CITY OF RUSSELL, KANSAS

RUSSELL RECREATION COMMISSION
 SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
 (ACTUAL AND BUDGET)
 For Year Ended December 31, 2017
 (With Comparative Actual Totals For Prior Year Ended December 31, 2016)

Schedule 2-26

	Prior Year Actual	Current Year		Over (Under) Budget
		Actual	Budget	
RECEIPTS				
Tax appropriations	\$ 132,140	\$ 128,017	\$ 132,240	\$ (4,223)
Program fees	33,226	28,552	35,000	(6,448)
Concessions	5,104	5,796	6,000	(204)
Gate revenue	455	4,943	7,000	(2,057)
Tournament entry fees	3,740	9,236	7,500	1,736
Memberships	51,978	44,286	50,000	(5,714)
Recreation building - rentals	1,640	1,700	2,000	(300)
Grants	44,755	-	-	-
Other receipts	125	340	5,000	(4,660)
Interest on investments	269	300	1,200	(900)
TOTAL RECEIPTS	273,432	223,170	\$ 245,940	\$ (22,770)
EXPENDITURES				
Salaries				
Director	43,824	44,116	\$ 47,000	\$ (2,884)
Other	26,479	26,152	40,000	(13,848)
Concessions	2,100	2,760	3,000	(240)
Building	18,048	17,581	-	17,581
Program salaries	22,676	22,841	-	22,841
Health insurance	2,956	3,051	1,600	1,451
KPERS contributions	7,081	6,545	4,800	1,745
Workers' compensation	-	-	530	(530)
Payroll tax	9,942	9,833	7,770	2,063
Unemployment tax	375	440	1,300	(860)
Accounting and reporting	6,256	6,564	6,500	64
Automobile expense	1,326	2,103	3,500	(1,397)
Awards	626	1,093	1,000	93
Concession				
Products	3,048	3,532	4,500	(968)
Sales tax	400	1,547	-	1,547
Insurance	3,179	6,408	5,200	1,208
Memorial Park				
Maintenance	9,714	17,931	21,000	(3,069)
Improvements	30,587	6,419	35,000	(28,581)
Capital equipment	-	-	15,000	(15,000)
Office expense	15,513	14,941	13,340	1,601
Recreation Center				
Equipment	2,901	2,045	-	2,045
Building				
Supplies	6,938	5,830	-	5,830
Utilities	5,073	4,770	-	4,770
Repairs and maintenance	2,344	2,460	-	2,460
Program expense	21,330	19,384	26,000	(6,616)
Tournament				
Expenses	-	-	2,200	(2,200)
Officials	4,923	10,470	4,800	5,670
Travel	-	-	500	(500)
Grant				
Salaries	7,147	581	-	581
Expense	6,010	-	-	-
TOTAL EXPENDITURES	260,796	239,397	\$ 244,540	\$ (5,143)
RECEIPTS OVER (UNDER) EXPENDITURES	12,636	(16,227)		
UNENCUMBERED CASH, BEGINNING	85,041	97,677		
UNENCUMBERED CASH, ENDING	\$ 97,677	\$ 81,450		

CITY OF RUSSELL, KANSAS

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS - REGULATORY BASIS
For Year Ended December 31, 2017

Schedule 3

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Drug Task Force Program	\$ 2,998	\$ 1,426	\$ 812	\$ 3,612
Municipal Court	6,305	41,900	40,894	7,311
Fire Fighter Activity	13,835	6,772	15,471	5,136
Sink or Swim	<u>2,413</u>	<u>109</u>	<u>750</u>	<u>1,772</u>
Total	<u>\$ 25,551</u>	<u>\$ 50,207</u>	<u>\$ 57,927</u>	<u>\$ 17,831</u>