

CITY OF LENORA, KANSAS
Lenora, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2017

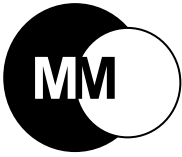
MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF LENORA, KANSAS
Financial Statement with Regulatory-Required
Supplementary Information with Independent Auditor's Report
For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Lenora, Kansas
Lenora, Kansas 67645

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Lenora, Kansas, a Municipality, 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.

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 Lenora, 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 the 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 Lenora, 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 Lenora, 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and regulatory basis summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
September 17, 2018

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

STATEMENT 1
Page 1

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General	\$ 53,898	0	138,808	155,730	36,976	4,685	41,661
Special Purpose Funds:							
Cemetery	0	0	13,381	12,827	554	0	554
Library	273	0	5,431	5,132	572	0	572
Employee Benefits	2,483	0	24,017	26,500	0	0	0
Special Street and Highway	26,309	0	38,187	27,697	36,799	69	36,868
Special Parks & Recreation	6,584	0	0	1,000	5,584	0	5,584
Fire	17,119	0	12,165	18,885	10,399	7	10,406
Capital Improvements	93,090	0	5,000	37,800	60,290	0	60,290
Special Equipment	0	0	15,603	15,603	0	26,235	26,235
Special Fire Equipment	400	0	0	0	400	0	400
Hansen Foundation Grant	2,935	0	0	0	2,935	0	2,935
Business Funds:							
Water Revenue	16,110	0	65,138	57,278	23,970	4,234	28,204
Water Surplus	46,120	0	0	0	46,120	0	46,120
Water System Debt Service	19,744	0	25,200	21,355	23,589	0	23,589
Sewer	38,441	0	18,429	10,620	46,250	347	46,597
Solid Waste	63,969	0	35,080	36,340	62,709	1,174	63,883
Customer Deposits	0	0	0	0	0	500	500
Total Primary Government (Excluding Agency Funds)	\$ <u>387,475</u>	<u>0</u>	<u>396,439</u>	<u>426,767</u>	<u>357,147</u>	<u>37,251</u>	<u>394,398</u>

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

CITY OF LENORA, KANSAS
Composition of Cash
Regulatory Basis
For the Year Ended December 31, 2017

STATEMENT 1
Page 2

Cash on Hand	\$ 50
Solutions North Bank	
Stockton, Kansas - Lenora, Kansas Banch	
NOW Account	74,728
Certificates of Deposit	<u>321,369</u>
Total Cash and Investments	396,147
Less Agency Funds - Schedule 3	<u>1,749</u>
Total Reporting Entity per Statement 1, Page 1	\$ <u>394,398</u>

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

CITY OF LENORA, KANSAS

Notes to the Financial Statement

December 31, 2017

1. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Lenora, Kansas, the primary government, operates as a third class city in accordance with the laws of the State of Kansas. The City operates under a mayor-council form of government and provides the following services: public safety (fire protection), highways and streets, water, sewer, sanitation, social services, culture and recreation, planning and zoning, public improvements, and general administrative services. The financial statement presents the City of Lenora, Kansas (the municipality).

Regulatory Basis Fund Types

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

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

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

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, etc.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The 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.

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 mandatory, the statutes provide for the following sequence and timetable in 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 final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. No funds were amended in this manner for 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 funds:

Capital Improvements	K.S.A. 12-1,118
Special Equipment	K.S.A. 12-1,117
Special Fire Equipment	K.S.A. 12-1,117
Hansen Foundation Grant	K.S.A. 79-2925
Business Funds:	
Water Surplus	K.S.A. 12-825d
Water System Debt Service	K.S.A. 12-825d
Customer Deposits	K.S.A. 12-822

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

2. **Stewardship, Compliance and Accountability**

No statutory violations or compliance issues were noted.

3. **Deposits and Investments**

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

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

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$396,147 and the bank balance was \$399,222. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$149,222 was collateralized with securities held by the pledging financial institutions' agents in the City'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 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 held no investments except for certificates of deposit which are considered as a component of deposits.

4. Defined Benefit Pension Plan

Plan Description. The City of Lenora, Kansas contributes to 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, Kansas 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.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for 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 Lenora, were \$5,359 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 \$50,957. 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.

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. There is no cost to the City under this program.

Compensated Absences

Vacation Pay. Each full-time employee earns paid vacation time after working for the City six months, as per the schedule below:

<u>Completed Years of Service</u>	<u>Vacation Hours Earned</u>
1 Year	4 Hours Per Month or 6 Days Annually
2 Years	6 Hours Per Month or 9 Days Annually
3 – 5 Years	8 Hours Per Month or 12 Days Annually
5 - 10 Years	10 Hours Per Month or 15 Days Annually
Over 10 Years	12 Hours Per Month or 18 Days Annually

Employees may carry over only 60 hours of vacation time from one year to another year.

Sick Pay. Each full-time employee is entitled to 8 hours per month sick leave with a total accumulation limit of 500 hours or 62 days. All employees rights to sick leave end and will be forfeited on termination of employment, therefore, no cost of accumulated sick pay has been computed.

6. **Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Employee Benefits	K.S.A. 12-1405	2,275
Cemetery	Employee Benefits	K.S.A. 12-1405	467
Special Street & Highway	Employee Benefits	K.S.A. 12-1406	128
Sewer	Employee Benefits	K.S.A. 12-825d	489
Solid Waste	Employee Benefits	K.S.A. 65-3410	1,299
Water Revenue	Employee Benefits	K.S.A. 12-825d	831
Water Revenue	Water System Debt	K.S.A. 12-825d	25,200

7. **Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain worker's compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in The Kansas Municipal Insurance Trust (KMIT), a municipal group funded pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT's management.

The City continues to carry commercial insurance for all other risks of loss, including property, general liability, inland marine, law enforcement liability, underground storage tank liability, airport owners and operators general liability and automobile. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. **Claims and Judgments**

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. As of the date of this report, the grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect of any of the individual government funds or the overall financial position of the City.

During the ordinary course of its operations the City is a party to various claims, legal actions, and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

9. **Subsequent Events**

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

10. Long-term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
2003 Series Water System Refunding	1.40-4.50%	03/01/03	\$ 225,000	09/01/18	\$ 40,000	0	20,000	20,000	2,240
Capital Leases:									
Chevy Tahoe	1.50%	12/30/13	11,499	01/19/19	7,002	0	2,299	4,703	105
Freightliner Fire Truck	1.50%	03/22/16	86,000	03/21/26	86,000	0	8,033	77,967	0
Total Long-term Debt					\$ <u>133,002</u>	<u>0</u>	<u>30,332</u>	<u>102,670</u>	<u>2,345</u>

(Continued)

10. Long-term Debt - (Continued)

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023-2027</u>	<u>Total</u>
PRINCIPAL							
General Obligation Bonds:							
2003 Series Water System Refunding	\$ 20,000	0	0	0	0	0	20,000
Capital Leases:							
Chevy Tahoe	2,334	2,369	0	0	0	0	4,703
Freightliner Fire Truck	<u>8,154</u>	<u>8,277</u>	<u>8,402</u>	<u>8,528</u>	<u>8,657</u>	<u>35,949</u>	<u>77,967</u>
Total Principal	<u>30,488</u>	<u>10,646</u>	<u>8,402</u>	<u>8,528</u>	<u>8,657</u>	<u>35,949</u>	<u>102,670</u>
INTEREST							
General Obligation Bonds:							
2003 Series Water System Refunding	450	0	0	0	0	0	450
Capital Leases:							
Chevy Tahoe	71	36	0	0	0	0	107
Freightliner Fire Truck	<u>1,139</u>	<u>1,052</u>	<u>892</u>	<u>765</u>	<u>637</u>	<u>1,224</u>	<u>5,709</u>
Total Interest	<u>1,660</u>	<u>1,088</u>	<u>892</u>	<u>765</u>	<u>637</u>	<u>1,224</u>	<u>6,266</u>
Total Principal and Interest	\$ <u>32,148</u>	<u>11,734</u>	<u>9,294</u>	<u>9,293</u>	<u>9,294</u>	<u>37,173</u>	<u>108,936</u>

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF LENORA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 1

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over (Under)
General	\$ 136,208	25,713	161,921	155,730	(6,191)
Special Revenue:					
Cemetery	13,505	0	13,505	12,827	(678)
Library	5,800	0	5,800	5,132	(668)
Employee Benefits	26,500	0	26,500	26,500	0
Special Street and Highway	31,200	0	31,200	27,697	(3,503)
Special Parks and Recreation	1,000	0	1,000	1,000	0
Fire	19,001	0	19,001	18,885	(116)
Enterprise:					
Water Revenue	63,500	0	63,500	57,278	(6,222)
Sewer	10,620	0	10,620	10,620	0
Solid Waste	36,340	0	36,340	36,340	0

CITY OF LENORA, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 1

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Taxes			
Ad Valorem Property	\$ 60,933	64,645	(3,712)
Delinquent	499	0	499
Motor Vehicle	9,582	11,203	(1,621)
16/20M Vehicle	201	314	(113)
Recreational Vehicle Tax	232	242	(10)
Intangibles	1,682	1,679	3
Intergovernmental			
Countywide Sales Tax	17,244	17,000	244
Local Alcoholic Liquor	0	0	0
Fees and Charges			
Beer and Liquor Licenses	125	200	(75)
Building Permits	20	30	(10)
Dog Tags	185	250	(65)
Late Charge on Utility Fees	2,630	2,000	630
Utility Franchise Fees	6,583	7,000	(417)
Interest on Idle Funds	3,063	2,000	1,063
Other			
Capital Credits	577	400	177
Community Center Room Rent	830	3,600	(2,770)
Farm Income	0	0	0
Insurance Claim	13,234	0	13,234
Insurance Dividend	4,060	2,000	2,060
Land Lease	600	300	300
Sale of Property	10,405	0	10,405
Miscellaneous	4,986	0	4,986
Mowing	945	500	445
Mosquito Spraying	178	200	(22)
Reimbursed Expenses			
Other Reimbursed Expenses	14	0	14
Total Receipts	<u>138,808</u>	<u>113,563</u>	<u>25,245</u>

CITY OF LENORA, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2

Page 2

	Actual	Budget	Variance Over (Under)
Expenditures:			
Animal Control	124	100	24
Backhoe Upkeep	0	0	0
Capital Outlay	0	7,000	(7,000)
Chemicals	918	1,500	(582)
Community Building	1,184	200	984
Donations	600	0	600
Dues	642	300	342
Election	380	1,000	(620)
Electricity	4,830	6,500	(1,670)
Fire Station	0	500	(500)
Fuel and Oil	3,672	3,000	672
Heating	2,942	5,000	(2,058)
Insurance	22,139	20,000	2,139
Lease Payments	364	708	(344)
Legal and Professional Fees	11,196	10,000	1,196
Miscellaneous	5,554	5,000	554
Office Equipment	563	0	563
Office Supplies	4,687	3,000	1,687
Park Repairs	2,219	0	2,219
Permits and Licenses	75	200	(125)
Postage	778	800	(22)
Publications	853	300	553
Repairs	11,372	5,000	6,372
Salaries and Wages	56,796	45,000	11,796
School Expense	450	400	50
Shop Expenses	1,179	0	1,179
Street Lights	7,083	7,500	(417)
Supplies	204	800	(596)

(Continued)

CITY OF LENORA, KANSAS

SCHEDULE 2

GENERAL FUND

Page 3

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

			Variance Over (Under)
(Continued)	Actual	Budget	
Telephone	\$ 1,285	1,900	(615)
Tools and Equipment	1,366	500	866
Transfer to Capital Improvements	5,000	5,000	0
Transfer to Special Equipment	5,000	5,000	0
Transfer to Employee Benefits	2,275	0	2,275
Transfer to Cemetery	0	0	0
Adjustment for Qualifying Budget Credits:			
Reimbursed Expense	0	25,713	(25,713)
Total Expenditures	155,730	161,921	(6,191)
Receipts Over (Under) Expenditures	(16,922)		
Unencumbered Cash, Beginning	53,898		
Unencumbered Cash, Ending	\$ 36,976		

CITY OF LENORA, KANSAS
CEMETERY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 4

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property	\$ 951	1,009	(58)
Delinquent	5	0	5
Motor Vehicle	64	59	5
16/20M Vehicle	0	2	(2)
Recreational Vehicle	1	1	0
Grave Opening/Closing	100	1,200	(1,100)
Sale of Plots	800	200	600
Research Fee	0	0	0
Reimbursed Expenses	11,025	3,000	8,025
Donation	360	0	360
Miscellaneous	75	0	75
Transfer from General	0	0	0
Total Receipts	<u>13,381</u>	<u>5,471</u>	<u>7,910</u>
Expenditures:			
Appropriations to Lenora Cemetery District	0	0	0
Fuel and Oil	551	1,000	(449)
Miscellaneous	1	0	1
Repairs	5,688	150	5,538
Salaries and Wages	6,120	4,000	2,120
Transfer to Employee Benefits	467	330	137
Adjustment for Qualifying Budget Credits:			
Reimbursed Expense	0	8,025	(8,025)
Total Expenditures	<u>12,827</u>	<u>13,505</u>	<u>(678)</u>
Receipts Over (Under) Expenditures	554		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ <u>554</u>		

CITY OF LENORA, KANSAS

SCHEDULE 2

LIBRARY FUND

Page 5

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property	\$ 4,663	4,947	(284)
Delinquent	38	0	38
Motor Vehicle	696	814	(118)
16/20M Vehicle	17	22	(5)
Recreational Vehicle	17	17	0
Total Receipts	<u>5,431</u>	<u>5,800</u>	<u>(369)</u>
Expenditures:			
Appropriations to Library Board	<u>5,132</u>	<u>5,800</u>	<u>(668)</u>
Receipts Over (Under) Expenditures	299		
Unencumbered Cash, Beginning	<u>273</u>		
Unencumbered Cash, Ending	\$ <u>572</u>		

CITY OF LENORA, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 6

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property	\$ 16,442	17,445	(1,003)
Delinquent	112	0	112
Motor Vehicle	1,882	2,187	(305)
16/20M Vehicle	46	60	(14)
Recreational Vehicle	46	46	0
Miscellaneous	0	0	0
Transfer from General	2,275	0	2,275
Transfer from Cemetery	467	300	167
Transfer from Special Street and Highway	128	130	(2)
Transfer from Water Revenue	831	700	131
Transfer from Sewer	489	400	89
Transfer from Solid Waste	1,299	980	319
	<u>24,017</u>	<u>22,248</u>	<u>1,769</u>
Total Receipts			
Expenditures:			
Health Insurance	11,231	10,000	1,231
KPERS Retirement	4,658	6,700	(2,042)
Miscellaneous Benefits	35	0	35
Social Security Taxes	7,557	6,200	1,357
Unemployment Tax	96	100	(4)
Workman's Compensation Insurance	2,923	3,500	(577)
	<u>26,500</u>	<u>26,500</u>	<u>0</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(2,483)		
Unencumbered Cash, Beginning	<u>2,483</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

CITY OF LENORA, KANSAS
SPECIAL STREET AND HIGHWAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2

Page 7

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property	\$ 18,541	19,670	(1,129)
Delinquent	178	0	178
Motor Vehicle	3,555	4,190	(635)
16/20M Vehicle	81	114	(33)
Recreational Vehicle	86	88	(2)
Intergovernmental			
Special City/County Highway	6,331	6,230	101
Equipment Sale	5,041	0	5,041
Grant	<u>4,374</u>	<u>0</u>	<u>4,374</u>
Total Receipts	<u>38,187</u>	<u>30,292</u>	<u>7,895</u>
Expenditures:			
Fuel and Oil	306	400	(94)
Repairs	22,289	26,000	(3,711)
Salaries and Wages	1,689	2,500	(811)
Snow Removal	1,824	900	924
Supplies	474	1,000	(526)
Grader Repairs	0	0	0
Sweeper Repairs	24	200	(176)
Miscellaneous	66	0	66
Tools & Small Equipment	897	0	897
Transfer to Employee Benefit	128	200	(72)
Transfer to Special Equipment	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>27,697</u>	<u>31,200</u>	<u>(3,503)</u>
Receipts Over (Under) Expenditures	10,490		
Unencumbered Cash, Beginning	<u>26,309</u>		
Unencumbered Cash, Ending	\$ <u>36,799</u>		

CITY OF LENORA, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 8

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ <u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Park Supplies	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Receipts Over (Under) Expenditures	(1,000)		
Unencumbered Cash, Beginning	<u>6,584</u>		
Unencumbered Cash, Ending	\$ <u>5,584</u>		

CITY OF LENORA, KANSAS
FIRE FUND

SCHEDULE 2
Page 9

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property	\$ 8,985	9,533	(548)
Delinquent	53	0	53
Motor Vehicle	506	383	123
16/20M Vehicle	32	10	22
Recreational Vehicle	13	8	5
Grant	0	0	0
Reimbursed Expenses	<u>2,576</u>	<u>0</u>	<u>2,576</u>
Total Receipts	<u>12,165</u>	<u>9,934</u>	<u>2,231</u>
Expenditures:			
Equipment	0	0	0
Fuel and Oil	119	300	(181)
Lease Payments	11,698	9,325	2,373
Insurance	0	0	0
Miscellaneous	2,387	0	2,387
Repairs	7	1,000	(993)
Supplies	0	300	(300)
Telephone	475	2,500	(2,025)
Tools and Equipment	4,199	3,000	1,199
Adjustment for Qualifying Budget Credits:			
Reimbursed Expense	<u>0</u>	<u>2,576</u>	<u>(2,576)</u>
Total Expenditures	<u>18,885</u>	<u>19,001</u>	<u>(116)</u>
Receipts Over (Under) Expenditures	(6,720)		
Unencumbered Cash, Beginning	<u>17,119</u>		
Unencumbered Cash, Ending	<u>\$ 10,399</u>		

CITY OF LENORA, KANSAS
WATER REVENUE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 10

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Charges for Services	\$ 63,722	66,000	(2,278)
Bulk Water Sales	616	0	616
Hookup/Reconnect Fees	360	300	60
Capital Credits	<u>440</u>	<u>250</u>	<u>190</u>
 Total Receipts	 <u>65,138</u>	 <u>66,550</u>	 <u>(1,412)</u>
Expenditures:			
Administrative	0	0	0
Chemicals	0	500	(500)
Dues	274	200	74
Education and Travel	350	300	50
Electricity	6,758	5,500	1,258
Fire Hydrant Replacement	0	1,000	(1,000)
Fuel & Oil	36	0	36
Heating	442	900	(458)
Lab Expenses	473	0	473
Lease Payment	0	0	0
Legal and Professional Fees	3,768	3,000	768
Miscellaneous	88	0	88
Permits and Licenses	20	200	(180)
Postage	150	0	150
Publications	127	0	127
Repairs	2,753	9,000	(6,247)
Salaries and Wages	10,888	10,500	388
Sales and Groundwater Taxes and Fees	677	0	677
Supplies	722	1,000	(278)
Telephone	0	1,500	(1,500)
Tools and Equipment	0	0	0
Water Tower Maintenance	3,721	4,000	(279)

(Continued)

CITY OF LENORA, KANSAS
WATER REVENUE FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 11

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
(Continued)			
Transfer to Employee Benefits	831	700	131
Transfer to Water Surplus	0	0	0
Transfer to Water System Debt Service	<u>25,200</u>	<u>25,200</u>	<u>0</u>
 Total Expenditures	 <u>57,278</u>	 <u>63,500</u>	 <u>(6,222)</u>
 Receipts Over (Under) Expenditures	 7,860		
Unencumbered Cash, Beginning	<u>16,110</u>		
 Unencumbered Cash, Ending	 \$ <u>23,970</u>		

CITY OF LENORA, KANSAS
SEWER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 12

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Charges for Services	\$ 18,378	18,500	(122)
Miscellaneous	0	0	0
Capital Credits	<u>51</u>	<u>45</u>	<u>6</u>
Total Receipts	<u>18,429</u>	<u>18,545</u>	<u>(116)</u>
Expenditures:			
Administrative	43	500	(457)
Chemicals	0	1,450	(1,450)
Education and Travel	280	200	80
Electricity	1,477	1,300	177
Heating	0	0	0
Legal and Professional Fees	0	500	(500)
Miscellaneous	225	0	225
Office Supplies	0	0	0
Permits and Licenses	205	220	(15)
Repairs	729	100	629
Salaries and Wages	6,274	5,500	774
Supplies	148	0	148
Telephone	0	450	(450)
Tools & Equipment	750	0	750
Transfer to Employee Benefits	<u>489</u>	<u>400</u>	<u>89</u>
Total Expenditures	<u>10,620</u>	<u>10,620</u>	<u>0</u>
Receipts Over (Under) Expenditures	7,809		
Unencumbered Cash, Beginning	<u>38,441</u>		
Unencumbered Cash, Ending	\$ <u>46,250</u>		

CITY OF LENORA, KANSAS
SOLID WASTE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 13

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Charges for Services	\$ 35,060	35,000	60
Miscellaneous	<u>20</u>	<u>0</u>	<u>20</u>
Total Receipts	<u>35,080</u>	<u>35,000</u>	<u>80</u>
Expenditures:			
Administrative	74	500	(426)
Fuel and Oil	2,578	5,500	(2,922)
Landfill Fees	9,983	12,000	(2,017)
Miscellaneous	225	0	225
Office Supplies	0	350	(350)
Postage	177	0	177
Repairs	1,969	3,000	(1,031)
Salaries and Wages	16,985	14,000	2,985
Supplies	40	0	40
Tools and Equipment	3,010	0	3,010
Transfer to Employee Benefits	<u>1,299</u>	<u>990</u>	<u>309</u>
Total Expenditures	<u>36,340</u>	<u>36,340</u>	<u>0</u>
Receipts Over (Under) Expenditures	(1,260)		
Unencumbered Cash, Beginning	<u>63,969</u>		
Unencumbered Cash, Ending	\$ <u>62,709</u>		

CITY OF LENORA, KANSAS
Any Non-Budgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 14

	Capital Improve- ments	Special Equipment	Special Fire Equipment
Receipts:			
Transfer from General	\$ 5,000	5,000	0
Insurance Claim	<u>0</u>	<u>10,603</u>	<u>0</u>
Total Receipts	<u>5,000</u>	<u>15,603</u>	<u>0</u>
Expenditures:			
Capital Outlay	<u>37,800</u>	<u>15,603</u>	<u>0</u>
Receipts Over (Under) Expenditures	(32,800)	0	0
Unencumbered Cash, Beginning	<u>93,090</u>	<u>0</u>	<u>400</u>
Unencumbered Cash, Ending	\$ <u>60,290</u>	<u>0</u>	<u>400</u>

CITY OF LENORA, KANSAS
Any Non-Budgeted Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 2
Page 15

	Hansen Foundation Grant	Water Surplus	Water System Debt Service	Customer Deposits
Receipts:				
Customer Deposits	\$ 0	0	0	0
Grants	0	0	0	0
Interest on Idle Funds	0	0	0	0
Transfer from Water Revenue	0	0	25,200	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Receipts	0	0	25,200	0
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Capital Outlay	0	0	0	0
Bond Principal	0	0	20,000	0
Bond Interest	0	0	1,355	0
Customer Refunds	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	0	0	21,355	0
	<hr/>	<hr/>	<hr/>	<hr/>
Receipts Over (Under) Expenditures	0	0	3,845	0
Unencumbered Cash, Beginning	2,935	46,120	19,744	0
	<hr/>	<hr/>	<hr/>	<hr/>
Unencumbered Cash, Ending	\$ 2,935	46,120	23,589	0
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF LENORA, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2017

SCHEDULE 3

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Sales Tax	\$ 267	364	401	230
Payroll Clearing	<u>1,380</u>	<u>21,867</u>	<u>21,728</u>	<u>1,519</u>
Total Agency Funds	\$ <u><u>1,647</u></u>	<u><u>22,231</u></u>	<u><u>22,129</u></u>	<u><u>1,749</u></u>