CITY OF GALENA, KANSAS

Independent Auditor's Report
and Financial Statement with
Supplementary Information

For the Year Ended December 31, 2017

THE MENSE CPA FIRM, LLC
Certified Public Accountants

CITY OF GALENA, KANSAS
TABLE OF CONTENTS

	Page Number
INTRODUCTORY SECTION	
• Title Page	
• Table of Contents	i-ii
FINANCIAL SECTION	
• Independent Auditor's Report	1-3
• Summary Statement of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis	4-5
• Notes to the Financial Statement	6-20
REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION	
• Summary of Expenditures – Actual and Budget – Regulatory Basis (Schedule 1)	21
• Schedule or Receipts and Expenditures – Actual and Budget – Regulatory Bases (Schedule 2)	
General Fund	22
Library Fund	23
Noxious Weed Fund	24
Employee Benefits Fund	25
Special Highway Fund	26
Special Parks and Recreation Fund	27
Ambulance Service Fund	28
Cemetery Perpetual Care Interest Fund	29
Landfill Fund	30
Police Training Fund	31
Drug Seizure Fund	32
Fire Chassis Equipment Reserve Fund	33
City Attorney Training Fund	34
Park Improvement Fund	35
City Beautification Fund	36
Zelliken Fund	37
Special Water Fund	38
Police DUI Fund	39

CITY OF GALENA, KANSAS
TABLE OF CONTENTS

REGULATORY – REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

Water Meter Fund	40
City Attorney DUI Fund	41
Monofill-Bluehole Fund	42
Economic Development Fund	43
Special Liability Fund	44
Technology Reserve Fund	45
Municipal Equipment Reserve Fund	46
Sewer Equipment Reserve Fund	47
Bond and Interest Fund	48
Water Fund	49
Sewer Fund	50
Solid Waste Fund	51
Cemetery Perpetual Care Fund	52

- Schedule of Receipts and Disbursements – Agency Fund - (Schedule 3) 53

The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council
City of Galena, Kansas

INDEPENDENT AUDITOR'S REPORT

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

2001 Byers Avenue • Joplin, Missouri 64804-1835 • 417-553-4448 • Fax 553-4447

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 Galena, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Galena, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Basis for Modified Opinion on Regulatory Basis of Accounting

The fund summary statement of regulatory receipts, expenditures, and unencumbered cash balance does not include activity of the Hospital Fund. The amount by which this omission would affect the receipts, expenditures and unencumbered cash has not been determined.

Modified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Modified Opinion on Regulatory Basis of Accounting" paragraph, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Galena, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance (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 schedule of regulatory basis 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 basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
August 20, 2018

CITY OF GALENA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ 37,347	$ -	$ 2,047,882	$ 2,056,132	$ 29,097	$ 13,419	$ 42,516
Special Purpose Funds:							
Library	10,442	-	53,619	61,186	2,875	-	2,875
Noxious Weed	2,355	-	-	491	1,864	-	1,864
Employee Benefits	287,772	-	139,357	155,171	271,958	-	271,958
Special Highway	6,736	-	77,520	57,402	26,854	597	27,451
Special Parks and Recreation	5,935	-	1,646	1,200	6,381	-	6,381
Ambulance Service	-	-	202,528	202,528	-	-	-
Cemetery Perpetual Care Interest	1,370	-	85	-	1,455	-	1,455
Landfill	166,774	-	148,798	28,981	286,591	-	286,591
Police Training	12,445	-	1,998	7,106	7,337	-	7,337
Drug Seizure	6,187	-	-	1,991	4,196	-	4,196
Fire Chassis Equipment Reserve	17,432	-	21,999	43,565	(4,134)	-	(4,134)
City Attorney Training	1,603	-	400	-	2,003	-	2,003
Park Improvement	29	-	-	-	29	-	29
City Beautification	281	-	-	-	281	-	281
Zelliken	2,483	-	-	-	2,483	-	2,483
Special Water	65,553	-	45,767	69,553	41,767	-	41,767
Police DUI	7,402	-	239	-	7,641	-	7,641
Water Meter	77,997	-	308,352	254,549	131,800	-	131,800
City Attorney DUI	780	-	80	-	860	-	860
Monofill - Bluehole	37	-	3,061	-	3,098	-	3,098
Economic Development	516	-	144	84	576	-	576
Special Liability	44,514	-	1,080	-	45,594	-	45,594
Technology Reserve	-	-	4,020	268	3,752	-	3,752
Municipal Equipment Reserve	25,015	-	436,680	219,031	242,664	-	242,664
Sewer Equipment Reserve	42,917		10,387	-	53,304	-	53,304

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

CITY OF GALENA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Funds:							
Bond and Interest	$ 101,234	$ -	$ 90,608	$ 127,617	$ 64,225	$ -	$ 64,225
Business Funds:							
Water	70,156	-	613,299	650,513	32,942	26,052	58,994
Sewer	155,349	-	303,915	262,852	196,412	4,757	201,169
Solid Waste	83,633	-	261,567	271,374	73,826	4,711	78,537
Trust Funds:							
Cemetery Perpetual Care	126,216	-	85	-	126,301	-	126,301
Total Reporting Entity	$ 1,360,510	$ -	$ 4,775,116	$ 4,471,594	$ 1,664,032	$ 49,536	$ 1,713,568

Composition of Cash

Cash on Hand	$ 175
Checking Accounts	1,436,267
Certificates of Deposit	360,886
U.S. Savings Bonds	2,000
Total Cash	$ 1,799,328
Less - Agency Funds Per Schedule 3	(85,760)
Total Reporting Entity	$ 1,713,568

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The City of Galena, Kansas, was incorporated in 1877 and operates as a second class city under the statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor – Council form of government. Major services provided by the City include: Public Safety – Police and Fire, Highways and Streets, Sanitation, Health, Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. The City also provides water, sewer and refuse utility services.

I.B. FINANCIAL REPORTING ENTITY

This financial statement presents the City of Galena, Kansas, (the municipality) as defined in K.S.A. 75-1117.

Related Municipal Entities: A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

> Library Board – The City of Galena, Kansas Library Board operates the City's public library. The Library Board is appointed by the City Council. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.

I.C. REGULATORY BASIS FUND TYPES

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separated set of self-balancing accounts. The following funds are used by the City:

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 regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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.)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.C. REGULATORY BASIS FUND TYPES (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 (payroll clearing fund, county treasurer tax collection accounts, etc.)

I.D. BASIS OF ACCOUNTING

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

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

I.E. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.E. BUDGETARY INFORMATION (CONTINUED)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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. The Library, Water, Special Water, Solid Waste and Water Meter Funds were amended during the year.

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

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

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

Special Liability Fund
Technology Reserve Fund
Municipal Equipment Reserve Fund
Sewer Equipment Reserve 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. ASSETS AND LIABILITIES

Cash and Investments

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

I.G. RECEIPTS AND EXPENDITURES

I.G.I. Sales Tax

The City of Galena, Kansas levies a 1% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

I.G.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2017 for the purposes of taxation was $19,772,294.

The tax levy per $100.00 of assessed valuation of tangible property for the calendar year was $6.65. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G. RECEIPTS AND EXPENDITURES (CONTINUED)

I.G.3. 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. STATUTORY COMPLIANCE

Depositories for the deposit of all public monies were not designated and recorded in the minutes. (K.S.A. 9-1401)

Lease purchase agreement, for the purchase of Tasers, does not conform with cash-basis law. (KSA 10-1116b)

The City Treasurer does not maintain records to show the amount of money in each fund. (K.S.A. 10-1118)

The Ambulance Service, Water and Solid Waste Funds exceeded the budget. (K.S.A. 79-2935)

The Fire Chassis Equipment Reserve Fund made expenditures in excess of available cash (K.S.A. 10-1113, 10-1121)

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. DEPOSITS AND INVESTMENTS

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

		Investment Maturities (in Years)	
Investment Type	Fair Value	Less than 1	Rating
United States Savings Bonds	$ 2,000	$ 2,000	N/A

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.A. DEPOSITS AND INVESTMENTS (CONTINUED)

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

K.S.A. 12-1675 limits the Municipality'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 Municipality has no investment policy that would further limit its investment choices. The rating of the Municipality's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2017, is as follows:

Investments	Percentage of Investments
U.S. Government Savings Bonds	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality'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 Municipality does not designate "peak periods". All deposits were legally secured at December 31, 2017.

At December 31, 2017, the Municipality's carrying amount of deposits was $1,797,153 and the bank balance was $1,889,543. 84% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $569,523 was covered by federal depository insurance and $1,320,020 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.B. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Equipment Reserve	KSA 12-1,117	$ 435,000
General	Fire Chassis	KSA 12-1,117	21,999
General	Technology Reserve	KSA 12-1,117	2,976
General	Water	City Council	24,686
Water	Special Water	KSA 12-825d	12,000
Water	Water Meter	KSA 12-825d	7,952
Sewer	Sewer Equipment Reserve	KSA 12-1,117	10,387
Sewer	General	KSA 12-1,117	25,000

III.C. RESTRICTED ASSETS

The following amount in the following fund is restricted as follows:

General Fund	
Vehicle Inspection Fees (Law Enforcement)	$ 19.439

III.D. CONDUIT DEBT OBLIGATION

From time to time, the City issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement.

The outstanding balance of $5,000,000.00, City of Galena, Kansas Taxable Industrial Revenue Bonds, (Galena MOB Partners, LLC) Series 2012 was $3,846,770. at December 31, 2017.

IV. Long-Term Debt

Changes in long-term liabilities for the City 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:									
Series 2011	0.50% - 5.00%	5/24/2011	$ 1,495,000	12/1/2031	$ 1,170,000	$ -	$ 60,000	$ 1,110,000	$ 49,125
Series 2012	3.50%	8/27/2012	$ 340,000	8/27/2042	312,249	-	7,563	304,686	10,929
Total General Obligation Bonds					$ 1,482,249	$ -	$ 67,563	$ 1,414,686	$ 60,054
KDHE Loans:									
Public Water Supply Revolving Loan	3.77%	9/11/2009	$ 105,893	8/1/2030	$ 80,395	$ -	$ 4,454	$ 75,941	$ 2,989
Water Meter Conversion Loan	2.17%	7/1/2015	$ 340,000	2/1/2026	-	300,400	-	300,400	-
Total KDHE Loans					$ 80,395	$ 300,400	$ 4,454	$ 376,341	$ 2,989
Capital Leases Payable:									
Police Tasers	0.00%	5/1/2014	$ 3,665	5/1/2018	$ 740	$ -	$ 370	$ 370	$ -
Fire Truck	3.73%	8/27/2013	$ 158,908	8/27/2017	41,973	-	41,973	-	1,592
Street Sweeper	3.45%	11/9/2015	$ 66,000	9/1/2020	53,680	-	12,745	40,935	1,852
Fire Vehicle	6.50%	2/24/2016	$ 31,440	4/24/218	21,640	-	16,053	5,587	934
Fire Truck	3.25%	5/10/2017	$ 515,000	5/8/2026	515,000	-	44,409	470,591	16,738
Fire Equipment	3.95%	2/9/2017	$ 56,532	2/10/2021	-	56,532	-	56,532	-
Total Capital Leases					$ 633,033	$ 56,532	$ 115,550	$ 574,015	$ 21,116
Total Contractual Indebtedness					$ 2,195,677	$ 356,932	$ 187,567	$ 2,365,042	$ 84,159

IV. 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:

	YEAR									
	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	2038-2042	Total
Principal:										
General Obligation Bonds	$ 67,827	$ 73,101	$ 73,357	$ 73,677	$ 78,981	$ 444,818	$ 449,156	$ 70,287	$ 83,482	$ 1,414,686
KDHE Loans	53,556	54,116	55,374	56,663	57,982	77,722	20,928	-	-	376,341
Capital Leases	78,317	74,831	77,387	65,434	52,110	225,936	-	-	-	574,015
Total Principal	$ 199,700	$ 202,048	$ 206,118	$ 195,774	$ 189,073	$ 748,476	$ 470,084	$ 70,287	$ 83,482	$ 2,365,042
Interest:										
General Obligation Bonds	$ 58,139	$ 56,065	$ 53,670	$ 51,102	$ 48,360	$ 190,902	$ 82,564	$ 22,158	$ 8,966	$ 571,926
KDHE Loans	8,393	7,833	6,575	5,286	3,967	7,891	1,401	-	-	41,346
Capital Leases Payable	19,014	16,468	13,912	11,268	9,037	18,652	-	-	-	88,351
Total Interest	$ 85,546	$ 80,366	$ 74,157	$ 67,656	$ 61,364	$ 217,445	$ 83,965	$ 22,158	$ 8,966	$ 701,623
Total Principal and Interest	$ 285,246	$ 282,414	$ 280,275	$ 263,430	$ 250,437	$ 965,921	$ 554,049	$ 92,445	$ 92,448	$ 3,066,665

V. PENSION PLAN

General Information about the Pension Plan

Plan description. The City of Galena, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS's 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 200, Topeka, KS 66603) or by calling 1-888-275-5737.

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

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 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 City of Galena, Kansas were $74,064 for the year ended December 31, 2017. The amount does not include contributions paid by the Hospital Manager on behalf of Hospital Employees from the Hospital Fund.

V. PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2017, the City of Galena, Kansas's proportionate share of the collective net pension liability reported by KPERS was $3,623,645. This amount includes the net pension liability of Hospital Employees. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City of Galena, Kansas's proportion of the net pension liability was based on the ratio of the City of Galena, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

VI. 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 workers' 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 Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust (KMIT) for its workers' 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 a stated dollar amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three years.

VII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits. As provided by K.S.A. 12-540, 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 charge a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City 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. The City's policies regarding vacation and sick pay allow all full-time employees to receive one to four weeks' vacation time per year depending on their length of employment. Upon termination of service, after the first year, an employee is entitled to pay for unused vacation leave.

Full-time employees shall be entitled to personal leave with pay, which shall accumulate at the rate of 5.33 hours per month for any employment period after January 1, 2007. Part-time employees do not accrue personal leave.

It was impracticable to determine the accumulated unpaid vacation and sick pay. However, City Officials estimated the amount not to be material.

VIII. TAX ABATEMENTS

The City negotiates property tax agreements on an individual basis. The City has a tax abatement agreement with MOB Partners, LLC effective January 1, 2013. The agreement exempts property from taxation as follows:

Tax Year	Percentage of Abatement
2013	100%
2014	100%
2015	100%
2016	100%
2017	100%
2018	100%
2019	100%
2020	100%
2021	100%
2022	100%

The amount of tax abated during 2017 was $73,185.

IX. CONTINENCIES

IX.A. LITIGATION

The City is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

IX.B. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loans. Any liability for reimbursement, which may arise, as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

IX.C. LANDFILL CLOSURE COSTS

The City has two landfills available for the disposal of construction/demolition materials and used tires. The operations of the landfill are accounted for in special purpose funds. The measurement and recognition of the liability for closure are based on total estimated current cost and landfill usage to date. Expenditures and fund liabilities are recognized using the statutory basis of accounting.

When the landfill stops accepting waste, the City is required by federal and state law to close the landfill, including final cover and storm water management.

The estimated closure cost for these activities as of December 31, 2017 was $719,678 based on cumulative landfill capacity used to date. This estimate was based on the 2017 Annual Cost Estimates, dated April 13, 2018 and May 1, 2018. Cost estimates are based on current data, including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment to account for inflation and for any changes in landfill condition, regulatory requirements, technologies, or cost estimates.

X. OTHER COMMITMENTS

Water Agreement – On June 1, 2002, the City entered into a twenty-five year agreement with Missouri American Water Company for the purchase of water. The City agrees to purchase an average of at least two hundred gallons per minute, per calendar month or pay the equivalency of such usage minus any amounts paid by the City for the actual usage in the same monthly period.

During the year ended December 31. 2017, the City purchased and used 100% of the agreed-to amount each month.

Hospital – On October 27, 2011, the City entered into an agreement with Four States Management Solutions, LLC (the "Manager") for the development and management of a Hospital. Simultaneous with the execution of the agreement with the Manager, the City entered into a lease agreement with Galena Medical Properties, LLC. (the "Landlord") whereby the Landlord agrees to construct a Hospital on property owned by the Landlord. The initial term of both agreements is for a period of 360 months, with terms for renewal.

The Manager is responsible for establishing and supervising the accounting and financial records of the Hospital. This includes the payment of all expenses of the Hospital, including the management fee and lease payments, as stated in the agreements, from the revenues of the operation of the Hospital.

XI. SUBSEQUENT EVENTS

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

Schedule 1

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:					
General	$ 2,035,873	$ 57,055	$ 2,092,928	$ 2,056,132	$ (36,796)
Special Purpose Funds:					
Library	61,186	-	61,186	61,186	-
Noxious Weed	1,605	-	1,605	491	(1,114)
Employee Benefits	268,850	-	268,850	155,171	(113,679)
Special Highway	82,491	-	82,491	57,402	(25,089)
Special Parks and Recreation	4,357	-	4,357	1,200	(3,157)
Ambulance Service	192,182	-	192,182	202,528	10,346
Cemetery Perpetual Care Interest	1,080	-	1,080	-	(1,080)
Landfill	50,000	-	50,000	28,981	(21,019)
Police Training	11,818	-	11,818	7,106	(4,712)
Drug Seizure	5,334	-	5,334	1,991	(3,343)
Fire Chassis Equipment Reserve	43,566	-	43,566	43,565	(1)
City Attorney Training	1,403	-	1,403	-	(1,403)
Park Improvement	29	-	29	-	(29)
City Beautification	281	-	281	-	(281)
Zelliken	3,683	-	3,683	-	(3,683)
Special Water	70,553	-	70,553	69,553	(1,000)
Police DUI	6,028	-	6,028	-	(6,028)
Water Meter	343,276	-	343,276	254,549	(88,727)
City Attorney DUI	1,056	-	1,056	-	(1,056)
Monofill-Bluehole	37	-	37	-	(37)
Economic Development	-	144	144	84	(60)
Bond and Interest Funds					
Bond and Interest	177,617	-	177,617	127,617	(50,000)
Business Type Funds:					
Water	646,943	-	646,943	650,513	3,570
Sewer	300,000	-	300,000	262,852	(37,148)
Solid Waste	267,000	-	267,000	271,374	4,374
Trust Funds:					
Cemetery Perpetual Care	150	-	150	-	(150)

CITY OF GALENA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	$ 936,053	$ 1,053,786	$ (117,733)
Delinquent Tax	15,944	5,130	10,814
Motor Vehicle Tax	45,827	34,103	11,724
Recreational Vehicle Tax	537	290	247
16/20 M Vehicle Tax	383	358	25
Commercial Vehicle Tax	4,085	2,577	1,508
Watercraft Tax	274	263	11
Local Alcoholic Liquor Tax	446	1,579	(1,133)
City and County Sales and Use Tax	546,022	539,613	6,409
Licenses, Permits and Fees	11,527	10,500	1,027
Fire Contracts	11,500	2,000	9,500
Cemetery Lot Sales and Opening	8,225	10,000	(1,775)
Franchise Fees	168,303	187,000	(18,697)
Swimming Pool Receipts	12,050	4,500	7,550
Grants	4,471	-	4,471
Vehicle Inspections	6,280	6,000	280
Fines	109,995	60,000	49,995
Donations	523	-	523
Community Building	1,085	1,000	85
Reimbursed Expense	61,401	35,000	26,401
Other	14,192	-	14,192
Interest	637	535	102
Court Bonds Collected	6,590	-	6,590
Capital Lease Proceeds	56,532	-	56,532
Operating Transfers	25,000	37	24,963
Total Receipts	$ 2,047,882	$ 1,954,271	$ 93,611
Expenditures:			
General Administration	$ 472,660	$ 457,260	$ 15,400
Streets	450	14,400	(13,950)
Street Lighting	52,778	52,000	778
Parks	82,003	95,000	(12,997)
Fire	163,989	105,000	58,989
Vehicle Identification Numbers	578	6,600	(6,022)
Police	591,513	538,400	53,113
Civil Defense	1,689	7,000	(5,311)
Municipal Court	75,876	29,000	46,876
Cemetery	86,478	80,000	6,478
Swimming Pool	26,100	27,277	(1,177)
Capital Lease - Police Tasers	370	370	-
Capital Lease - Fire Vehicle	16,987	-	16,987
Operating Transfers	484,661	623,566	(138,905)
Qualifying Budget Credits	-	57,055	(57,055)
Total Expenditures	$ 2,056,132	$ 2,092,928	$ (36,796)
Receipts Over (Under) Expenditures	$ (8,250)		
Unencumbered Cash-Beginning	37,347		
Unencumbered Cash-Ending	$ 29,097		

CITY OF GALENA, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	$ 44,887	$ 50,506	$ (5,619)
Delinquent Tax	2,396	1,023	1,373
Motor Vehicle Tax	5,695	4,343	1,352
Recreational Vehicle Tax	67	37	30
16/20 M Vehicle Tax	47	46	1
Commercial Vehicle Tax	492	328	164
Watercraft Tax	35	34	1
Total Receipts	$ 53,619	$ 56,317	$ (2,698)
Expenditures:			
Appropriation to the Library Board	$ 61,186	$ 61,186	$ -
Receipts Over (Under) Expenditures	$ (7,567)		
Unencumbered Cash-Beginning	10,442		
Unencumbered Cash-Ending	$ 2,875		

CITY OF GALENA, KANSAS
Noxious Weed Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Delinquent Tax	$ -	$ -	$ -
Expenditures:			
Public Works	$ 491	$ 1,605	$ (1,114)
Receipts Over (Under) Expenditures	$ (491)		
Unencumbered Cash-Beginning	2,355		
Unencumbered Cash-Ending	$ 1,864		

CITY OF GALENA, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	$ 107,872	$ 121,338	$ (13,466)
Delinquent Tax	7,860	3,139	4,721
Motor Vehicle Tax	21,521	18,216	3,305
Recreational Vehicle Tax	248	155	93
16/20 M Vehicle Tax	112	192	(80)
Commercial Vehicle Tax	1,598	1,376	222
Watercraft Tax	146	141	5
Total Receipts	$ 139,357	$ 144,557	$ (5,200)
Expenditures:			
General Government	$ 155,171	$ 268,850	$ (113,679)
Receipts Over (Under) Expenditures	$ (15,814)		
Unencumbered Cash-Beginning	287,772		
Unencumbered Cash-Ending	$ 271,958		

CITY OF GALENA, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
State of Kansas	$ 77,520	$ 76,980	$ 540
Expenditures:			
Public Works	$ 42,805	$ 82,491	$ (39,686)
Capital Lease - Street Sweeper	14,597	-	14,597
Total Expenditures	$ 57,402	$ 82,491	$ (25,089)
Receipts Over (Under) Expenditures	$ 20,118		
Unencumbered Cash-Beginning	6,736		
Unencumbered Cash-Ending	$ 26,854		

CITY OF GALENA, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Local Alcohol Liquor Fund	$ 446	$ 1,579	$ (1,133)
Other	1,200	-	1,200
Total Receipts	$ 1,646	$ 1,579	$ 67
Expenditures:			
Recreation	$ 1,200	$ 4,357	$ (3,157)
Receipts Over (Under) Expenditures	$ 446		
Unencumbered Cash-Beginning	5,935		
Unencumbered Cash-Ending	$ 6,381		

CITY OF GALENA, KANSAS
Ambulance Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Ambulance Subsidy from Cherokee County	$ 202,528	$ 192,182	$ 10,346
Expenditures:			
Appropriation to Cherokee County Ambulance Association, Inc.	$ 202,528	$ 192,182	$ 10,346
Receipts Over (Under) Expenditures	$ -		
Unencumbered Cash-Beginning	$ -		
Unencumbered Cash-Ending	$ -		

CITY OF GALENA, KANSAS
Cemetery Perpetual Care Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	$ 85	$ -	$ 85
Operating Transfers	-	150	(150)
Total Receipts	$ 85	$ 150	$ (65)
Expenditures:			
Cemetery Maintenance	$ -	$ 1,080	$ (1,080)
Receipts Over (Under) Expenditures	$ 85		
Unencumbered Cash-Beginning	1,370		
Unencumbered Cash-Ending	$ 1,455		

CITY OF GALENA, KANSAS
Landfill Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Fees	$ 148,798	$ 60,000	$ 88,798
Expenditures:			
Tipping Fees	$ 28,981	$ 50,000	$ (21,019)
Receipts Over (Under) Expenditures	$ 119,817		
Unencumbered Cash-Beginning	166,774		
Unencumbered Cash-Ending	$ 286,591		

CITY OF GALENA, KANSAS
Police Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	$ 1,998	$ 1,500	$ 498
Expenditures:			
Public Safety	$ 7,106	$ 11,818	$ (4,712)
Receipts Over (Under) Expenditures	$ (5,108)		
Unencumbered Cash-Beginning	12,445		
Unencumbered Cash-Ending	$ 7,337		

CITY OF GALENA, KANSAS
Drug Seizure Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Drug Control Payments	$ -	$ 1,000	$ (1,000)
Expenditures:			
Public Safety	$ 1,991	$ 5,334	$ (3,343)
Receipts Over (Under) Expenditures	$ (1,991)		
Unencumbered Cash-Beginning	6,187		
Unencumbered Cash-Ending	$ 4,196		

CITY OF GALENA, KANSAS
Fire Chassis Equipment Reserve
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Operating Transfers	$ 21,999	$ 43,566	$ (21,567)
Expenditures:			
Capital Lease	$ 43,565	$ 43,566	$ (1)
Receipts Over (Under) Expenditures	$ (21,566)		
Unencumbered Cash-Beginning	17,432		
Unencumbered Cash-Ending	$ (4,134)		

CITY OF GALENA, KANSAS
City Attorney Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	$ 400	$ 300	$ 100
Expenditures:			
Public Safety	$ -	$ 1,403	$ (1,403)
Receipts Over (Under) Expenditures	$ 400		
Unencumbered Cash-Beginning	1,603		
Unencumbered Cash-Ending	$ 2,003		

CITY OF GALENA, KANSAS
Park Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	$ -	$ -	$ -
Expenditures:			
Recreation	$ -	$ 29	$ (29)
Receipts Over (Under) Expenditures	$ -		
Unencumbered Cash-Beginning	29		
Unencumbered Cash-Ending	$ 29		

CITY OF GALENA, KANSAS
City Beautification Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	$ -	$ -	$ -
Expenditures:			
Public Works	$ -	$ 281	$ (281)
Receipts Over (Under) Expenditures	$ -		
Unencumbered Cash-Beginning	281		
Unencumbered Cash-Ending	$ 281		

CITY OF GALENA, KANSAS
Zelliken Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	$ -	$ -	$ -
Expenditures:			
Welfare	$ -	$ 3,683	$ (3,683)
Receipts Over (Under) Expenditures	$ -		
Unencumbered Cash-Beginning	2,483		
Unencumbered Cash-Ending	$ 2,483		

CITY OF GALENA, KANSAS
Special Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Miscellaneous	$ 33,767	$ -	$ 33,767
Operating Transfers	12,000	12,000	-
Total Receipts	$ 45,767	$ -	$ 33,767
Expenditures:			
Public Works	$ 69,553	$ 70,553	$ (1,000)
Receipts Over (Under) Expenditures	$ (23,786)		
Unencumbered Cash-Beginning	65,553		
Unencumbered Cash-Ending	$ 41,767		

CITY OF GALENA, KANSAS
Police DUI Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	$ 239	$ 500	$ (261)
Expenditures:			
Public Safety	$ -	$ 6,028	$ (6,028)
Receipts Over (Under) Expenditures	$ 239		
Unencumbered Cash-Beginning	7,402		
Unencumbered Cash-Ending	$ 7,641		

CITY OF GALENA, KANSAS
Water Meter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
KDHE Loan Proceeds	$ 300,400	$ 300,000	$ 400
Operating Transfers	7,952	-	7,952
Total Receipts	$ 308,352	$ -	$ 8,352
Expenditures:			
Water Meters	$ 253,330	$ 343,276	$ (89,946)
Loan Origination Fees	1,219	-	1,219
Total Expenditures	$ 254,549	$ 343,276	$ (88,727)
Receipts Over (Under) Expenditures	$ 53,803		
Unencumbered Cash-Beginning	77,997		
Unencumbered Cash-Ending	$ 131,800		

CITY OF GALENA, KANSAS
City Attorney DUI Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	$ 80	$ 200	$ (120)
Expenditures:			
Public Safety	$ -	$ 1,056	$ (1,056)
Receipts Over (Under) Expenditures	$ 80		
Unencumbered Cash-Beginning	780		
Unencumbered Cash-Ending	$ 860		

CITY OF GALENA, KANSAS
Monofill-Bluehole Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Monifill Fees	$ 3,061	$ -	$ 3,061
Expenditures:			
Operating Transfers	$ -	$ 37	$ (37)
Receipts Over (Under) Expenditures	$ 3,061		
Unencumbered Cash-Beginning	37		
Unencumbered Cash-Ending	$ 3,098		

CITY OF GALENA, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	$ 144	$ -	$ 144
Expenditures:			
Economic Development	$ 84	$ -	$ 84
Qualifying Budget Credit	-	144	(144)
Total Expenditures	$ 84	$ 144	$ (60)
Receipts Over (Under) Expenditures	$ 60		
Unencumbered Cash-Beginning	516		
Unencumbered Cash-Ending	$ 576		

CITY OF GALENA, KANSAS
Special Liability Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

Receipts:		
Taxes and Shared Receipts:		
Ad Valorem Property Tax	$	4
Delinquent Tax		283
Motor Vehicle Tax		716
Recreational Vehicle Tax		8
16/20 M Vehicle Tax		5
Commercial Vehicle Tax		60
Watercraft Tax		4
Total Receipts	$	1,080
Expenditures:		
General Government	$	-
Receipts Over (Under) Expenditures	$	1,080
Unencumbered Cash-Beginning		44,514
Unencumbered Cash-Ending	$	45,594

CITY OF GALENA, KANSAS
Technology Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

Receipts:		
Municipal Court Fees	$	1,044
Operating Transfers		2,976
Total Receipts	$	4,020
Expenditures:		
Equipment	$	268
Receipts Over (Under) Expenditures	$	3,752
Unencumbered Cash-Beginning		-
Unencumbered Cash-Ending	$	3,752

CITY OF GALENA, KANSAS
Municipal Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

Receipts:		
Sale of Equipment	$	1,680
Operating Transfers		435,000
Total Recipts	$	436,680
Expenditures:		
Equipment	$	219,031
Receipts Over (Under) Expenditures	$	217,649
Unencumbered Cash-Beginning		25,015
Unencumbered Cash-Ending	$	242,664

CITY OF GALENA, KANSAS
Sewer Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

Receipts:		
Operating Transfers	$	10,387
Expenditures:		
Equipment	$	-
Receipts Over (Under) Expenditures	$	10,387
Unencumbered Cash-Beginning		42,917
Unencumbered Cash-Ending	$	53,304

CITY OF GALENA, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	$ 68,904	$ 77,512	$ (8,608)
Delinquent Tax	4,536	1,500	3,036
Motor Vehicle Tax	15,605	12,922	2,683
Recreational Vehicle Tax	180	110	70
16/20 M Vehicle Tax	78	136	(58)
Commercial Vehicle Tax	1,201	976	225
Watercraft Tax	104	100	4
Total Receipts	$ 90,608	$ 93,256	$ (2,648)
Expenditures:			
Debt Service	$ 127,617	$ 177,617	$ (50,000)
Receipts Over (Under) Expenditures	$ (37,009)		
Unencumbered Cash-Beginning	101,234		
Unencumbered Cash-Ending	$ 64,225		

CITY OF GALENA, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	$ 588,613	$ 640,000	$ (51,387)
Operating Transfers	24,686	-	24,686
Total Receipts	$ 613,299	$ 640,000	$ (26,701)
Expenditures:			
Personal Services	$ 143,664	$ 135,000	$ 8,664
Contractual Services	91,758	132,500	(40,742)
Commodities	387,696	350,000	37,696
Capital Outlay	-	10,000	(10,000)
Debt Service	7,443	7,443	-
Operating Transfers	19,952	12,000	7,952
Total Expenditures	$ 650,513	$ 646,943	$ 3,570
Receipts Over (Under) Expenditures	$ (37,214)		
Unencumbered Cash-Beginning	70,156		
Unencumbered Cash-Ending	$ 32,942		

CITY OF GALENA, KANSAS
Sewer Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	$ 295,629	$ 340,000	$ (44,371)
Other	8,286	-	8,286
Total Receipts	$ 303,915	$ 340,000	$ (36,085)
Expenditures:			
Personal Services	$ 86,687	$ 45,000	$ 41,687
Contractual Services	70,273	117,000	(46,727)
Commodities	70,505	83,000	(12,495)
Capital Outlay	-	55,000	(55,000)
Operating Transfers	35,387	-	35,387
Total Expenditures	$ 262,852	$ 300,000	$ (37,148)
Receipts Over (Under) Expenditures	$ 41,063		
Unencumbered Cash-Beginning	155,349		
Unencumbered Cash-Ending	$ 196,412		

CITY OF GALENA, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	$ 261,567	$ 280,000	$ (18,433)
Expenditures:			
Personal Services	$ 175,242	$ 120,000	$ 55,242
Contractual Services	82,922	127,000	(44,078)
Commodities	13,210	20,000	(6,790)
Total Expenditures	$ 271,374	$ 267,000	$ 4,374
Receipts Over (Under) Expenditures	$ (9,807)		
Unencumbered Cash-Beginning	83,633		
Unencumbered Cash-Ending	$ 73,826		

CITY OF GALENA, KANSAS
Cemetery Perpetual Care Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	$ 85	$ 150	$ (65)
Expenditures:			
Operating Transfers	$ -	$ 150	$ (150)
Receipts Over (Under) Expenditures	$ 85		
Unencumbered Cash-Beginning	126,216		
Unencumbered Cash-Ending	$ 126,301		

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

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Utility Deposits	$ 85,299	$ 12,075	$ 11,614	$ 85,760