CITY OF YATES CENTER, KANSAS

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2017

City of Yates Center, Kansas

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Yates Center
Yates Center, Kansas

Report on Financial Statements
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Yates Center, Kansas and related municipal entities, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements
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 C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for 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 controls. 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.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note C of the financial statement, the financial statement is prepared by the City of Yates Center, Kansas to meet the requirements of the State of 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 C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis of 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 Yates Center, Kansas as of December 31, 2017 or changes in financial position and cash flows thereof for the year then ended.

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 balances of the City of Yates Center, 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 C.

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 balances (basic financial statement) as a whole. The summary of regulatory basis expenditure – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures – 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 C.

Prior Year Comparative
The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we have rendered an unmodified opinion dated July 30, 2018. The 2016 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link http://da.ks.gov/ar/muniserv/. Such 2016 comparative information is the responsibility of management and was derived from and related directly to the underlying account and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note C.

Agler & Gaeddert, Chartered

Agler & Gaeddert, Chartered
July 30, 2018

City of Yates Center, Kansas

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

	Beginning Unencumbered Cash	Prior Year Cancelled Encumbrances
Governmental type funds		
General	$ 388,952	$ 0
Special Purpose		
Special Highway	115,070	0
Library	1,949	0
Recreation Commission	4,011	0
Lincoln Park Memorial	11,808	0
Special Law and Emergency Vehicle	308,613	0
Special Parks and Recreation	4,210	0
Municipal Equipment	95,860	0
Multi-year Capital Improvement	73,528	0
Fire Protection Reserve	54,592	0
Ball Field Improvements	19,489	0
Economic Development	70,332	0
Water Rescue	3,721	0
Special Recreational Facilities	106,614	0
Police Department Special Account	5,957	0
Sewer Replacement	150,500	0
Sewer Debt Service	58,891	0
Water Reserve	220,731	0
Business funds		
Waterworks	615,943	0
Sewer	385	0
Total primary government	2,311,156	0
Related Municipal Entities		
Carnegie Public Library	143,707	0
Recreation Commission	16,102	0
Total related municipal entities	159,809	0
Total reporting entity (excluding agency funds)	$ 2,470,965	$ 0

Composition of ending cash	
Demand deposits	
Yates Center Bank Branch - City	$ 514,874
Yates Center Bank Branch - Carnegie Public Library	11,994
Yates Center Bank Branch - Recreation Commission	13,940
Girard National Bank	409
Time deposits	
Yates Center Bank Branch - City	1,889,567
Yates Center Bank Branch - Carnegie Public Library	131,340
Yates Center Bank Branch - Recreation Commission	7,318

The accompanying notes are an integral part of this statement.

Receipts	Expenditures	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Ending Cash Balance
$ 962,327	$ 1,069,498	$ 281,781	$ 24,256	$ 306,037
292,548	206,034	201,584	3,473	205,057
58,675	60,624	0	0	0
21,756	23,920	1,847	0	1,847
2,847	0	14,655	0	14,655
45,770	0	354,383	0	354,383
269	0	4,479	0	4,479
59,521	30,641	124,740		124,740
60,581	59,016	75,093	6,754	81,847
12,845	8,082	59,355	511	59,866
30,711	41,072	9,128	0	9,128
25,689	25,447	70,574	0	70,574
0	0	3,721	0	3,721
30,612	20,016	117,210	90	117,300
7	3,483	2,481	0	2,481
11,300	0	161,800	0	161,800
170,399	170,077	59,213	0	59,213
20,903	0	241,634	0	241,634
530,929	566,012	580,860	11,574	592,434
290,898	281,509	9,774	3,481	13,255
2,628,587	2,565,431	2,374,312	50,139	2,424,451
74,388	75,894	142,201	1,188	143,389
34,491	29,335	21,258	0	21,258
108,879	105,229	163,459	1,188	164,647
$ 2,737,466	$ 2,670,660	$ 2,537,771	$ 51,327	$ 2,589,098

Certificates of deposit	
Piqua State Bank - City	$ 20,000
Cash on hand	
City	10
Carnegie Public Library	55
Total cash balance	2,589,507
Agency cash per Schedule 3	(409)
Total reporting entity (excluding agency funds)	$ 2,589,098

NOTES TO FINANCIAL STATEMENT
December 31, 2017

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Yates Center is a municipal corporation governed by an elected mayor and eight-member council. These financial statements present the City and its related municipal entities, entities for which the government is considered to be financially accountable. Each related municipal entity is reported on a separate line in the summary of cash receipts, expenditures and unencumbered cash to emphasize it is legally separate from the government. Each related municipal entity has a December 31 year end.

Related Municipal Entities

The Library provides reading and research materials for the residents of the City. The Board members for the Library are appointed by the City Council. Because the Library is not a separate taxing entity by state statutes, the City levies taxes for the Library's operations. The financial data of the Library is reported as a related municipal entity in Schedule 2 of the report.

The Recreation Commission provides recreational facilities and services for the residents of the City. The Board members for the Recreation Commission are appointed by the City Council. The Commission is not a separate taxing entity and therefore the City levies taxes for the Commission's operations. The financial data of the Recreation Commission is reported as a related municipal entity in Schedule 2 of the report.

Autonomous Entity

The Firemen's Relief Association provides insurance and other benefits to firemen. The Association's Board consists of firefighters elected by popular vote. Kansas statutes provide for funding by assessing a charge on fire insurance premiums paid. The Association is an autonomous entity and therefore its financial data is not included in these financial statements.

Related Organization

The Housing Authority was organized to provide a not-for-profit apartment facility for local elderly residents. The Housing Authority members are appointed by the Mayor with Council approval. The City has no responsibility for any liabilities incurred by the Housing Authority and provides no funding to the Housing Authority. The Housing Authority is not dependent upon the City of Yates Center. For these reasons, the Housing Authority is not considered to be a part of the City's reporting entity and therefore is not included in these financial statements.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Funds accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potentially could have the following type of funds.

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

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

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. Currently bond and interest payments are made through the utility funds and thus the City does not have a bond and interest fund at this time.

NOTE B. REGULATORY BASIS FUND TYPES - continued

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The City does not have any of this type of fund during the year under audit.

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

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 municipality reporting entity scholarship funds, etc). The City does not have any of this type of fund during the year under audit..

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

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Yates Center, Kansas has approved a resolution that it 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.

NOTE D. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for 2017.

NOTE D. BUDGETARY INFORMATION - continued

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

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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 the following special purpose and business funds:

Lincoln Park Memorial	Municipal Equipment	Police Department Special Account
Water Rescue	Sewer Replacement	Water Reserve

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

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

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 or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank 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. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2017.

NOTE E. CASH AND INVESTMENTS - continued

At December 31, 2017, the City's carrying amount of deposits was $2,424,859 (which includes cash on hand of $10) and the bank balance was $2,429,180. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $271,004 was covered by FDIC insurance and $2,158,726 was collateralized with securities held by the pledging financial institutions' agent in the City's name.

At December 31, 2017, the Carnegie Public Library's carrying amount of deposits was $143,389 (which excludes petty cash of $55) and the bank balance was $144,515. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $144,515 was covered by FDIC insurance.

At December 31, 2017, the Recreation Commission's carrying amount of deposits was $21,258 and the bank balance was $21,258. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $21,258 was covered by FDIC insurance.

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

NOTE F. LONG-TERM DEBT

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
Revolving Loan:				
Kansas Water Pollution Control	3.14%	09/20/2000	$ 2,738,507	03/01/2023
Kansas Department of Health and Environment	3.47%	06/22/2009	491,624	08/01/2030
Capital Leases:				
Diesel Generators	5.40%	12/28/2006	151,000	12/28/2016
Ball Field Improvements	5.40%	02/26/2007	30,000	02/26/2017
Land	6.50%	12/27/2007	156,000	12/27/2022
Asphalt Zipper	3.73%	01/10/2011	95,045	01/10/2016
Grader	2.75%	10/17/2016	118,129	04/01/2021

Changes in long-term debt for the City of Yates Center for the year ended December 31, 2017, were as follows:

	Balance Beginning of year	Additions	Reductions/ Payments	Balance End of Year	Interest & Service fee Paid
Revolving Loan:					
Kansas Water Pollution Control	$ 984,739	$ 0	$ 137,853	$ 846,886	$ 29,847
Kansas Department of Health and Environment	335,762	0	18,537	317,225	11,491
Capital Leases:					
Ball Field Improvements	3,758	0	3,758	0	204
Land	74,621	0	11,651	62,970	1,857
Grader	118,129	0	22,361	95,768	3,249
Golf Mower	0	10,647	2,246	8,401	2,246
	$ 1,517,009	$ 10,647	$ 196,406	$ 1,331,250	$ 48,894

NOTE F. LONG-TERM DEBT - continued

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

	Revolving Loan		Capital Leases		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 161,818	$ 36,324	$ 37,594	$ 4,188	$ 199,412	$ 40,512
2019	167,435	31,136	38,536	3,244	205,971	34,380
2020	173,247	25,766	39,503	2,277	212,750	28,043
2021	179,259	20,211	38,255	1,279	217,514	21,490
2022	185,483	14,461	13,251	258	198,734	14,719
2023-2027	209,253	28,811	0	0	209,253	28,811
2028 to 2030	87,616	5,404	0	0	87,616	5,404
	$ 1,164,111	$ 162,113	$ 167,139	$ 11,246	$ 1,331,250	$ 173,359

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2017, the statutory limit for the City was $1,735,257 providing a debt margin of $1,735,257 after removing debt exempt from the limitation.

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Highway	K.S.A. 12-1118	$ 232,689
General	Special Law and Emergency	K.S.A. 12-1118	32,112
General	Multi-year Capital Improvement	K.S.A. 12-1118	37,478
General	Fire Protection	K.S.A. 12-1118	12,845
General	Ballfield Improvements	K.S.A. 12-1118	9,634
General	Economic Development	K.S.A. 12-1118	25,689
Special Highway	Municipal Equipment	K.S.A. 12-1118	49,090
Water Fund	Water Reserve	K.S.A. 12-1118	20,400
Water Fund	Sewer Fund	K.S.A. 12-1118	48,000
Sewer Fund	Sewer Debt Service	K.S.A. 12-1118	170,400
Sewer Fund	Sewer Replacement	K.S.A. 12-1118	11,300

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

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 retiree's health insurance plan because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been qualified 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.

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All full-time employees of the City are eligible to participate in the plan beginning the first day of the month following employment.

Compensated Absences: The City's policies regarding vacation pay permits employees to accumulate vacation time earned in a twelve month period. Vacation is awarded based upon the number of years worked according to the following time frame: one week vacation after one year, two weeks after two years, three weeks after ten years and four weeks after twenty years. Vacation time may be carried over to the first three months following their employment year. Earned vacation leave shall be paid upon termination.

	Balance January 1, 2017	Net Change	Balance December 31, 2017
Compensated absences			
Vacation leave	$ 23,651	$ 603	$ 24,254

The City's policies regarding sick leave permit employees to accumulate sick leave to a maximum of 90 days. Earned sick leave is not paid upon termination. The City also offers a shared sick leave policy whereby employees may donate accumulated sick leave to fellow employees within a given set of qualifications. Compensated absences are paid by the fund from which the employee is normally paid.

NOTE I. DEFINED BENEFIT PENSION PLAN

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2017. Effective January 1, 2016, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for 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 KPERS for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were $34,175 for KPERS 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 $316,473. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City'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 nonemployer contributions of the local

NOTE I. DEFINED BENEFIT PENSION PLAN – continued

subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE J. 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; and natural disasters for which the City carries commercial insurance. Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. During the last three years, claim settlements have not exceeded insurance coverage.

NOTE K. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

For December 31, 2017 no statutory violations were noted.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Covenants: As of year ended December 31, 2017 the City had placed enough funds into the sewer replacement account to comply with debt covenants as follows:

	Actual	Required
Principal and interest account	$ 161,800	$ 124,300

As of year ended December 31, 2017 the City had placed enough funds into the water replacement account to comply with the covenants as follows:

	Actual	Required
Water reserve account	$ 241,634	$ 150,000

Subsequent Events: Management evaluated subsequent events through July 30, 2018. The City did not have any events which required disclosure as subsequent events.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Yates Center, Kansas

Schedule 1

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

	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General	$ 1,193,638	$ 0	$ 1,193,638	$ 1,069,498	$ (124,140)
Special Purpose					
Special Highway	289,697	0	289,697	206,034	(83,663)
Library	65,761	0	65,761	60,624	(5,137)
Recreational Commission	25,000	0	25,000	23,920	(1,080)
Special Law & Emergency Vehicles	352,090	0	352,090	0	(352,090)
Special Parks and Recreation	4,469	0	4,469	0	(4,469)
Multi-year Capital Improvement	50,756	20,114	70,870	59,016	(11,854)
Fire Protection Reserve	15,600	0	15,600	8,082	(7,518)
Ball Field Improvements	22,869	21,077	43,946	41,072	(2,874)
Economic Development	41,922	0	41,922	25,447	(16,475)
Special Recreational Facilities	67,672	0	67,672	20,016	(47,656)
Sewer Debt Service	170,077	0	170,077	170,077	0
Business Funds					
Waterworks	859,073	0	859,073	566,012	(293,061)
Sewer	327,377	0	327,377	281,509	(45,868)

City of Yates Center, Kansas

Schedule 2a

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

		2017		
Cash receipts	**2016 Actual**	**Actual**	**Budget**	**Variance Over (Under)**
Taxes				
Property	$ 228,099	$ 253,698	$ 261,467	$ (7,769)
Delinquent	11,369	12,715	2,000	10,715
Motor vehicle	46,428	47,707	45,565	2,142
Commercial vehicle	2,449	2,874	2,435	14
Recreational vehicle	1,126	729	653	76
16/20M vehicle	1,636	0	1,775	(1,775)
Local sales tax	307,245	331,828	303,000	28,828
County sales tax	84,636	72,438	83,000	(10,562)
Special assessments	4,225	1,851	1,000	851
Total taxes	687,213	723,840	700,895	22,520
Intergovernmental				
Local alcohol liquor fund	315	269	373	(104)
Highway connecting links	29,447	0	0	0
Licenses and permits				
Utility franchise tax	68,224	69,315	77,000	(7,685)
Other licenses and permits	6,856	6,295	3,800	2,495
Impound fees	70	772	300	472
Charges for services				
Swimming fees	9,853	9,952	9,250	702
Fines and fees	114,985	119,277	95,000	24,277
Use of money and property				
Interest on idle funds	4,600	4,947	16,500	(11,553)
Oil production	170	113	1,000	(887)
Sale of asset	0	410	100	310
Reimbursed expenses	24,051	25,245	2,000	23,245
Miscellaneous	5,186	1,892	0	1,892
Total cash receipts	950,970	962,327	$ 906,218	$ 55,684
Expenditures				
General government				
General administration				
Salaries	73,772	83,655	$ 116,400	$ (32,745)
Contractual services	99,481	104,340	92,500	11,840
Commodities	14,955	10,909	12,500	(1,591)
Capital outlay	50,592	7,238	45,000	(37,762)
Total general administration	238,800	206,142	266,400	(60,258)

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Expenditures				
Utility service				
Contractual services	$ 50,160	$ 50,363	$ 50,000	$ 363
Employee benefits				
Workmen's compensation	11,239	14,076	33,000	(18,924)
Retirement contributions	35,141	34,762	41,339	(6,577)
FICA payments	36,890	38,380	5,000	33,380
Unemployment contributions	558	377	13,500	(13,123)
Total employee benefits	83,828	87,595	92,839	(5,244)
Total general government	372,788	344,100	409,239	(65,139)
Public safety				
Fire department				
Salaries	18,356	18,539	23,014	(4,475)
Contractual services	16,996	13,563	16,000	(2,437)
Commodities	4,615	5,897	10,000	(4,103)
Capital outlay	5,367	2,387	14,500	(12,113)
Total fire department	45,334	40,386	63,514	(23,128)
Law enforcement				
Salaries	203,985	210,615	216,806	(6,191)
Contractual services	41,831	40,698	37,856	2,842
Commodities	10,198	6,390	10,816	(4,426)
Capital outlay	6,198	0	3,640	(3,640)
Total law enforcement	262,212	257,703	269,118	(11,415)
Total public safety	307,546	298,089	332,632	(34,543)
Culture and recreation				
Swimming pool				
Salaries	27,925	36,930	21,768	15,162
Contractual services	10,071	10,685	14,500	(3,815)
Commodities	16,124	14,767	17,000	(2,233)
Capital Outlay	580	0	7,194	(7,194)
Total swimming pool	54,700	62,382	60,462	1,920

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Expenditures				
Park department				
Salaries	$ 1,969	$ 3,206	$ 18,827	$ (15,621)
Contractual services	13,752	10,094	10,000	94
Commodities	1,811	1,180	2,478	(1,298)
Capital outlay	0	0	5,000	(5,000)
Total park department	17,532	14,480	36,305	(21,825)
Operating transfers	316,291	350,447	355,000	(4,553)
Total expenditures	1,068,857	1,069,498	$ 1,193,638	$ (124,140)
Receipts over (under) expenditures	(117,887)	(107,171)		
Unencumbered cash, beginning	506,839	388,952		
Unencumbered cash, ending	$ 388,952	$ 281,781		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2b

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Intergovernmental	$ 30,245	$ 59,858	$ 59,000	$ 858
Miscellaneous	1,060	0	0	0
Reimbursed expenses	261	0	0	0
Operating transfers	197,258	232,690	232,600	90
Total cash receipts	228,824	292,548	$ 291,600	$ 948
Expenditures				
Highways and streets				
Personal services	64,060	63,504	$ 88,985	$ (25,481)
Contractual services	6,373	6,313	25,000	(18,687)
Commodities	49,910	83,535	121,622	(38,087)
Capital outlay	0	3,592	5,000	(1,408)
Total highways and streets	120,343	156,944	240,607	(83,663)
Debt service				
Principal	18,198	0	0	0
Interest	682	0	0	0
Total debt service	18,880	0	0	0
Operating transfers	27,900	49,090	49,090	0
Total expenditures	167,123	206,034	$ 289,697	$ (83,663)
Receipts over (under) expenditures	61,701	86,514		
Unencumbered cash, beginning	53,369	115,070		
Unencumbered cash, ending	$ 115,070	$ 201,584		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2c

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Taxes				
Property	$ 45,359	$ 45,961	$ 47,354	$ (1,393)
Delinquent tax	2,173	2,517	0	2,517
Motor vehicle tax	9,186	9,483	9,060	423
Commercial vehicle	484	569	484	85
Recreation vehicle tax	223	145	130	15
16/20M Vehicle tax	325	0	353	(353)
Total cash receipts	57,750	58,675	$ 57,381	$ 1,294
Expenditures				
Appropriation	66,400	60,624	$ 65,761	$ (5,137)
Total expenditures	66,400	60,624	$ 65,761	$ (5,137)
Receipts over (under) expenditures	(8,650)	(1,949)		
Unencumbered cash, beginning	10,599	1,949		
Unencumbered cash, ending	$ 1,949	$ 0		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2d

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Taxes				
Property	$ 13,667	$ 17,881	$ 18,434	$ (553)
Delinquent tax	675	774	0	774
Motor vehicle tax	2,837	2,863	2,731	132
Commercial vehicle	150	174	146	28
Recreation vehicle tax	69	44	39	5
16/20M vehicle tax	103	0	106	(106)
Reimbursed expenses	7,970	20	0	20
Total cash receipts	25,471	21,756	$ 21,456	$ 300
Expenditures				
Culture and recreation				
Personal services	12,951	13,937	$ 25,000	$ (11,063)
Golf course allocation	0	2,000	0	2,000
Appropriation	15,940	7,983	0	7,983
Total expenditures	28,891	23,920	25,000	(1,080)
Receipts over (under) expenditures	(3,420)	(2,164)		
Unencumbered cash, beginning	7,431	4,011		
Unencumbered cash, ending	$ 4,011	$ 1,847		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2e

SPECIAL PURPOSE FUND
LINCOLN PARK MEMORIAL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Miscellaneous		
Donations	$ 0	$ 2,847
Expenditures		
Culture and recreation		
Miscellaneous	0	0
Receipts over (under) expenditures	0	2,847
Unencumbered cash, beginning	11,808	11,808
Unencumbered cash, ending	$ 11,808	$ 14,655

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2f

SPECIAL PURPOSE FUND
SPECIAL LAW AND EMERGENCY VEHICLES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Taxes				
Property	$ 10,604	$ 10,683	$ 11,005	$ (322)
Delinquent	526	589	0	589
Motor vehicle	2,159	2,218	2,118	100
Commercial vehicle	114	134	113	21
Recreational vehicle	52	34	30	4
16/20M vehicle	76	0	83	(83)
Operating transfers	34,073	32,112	32,000	112
Total cash receipts	47,604	45,770	$ 45,349	$ 421
Expenditures				
Public safety				
Capital outlay	0	0	$ 352,090	$ (352,090)
Total expenditures	0	0	$ 352,090	$ (352,090)
Receipts over (under) expenditures	47,604	45,770		
Unencumbered cash, beginning	261,009	308,613		
Unencumbered cash, ending	$ 308,613	$ 354,383		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Local alcohol tax	$ 314	$ 269	$ 374	$ (105)
Expenditures				
Other	0	0	$ 4,469	$ (4,469)
Receipts over (under) expenditures	314	269		
Unencumbered cash, beginning	3,896	4,210		
Unencumbered cash, ending	$ 4,210	$ 4,479		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2h

SPECIAL PURPOSE FUND
MUNICIPAL EQUIPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Miscellaneous		
Insurance	$ 0	$ 10,431
Operating transfers	32,900	49,090
Total cash receipts	32,900	59,521
Expenditures		
General government		
Capital outlay	50,000	30,641
Receipts over (under) expenditures	(17,100)	28,880
Unencumbered cash, beginning	112,960	95,860
Unencumbered cash, ending	$ 95,860	$ 124,740

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2i

SPECIAL PURPOSE FUND
MULT1-YEAR CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Taxes				
Property	$ 10,605	$ 34	$ 0	$ 34
Delinquent	526	570	0	570
Motor vehicle	2,159	2,218	2,118	100
Commercial vehicle	114	134	113	21
Recreational vehicle	52	33	30	3
16/20M vehicle	76	0	83	(83)
Total taxes	13,532	2,989	2,344	645
Reimbursed expenses	0	20,114	0	20,114
Operating transfers	28,851	37,478	27,400	10,078
Total cash receipts	42,383	60,581	$ 29,744	$ 30,837
Expenditures				
General government				
Prison Land Payment	12,155	13,036	$ 16,442	$ (3,406)
Capital Improvements	0	0	5,040	(5,040)
ADA ball fields	6,664	32,335	9,420	22,915
Total general government	18,819	45,371	30,902	14,469
Debt service				
Principal	11,291	11,677	19,854	(8,177)
Interest	2,511	1,968	0	1,968
Total debt service	13,802	13,645	19,854	(6,209)
Legal Multi-year Capital Improve. Budget	32,621	59,016	50,756	8,260
Adjustment for Qualifying Budget Credits	0	0	20,114	(20,114)
Total expenditures	32,621	59,016	$ 70,870	$ (11,854)
Receipts over (under) expenditures	9,762	1,565		
Unencumbered cash, beginning	63,766	73,528		
Unencumbered cash, ending	$ 73,528	$ 75,093		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2j

SPECIAL PURPOSE FUND
FIRE PROTECTION RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Operating transfers	$ 13,630	$ 12,845	$ 12,800	$ 45
Expenditures				
Public Safety				
Contractual	9,030	7,367	$ 11,336	$ (3,969)
Commodities	0	715	4,264	(3,549)
Total expenditures	9,030	8,082	$ 15,600	$ (7,518)
Receipts over (under) expenditures	4,600	4,763		
Unencumbered cash, beginning	49,992	54,592		
Unencumbered cash, ending	$ 54,592	$ 59,355		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2k

SPECIAL PURPOSE FUND
BALL FIELD IMPROVEMENTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Miscellaneous				
Reimbursements	$ 0	$ 21,077	$ 0	$ 21,077
Operating transfers	10,222	9,634	9,600	34
Total receipts	10,222	30,711	9,600	21,111
Expenditures				
Special recreational facilities				
ADA ball fields	9,238	41,072	$ 22,869	$ 18,203
Legal Ball Field Budget	9,238	41,072	22,869	18,203
Adjustment for Qualifying Budget Credits	0	0	21,077	(21,077)
Total expenditures	9,238	41,072	$ 43,946	$ (2,874)
Receipts over (under) expenditures	984	(10,361)		
Unencumbered cash, beginning	18,505	19,489		
Unencumbered cash, ending	$ 19,489	$ 9,128		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2l

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Operating transfers	$ 27,259	$ 25,689	$ 25,600	$ 89
Expenditures				
General government				
Contractual	434	0	$ 5,000	$ (5,000)
Property Tax Incentives	667	195	3,500	(3,305)
Chamber allocation	18,922	18,922	18,922	0
County taxes	257	485	0	485
Business incentives	6,592	5,845	9,000	(3,155)
Capital Outlay	0	0	5,500	(5,500)
Total expenditures	26,872	25,447	$ 41,922	$ (16,475)
Receipts over (under) expenditures	387	242		
Unencumbered cash, beginning	69,945	70,332		
Unencumbered cash, ending	$ 70,332	$ 70,574		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2m

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

	2016 Actual	2017 Actual
Unencumbered cash, beginning	$ 3,721	$ 3,721
Unencumbered cash, ending	$ 3,721	$ 3,721

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2n

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services	$ 8,627	$ 3,724	$ 5,025	$ (1,301)
Use of money and property	5,385	5,481	6,000	(519)
Miscellaneous	11,912	20,037	5,000	15,037
Donations	1,270	1,370	1,100	270
Total cash receipts	27,194	30,612	$ 17,125	$ 13,487
Expenditures				
Special recreational facilities				
Contractual services	1,888	1,501	$ 5,700	$ (4,199)
Commodities	14,605	8,467	17,500	(9,033)
Capital outlay	4,534	10,048	25,000	(14,952)
	0	0	19,472	(19,472)
Total expenditures	21,027	20,016	$ 67,672	$ (47,656)
Receipts over (under) expenditures	6,167	10,596		
Unencumbered cash, beginning	100,447	106,614		
Unencumbered cash, ending	$ 106,614	$ 117,210		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2o

SPECIAL PURPOSE FUND
POLICE DEPARTMENT SPECIAL ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Use of money and property	$ 9	$ 7
Expenditures		
Public safety		
Commodities	0	3,483
Receipts over (under) expenditures	9	(3,476)
Unencumbered cash, beginning	5,948	5,957
Unencumbered cash, ending	$ 5,957	$ 2,481

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2p

SPECIAL PURPOSE FUND
SEWER REPLACEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Operating transfer	$ 11,300	$ 11,300
Expenditures		
Other	0	0
Receipts over (under) expenditures	11,300	11,300
Unencumbered cash, January 1	139,200	150,500
Unencumbered cash, December 31	$ 150,500	$ 161,800

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2q

SPECIAL PURPOSE FUND
SEWER DEBT SERVICE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Operating transfer	$ 170,400	$ 170,399	$ 170,077	$ (322)
Expenditures				
Debt service				
Principal	133,296	137,853	137,853	0
Interest	34,069	29,848	29,848	0
Service fee	2,712	2,376	2,376	0
Total expenditures	170,077	170,077	$ 170,077	$ 0
Receipts over (under) expenditures	323	322		
Unencumbered cash, January 1	58,568	58,891		
Unencumbered cash, December 31	$ 58,891	$ 59,213		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2r

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

	2016 Actual	2017 Actual
Cash receipts		
Use of money and property	$ 421	$ 503
Operating transfer	20,400	20,400
Total cash receipts	20,821	20,903
Expenditures		
Operations		
Contractual services	0	0
Receipts over (under) expenditures	20,821	20,903
Unencumbered cash, January 1	199,910	220,731
Unencumbered cash, December 31	$ 220,731	$ 241,634

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2s

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services	$ 480,498	$ 509,897	$ 490,000	$ 19,897
Water protection fee	1,218	1,079	800	279
Use of money and property	19,248	18,261	16,000	2,261
Reimbursed expenses	283	605	5,100	(4,495)
Miscellaneous	0	0	350	(350)
State set-off program	1,334	1,087	500	587
Total cash receipts	502,581	530,929	$ 512,750	$ 18,179
Expenditures				
Operations				
Personal services	108,696	123,167	$ 159,485	$ (36,318)
Contractual services	90,135	203,070	82,000	121,070
Commodities	128,802	127,405	110,000	17,405
Capital outlay	41,886	43,970	23,000	20,970
Water improvement project	0	0	385,000	(385,000)
Total operations	369,519	497,612	759,485	(261,873)
Debt service				
Principal	16,793	0	31,188	(31,188)
Interest	545	0	0	0
Total debt service	17,338	0	31,188	(31,188)
Operating transfers	20,400	68,400	68,400	0
Total expenditures	407,257	566,012	$ 859,073	$ (293,061)
Receipts over (under) expenditures	95,324	(35,083)		
Unencumbered cash, January 1	520,619	615,943		
Unencumbered cash, December 31	$ 615,943	$ 580,860		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2t

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

		2017		
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Charges for services	$ 245,855	$ 241,216	$ 270,000	$ (28,784)
Miscellaneous	879	594	0	594
Set-off program	1,335	1,088	0	1,088
Operating transfer	0	48,000	48,000	0
Total cash receipts	248,069	290,898	$ 318,000	$ (27,102)
Expenditures				
Operations				
Contractual services	91,894	93,659	$ 135,000	$ (41,341)
Commodities	2,484	1,550	5,000	(3,450)
Capital outlay	0	4,600	6,000	(1,400)
Total operations	94,378	99,809	146,000	(46,191)
Operating transfers	181,700	181,700	181,377	323
Total expenditures and budget credits	276,078	281,509	$ 327,377	$ (45,868)
Receipts over (under) expenditures	(28,009)	9,389		
Unencumbered cash, January 1	28,394	385		
Unencumbered cash, December 31	$ 385	$ 9,774		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2u

RELATED MUNICIPAL ENTITY
CARNEGIE PUBLIC LIBRARY GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Intergovernmental	$ 78,847	$ 72,582
Fines and forfeitures	1,595	1,336
Memorials	20,000	0
Use of money and property	308	289
Other Income	0	181
Total cash receipts	100,750	74,388
Expenditures		
Culture and recreation		
Personal services	52,805	55,479
Contractual	4,783	7,452
Commodities	11,538	12,963
Total expenditures	69,126	75,894
Receipts over (under) expenditures	31,624	(1,506)
Unencumbered cash, January 1	112,083	143,707
Unencumbered cash, December 31	$ 143,707	$ 142,201

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2v

RELATED MUNICIPAL ENTITY
RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016 Actual	2017 Actual
Cash receipts		
Intergovernmental		
City of Yates Center	$ 7,970	$ 0
Charges for services		
Entry fees	11,892	17,427
Concession	4,851	4,987
Miscellaneous	0	3,000
Use of money and property	9	12
Donations	2,585	9,065
Total cash receipts	27,307	34,491
Expenditures		
Culture and recreation		
Equipment and supply	8,400	3,652
Repairs and maintenance	6,345	3,507
Improvements	0	11,647
Tournament supplies	0	4,689
Miscellaneous	5,487	2,215
Concessions	4,372	3,625
Total expenditures	24,604	29,335
Receipts over (under) expenditures	2,703	5,156
Unencumbered cash, January 1	13,399	16,102
Unencumbered cash, December 31	$ 16,102	$ 21,258

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash Balance January 1, 2017	Cash Receipts	Cash Disbursements	Cash Balance December 31, 2017
Municipal Court	$ 1,217	$ 130,833	$ 132,029	$ 21
Municipal Court Bonds	0	4,270	4,270	0
Retirement	532	59,501	59,645	388
Total agency funds	$ 1,749	$ 194,604	$ 195,944	$ 409

See Independent Auditor's Report.