

CITY OF LOUISBURG, KANSAS

Financial Statements

For the Year Ended December 31, 2017

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CITY OF LOUISBURG, KANSAS
 Financial Statements
 For the Year Ended December 31, 2017

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MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Louisburg, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Louisburg, Kansas (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial 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 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City 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 as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

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 expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary 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.

Other Matter

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Louisburg, Kansas, as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated April 6, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas

February 23, 2018

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

<u>Funds</u>	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ 2,004,797	\$ 2,693,511	\$ 2,522,840	\$ 2,175,468	\$ 2,531	\$ 2,177,999
Special Purpose Funds:						
Special Street Fund	2,091,026	5,203,482	5,311,042	1,983,466	-	1,983,466
Excise Tax Fund	261,071	1,907	234,000	28,978	-	28,978
Cops for Kids Fund	6,831	722	1,775	5,778	-	5,778
Aquatic Center Operations Fund	1,289,748	534,595	243,139	1,581,204	-	1,581,204
Lewis Young Park Donations Fund	126,183	11,957	70,000	68,140	-	68,140
Lewis Young Park Lighting Fund	49,997	2,012	-	52,009	-	52,009
Infrastructure Improvement Fund	621,715	255,105	520,000	356,820	-	356,820
Freedom Fund	16,225	5,587	6,127	15,685	-	15,685
Cemetery Commission Fund	60,160	44,445	9,468	95,137	-	95,137
Fox Hall Commission Fund	39,826	7,673	7,479	40,020	-	40,020
Bond and Interest Funds:						
Bond and Interest Fund	514,946	1,082,685	1,430,552	167,079	-	167,079
Business Funds:						
Stormwater Fund	774,476	92,841	193,250	674,067	-	674,067
Natural Gas Fund	2,135,742	1,071,104	1,687,033	1,519,813	144,837	1,664,650
Natural Gas Capital Improvement Fund	245,806	602,159	45,637	802,328	-	802,328
Water Fund	477,884	1,468,485	1,521,719	424,650	13,573	438,223
Water Capital Improvement Fund	160,980	6,233	132,045	35,168	-	35,168
Water Utility Surplus Fund	756,905	108,059	-	864,964	-	864,964
Wastewater Fund	1,401,393	1,059,855	1,975,820	485,428	106	485,534
Wastewater Capital Improvement Fund	144,471	1,500,904	154,930	1,490,445	-	1,490,445
Water/Sewer Bond Reserve Fund	283,708	2,293	-	286,001	-	286,001
Water/Sewer Depreciation Reserve Fund	205,542	1,440	-	206,982	-	206,982
Total	\$ 13,669,432	\$ 15,757,054	\$ 16,066,856	\$ 13,359,630	\$ 161,047	\$ 13,520,677

COMPOSITION OF CASH:

First National Bank	
Checking	\$ 14,178
Fox Hall Savings	3,716
Fox Hall Certificates of Deposit	15,236
First Option Bank	
Checking	8,426,189
Certificates of Deposit	5,053,968
Landmark National Bank	
Fox Hall Certificates of Deposit	6,890
Peoples Bank	5,175
Petty cash on hand	500
Total Cash	13,525,852
Agency Funds per Schedule 3	[5,175]
Total Reporting Entity (Excluding Agency Funds)	\$ 13,520,677

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

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Louisburg (the City) is a municipal corporation governed by an elected council. These financial statements present the City (the primary government) and any related municipal entities of which the City is considered to be financially accountable. Blended municipal entities, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these entities are combined with data of the primary government.

The Fox Hall Commission is charged with the operation and management of the Fox Hall Community Building. It is comprised of five members appointed by the City Council. The Commission has a December 31 year end and is reported as a special purpose fund.

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 regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Reclassification of Account Balances

Certain line items have been reclassified to conform to the presentation of the financial statements in the current year. This principally consisted of expenses reclassified into different functions from the prior year. These reclassifications had no net effect on the City's net position or changes therein for the current year.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific 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.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

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

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

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended December 31, 2017.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for certain special purpose, capital project, business, and trust funds.

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.

NOTE 2 - Deposits and Investments

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

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 2 - Deposits and Investments (Continued)

Investments. 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. As of December 31, 2017, the City held no such investments.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods." The City's deposits were fully secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$13,525,852 and the bank balance was \$13,807,044. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$296,998 was covered by federal depository insurance and \$13,510,046 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

NOTE 3 – Retirement Plan

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

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

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 the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$124,245 for the year ended December 31, 2017.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 3 – Retirement Plan (Continued)

Net Pension Liability. At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,108,402. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 – Long-Term Debt

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

	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Subtractions from Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid by taxes					
General Obligation Bonds	\$ 4,365,000	\$ 2,000,000	\$ 1,030,000	\$ 5,335,000	\$ 113,876
Temporary Notes	600,000	-	300,000	300,000	10,500
Capital Leases	543,236	-	85,954	457,282	11,128
	<u>5,508,236</u>	<u>2,000,000</u>	<u>1,415,954</u>	<u>6,092,282</u>	<u>135,504</u>
Totals	<u>\$ 5,508,236</u>	<u>\$ 2,000,000</u>	<u>\$ 1,415,954</u>	<u>\$ 6,092,282</u>	<u>\$ 135,504</u>

General Obligation Bonds. Following is a detailed listing of the City's outstanding general obligation debt:

<u>Description</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Amount Outstanding at December 31, 2017</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid by taxes					
G.O. Bonds issued:					
Series 2013A	2.00 - 2.25%	5,560,000	\$ 3,335,000	1/10/2013	9/1/2026
Series 2017-A	2.00 - 3.50%	2,000,000	<u>2,000,000</u>	3/28/2017	9/1/2036
			<u>\$ 5,335,000</u>		

On March 28, 2017, the City issued Series 2017-A General Obligation Bonds in the amount of \$2,000,000. The bonds carry an interest rate range of 2.00% to 3.50% and have a final maturity date of September 1, 2036. Proceeds from the sale of the bonds will be used primarily to finance the cost of improvements to streets located in the City's downtown business district.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 4 – Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 688,908
2019	707,607
2020	605,708
2021	600,607
2022	605,408
2023-2027	1,782,313
2028-2032	740,487
2033-2036	<u>587,645</u>
Total Principal and Interest	6,318,683
Less: Interest	<u>983,683</u>
Total Principal	<u><u>\$ 5,335,000</u></u>

General Obligation Temporary Notes. On November 18, 2015, the City entered into a temporary note agreement in the amount of \$900,000 to finance the construction of the new city hall building. The notes were issued in Series 2015-A General Obligation Temporary Notes, and have an interest rate of 1.00% to 2.00%.

Annual debt service requirements to maturity for the general obligation temporary notes are as follows:

<u>Year Ending December 31,</u>	
2018	<u>\$ 306,000</u>
Total Principal and Interest	306,000
Less: Interest	<u>6,000</u>
Total Principal	<u><u>\$ 300,000</u></u>

Capital Leases. On November 18, 2015, the City entered into a capital lease agreement in the amount of \$630,000 for financing the acquisition of a 2015 Pierce Aerial Fire Truck. The lease agreement carries an interest rate of 2.10% and the final payment is due September 30, 2022.

Annual lease payment requirements to maturity for the capital lease is as follows:

<u>Year Ending December 31,</u>	
2018	\$ 97,082
2019	97,082
2020	97,082
2021	97,082
2022	<u>97,081</u>
Total Principal and Interest	485,409
Less: Interest	<u>28,127</u>
Total Principal	<u><u>\$ 457,282</u></u>

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 5 – Customer Deposits

Customer deposits payable, in the amount of \$26,473 and \$15,035, are reported as outstanding encumbrances in the Natural Gas and Water Funds, respectively.

NOTE 6 – Interfund Transfers

Operating transfers were as follows:

From	To	Amount	Regulatory Authority
General	Infrastructure Improvement	\$ 22,184	K.S.A. 12-1,118
General	Special Street	300,000	K.S.A. 12-1,118
Infrastructure Improvement	Bond and Interest	320,000	K.S.A. 12-1,118
Excise Tax	Special Street	234,000	K.S.A. 12-1,119
Stormwater	Special Street	190,000	K.S.A. 12-1,119
Aquatic Center Operations	Bond and Interest	21,000	K.S.A. 10-113
Lewis Young Park Donations	Special Street	70,000	K.S.A. 12-1,119
Natural Gas	Bond and Interest	120,000	K.S.A. 12-825d
Natural Gas	Natural Gas Capital Improvement	600,000	K.S.A. 12-825d
Water	Water Utility Surplus	100,000	K.S.A. 12-825d
Wastewater	Bond and Interest	70,000	K.S.A. 12-825d
Wastewater	Wastewater Capital Improvement	1,500,000	K.S.A. 12-825d
	Total	<u>\$ 3,547,184</u>	

NOTE 7 – Compensated Absences

Full-time employees earn one working day of sick leave each full month of service. Upon termination, an employee in good standing shall be compensated for sick leave as follows:

- 5 years of service - 15% of accumulated leave
- 10 years of service - 25% of accumulated leave
- 15 years of service - 50% of accumulated leave
- 20 years of service - 75% of accumulated leave
- 25 years of service - 100% of accumulated leave

Upon termination, an employee shall be compensated for all accumulated sick leave at their final rate of pay, up to 720 hours. The total accrued sick leave liability at December 31, 2017 was \$41,841.

Full-time employees accrue vacation leave at the rate of four hours per each full calendar month of employment, provided that the total accrued days shall not exceed twenty hours each six months. The employee shall not accumulate more than 160 hours of vacation beyond the last day of the calendar year. Upon termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay. The total accrued vacation leave liability at December 31, 2017 was \$69,712.

Full-time employees can accrue compensatory time instead of overtime pay, up to a 60 hour maximum. Upon termination, an employee shall be compensated for all earned but unused compensatory time at their final rate of pay. The total accrued compensatory leave liability at December 31, 2017 was \$7,014.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 8 – Contractual Obligations

In June 2005, the Marais Des Cygnes Public Utility Authority (the Authority) was created by an interlocal agreement between the Cities of Louisburg and Paola, Kansas. The Authority was established to construct and operate a public water supply utility to serve each of the cities.

On September 1, 2007, the City of Louisburg (the City) entered into a water supply service agreement with the Authority. The payments required under the agreement are payable solely from the regulatory receipts of the City's water utility system, which are pledged to pay the obligations under the agreement. The City's obligations under the agreement are payable whether or not water service is actually received from the Authority. Under the agreement, the City has covenanted to charge rates sufficient to allow regulatory receipts of its water utility system, net of operating and maintenance expenses of such water utility system, to cover its respective share of debt service due on the Series 2007 Bonds (the "Water Base Charge" specified in the agreement) by 125%.

In November 2007, the Authority issued \$33,000,000 of water facilities revenue bonds to provide funds to acquire, construct, and equip a water supply system.

On June 10, 2015, the Authority issued Series 2015 Refunding Revenue Bonds in the amount of \$15,380,000, with an interest rate of 4.125%. The bond proceeds will be used to partially refund the Series 2007 Water Facilities Revenue Bonds.

On March 30, 2016, the Authority issued Series 2016 Refunding Revenue Bonds in the amount of \$9,950,000, with an interest rate ranging from 2.00% to 3.125%. The bond proceeds will be used to partially refund another portion of the Series 2007 Water Facilities Revenue Bonds.

On May 3, 2017, the Authority issued Series 2017 Refunding Revenue Bonds in the amount of \$9,800,000, with an interest rate ranging from 3.00% to 3.625%. The bond proceeds will be used to partially refund another portion of the Series 2007 Water Facilities Revenue Bonds.

The Authority's debt service requirements with respect to the Series 2007 Bonds, the Series 2015 Bonds, the Series 2016 bonds and the Series 2017 Bonds are as follows:

Year Ending December 31,	
2018	\$ 1,647,038
2019	1,694,188
2020	1,716,988
2021	1,753,738
2022	1,784,038
2023-2027	9,267,888
2028-2032	10,314,069
2033-2037	12,002,950
2038-2042	13,724,950
2043	5,518,625
Total Principal and Interest	59,424,469
Less: Interest	24,339,469
Total Principal	<u>\$ 35,085,000</u>

The agreement will remain in force until the last day of the year in which all bonds and the interest have been paid in full.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 9 – Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2017.

NOTE 10 – 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; natural disasters and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 – Other Post-Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

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

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:					
General Funds:					
General	\$ 4,618,425	\$ -	\$ 4,618,425	\$ 2,522,840	\$ 2,095,585
Special Purpose Funds:					
Special Street Fund	3,525,600	2,061,946	5,587,546	5,311,042	276,504
Excise Tax Fund	234,000	-	234,000	234,000	-
Cops for Kids Fund	5,000	-	5,000	1,775	3,225
Aquatic Center Operations Fund	482,000	-	482,000	243,139	238,861
Lewis Young Park Donations Fund	190,000	-	190,000	70,000	120,000
Lewis Young Park Lighting Fund	30,000	-	30,000	-	30,000
Infrastructure Improvement Fund	520,000	-	520,000	520,000	-
Cemetery Commission Fund	24,000	-	24,000	9,468	14,532
Fox Hall Commission Fund	8,000	-	8,000	7,479	521
Bond and Interest Funds:					
Bond and Interest Fund	1,707,735	-	1,707,735	1,430,552	277,183
Business Funds:					
Stormwater Fund	290,000	-	290,000	193,250	96,750
Natural Gas Fund	1,828,620	-	1,828,620	1,687,033	141,587
Water Fund	1,662,691	-	1,662,691	1,521,719	140,972
Wastewater Fund	2,043,780	-	2,043,780	1,975,820	67,960

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 1,033,813	\$ 1,248,979	\$ 1,231,280	\$ 17,699
Intergovernmental	984,780	1,030,049	948,500	81,549
Licenses and permits	231,331	128,738	248,000	[119,262]
Fines and fees	55,718	71,782	85,000	[13,218]
Use of money and property	37,489	50,941	88,900	[37,959]
Miscellaneous	98,031	163,022	34,000	129,022
Transfer in	10,000	-	-	-
Total Receipts	<u>2,451,162</u>	<u>2,693,511</u>	<u>\$ 2,635,680</u>	<u>\$ 57,831</u>
Expenditures				
General government	306,465	461,477	\$ 359,711	\$ [101,766]
Public safety	1,128,876	1,135,522	1,132,600	[2,922]
Building and zoning	45,486	59,972	52,670	[7,302]
Parks and recreation	208,338	166,662	160,600	[6,062]
Public works	271,296	261,009	352,100	91,091
Municipal court	54,797	56,748	57,200	452
Building inspection	53,135	59,266	41,240	[18,026]
Debt service	-	-	140,000	140,000
Transfer out	544,000	322,184	424,000	101,816
Cash balance reserve	-	-	1,898,304	1,898,304
Total Expenditures	<u>2,612,393</u>	<u>2,522,840</u>	<u>\$ 4,618,425</u>	<u>\$ 2,095,585</u>
Receipts Over [Under] Expenditures	[161,231]	170,671		
Unencumbered Cash, Beginning	<u>2,166,028</u>	<u>2,004,797</u>		
Unencumbered Cash, Ending	<u>\$ 2,004,797</u>	<u>\$ 2,175,468</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Special Street Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 114,054	\$ 2,332,654	\$ 112,180	\$ 2,220,474
Use of money and property	8,441	14,882	-	14,882
Reimbursed expenses	20,963	-	-	-
Bond proceeds	-	2,061,946	2,000,000	61,946
Transfer in	<u>430,000</u>	<u>794,000</u>	<u>794,000</u>	<u>-</u>
Total Receipts	<u>573,458</u>	<u>5,203,482</u>	<u>\$ 2,906,180</u>	<u>\$ 2,297,302</u>
Expenditures				
Highways and streets	540,990	5,311,042	\$ 3,525,600	\$ [1,785,442]
Qualifying budget credits	<u>-</u>	<u>-</u>	<u>2,061,946</u>	<u>2,061,946</u>
Total Expenditures	<u>540,990</u>	<u>5,311,042</u>	<u>\$ 5,587,546</u>	<u>\$ 276,504</u>
Receipts Over [Under] Expenditures	32,468	[107,560]		
Unencumbered Cash, Beginning	<u>2,058,558</u>	<u>2,091,026</u>		
Unencumbered Cash, Ending	<u>\$ 2,091,026</u>	<u>\$ 1,983,466</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Excise Tax Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ -	\$ -	\$ 23,600	\$ [23,600]
Use of money and property	1,081	1,907	-	1,907
Miscellaneous	<u>1,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>2,556</u>	<u>1,907</u>	<u>\$ 23,600</u>	<u>\$ [21,693]</u>
Expenditures				
Transfer out	<u>-</u>	<u>234,000</u>	<u>\$ 234,000</u>	<u>\$ -</u>
Total Expenditures	<u>-</u>	<u>234,000</u>	<u>\$ 234,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	2,556	[232,093]		
Unencumbered Cash, Beginning	<u>258,515</u>	<u>261,071</u>		
Unencumbered Cash, Ending	<u>\$ 261,071</u>	<u>\$ 28,978</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Cops for Kids Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 225	\$ 431	\$ -	\$ 431
Donations	445	248	1,900	[1,652]
Use of money and property	<u>25</u>	<u>43</u>	<u>24</u>	<u>19</u>
Total Receipts	<u>695</u>	<u>722</u>	<u>\$ 1,924</u>	<u>\$ [1,202]</u>
Expenditures				
Public safety	<u>873</u>	<u>1,775</u>	<u>\$ 5,000</u>	<u>\$ 3,225</u>
Total Expenditures	<u>873</u>	<u>1,775</u>	<u>\$ 5,000</u>	<u>\$ 3,225</u>
Receipts Over [Under] Expenditures	[178]	[1,053]		
Unencumbered Cash, Beginning	<u>7,009</u>	<u>6,831</u>		
Unencumbered Cash, Ending	<u>\$ 6,831</u>	<u>\$ 5,778</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Aquatic Center Operations Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 74,332	\$ 74,346	\$ 85,000	\$ [10,654]
Intergovernmental	432,241	452,660	394,000	58,660
Miscellaneous	355	193	-	193
Use of money and property	<u>4,195</u>	<u>7,396</u>	<u>4,200</u>	<u>3,196</u>
Total Receipts	<u>511,123</u>	<u>534,595</u>	<u>\$ 483,200</u>	<u>\$ 51,395</u>
Expenditures				
Culture and recreation	192,326	222,139	\$ 461,000	\$ 238,861
Transfer out	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
Total Expenditures	<u>213,326</u>	<u>243,139</u>	<u>\$ 482,000</u>	<u>\$ 238,861</u>
Receipts Over [Under] Expenditures	297,797	291,456		
Unencumbered Cash, Beginning	<u>991,951</u>	<u>1,289,748</u>		
Unencumbered Cash, Ending	<u>\$ 1,289,748</u>	<u>\$ 1,581,204</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Lewis Young Park Donations Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Donations	\$ -	\$ 600	\$ 6,400	\$ [5,800]
Intergovernmental	11,977	10,654	12,300	[1,646]
Transfer in	-	-	70,000	[70,000]
Use of money and property	398	703	-	703
Total Receipts	<u>12,375</u>	<u>11,957</u>	<u>\$ 88,700</u>	<u>\$ [76,743]</u>
Expenditures				
Culture and recreation	2,800	-	\$ 120,000	\$ 120,000
Transfer out	-	70,000	70,000	-
Total Expenditures	<u>2,800</u>	<u>70,000</u>	<u>\$ 190,000</u>	<u>\$ 120,000</u>
Receipts Over [Under] Expenditures	9,575	[58,043]		
Unencumbered Cash, Beginning	<u>116,608</u>	<u>126,183</u>		
Unencumbered Cash, Ending	<u>\$ 126,183</u>	<u>\$ 68,140</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Lewis Young Park Lighting Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Donations	\$ 75	\$ 502	\$ -	\$ 502
Fines and fees	-	1,065	250	815
Use of money and property	<u>252</u>	<u>445</u>	<u>-</u>	<u>445</u>
Total Receipts	<u>327</u>	<u>2,012</u>	<u>\$ 250</u>	<u>\$ 1,762</u>
Expenditures				
Culture and recreation	<u>6,922</u>	-	\$ 30,000	\$ 30,000
Total Expenditures	<u>6,922</u>	-	<u>\$ 30,000</u>	<u>\$ 30,000</u>
Receipts Over [Under] Expenditures	[6,595]	2,012		
Unencumbered Cash, Beginning	<u>56,592</u>	<u>49,997</u>		
Unencumbered Cash, Ending	<u>\$ 49,997</u>	<u>\$ 52,009</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Infrastructure Improvement Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 216,121	\$ 226,329	\$ 235,000	\$ [8,671]
Use of money and property	3,739	6,592	-	6,592
Transfer in	<u>114,000</u>	<u>22,184</u>	<u>124,000</u>	<u>[101,816]</u>
Total Receipts	<u>333,860</u>	<u>255,105</u>	<u>\$ 359,000</u>	<u>\$ [103,895]</u>
Expenditures				
Capital outlay	46,909	200,000	\$ 200,000	\$ -
Transfer out	<u>306,751</u>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
Total Expenditures	<u>353,660</u>	<u>520,000</u>	<u>\$ 520,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[19,800]	[264,895]		
Unencumbered Cash, Beginning	<u>641,515</u>	<u>621,715</u>		
Unencumbered Cash, Ending	<u>\$ 621,715</u>	<u>\$ 356,820</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Freedom Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Donations	\$ 18,150	\$ 5,538
Interest income	<u>-</u>	<u>49</u>
Total Receipts	<u>18,150</u>	<u>5,587</u>
 Expenditures		
Culture and recreation	<u>1,925</u>	<u>6,127</u>
Total Expenditures	<u>1,925</u>	<u>6,127</u>
 Receipts Over [Under] Expenditures	 16,225	 [540]
 Unencumbered Cash, Beginning	 <u>-</u>	 <u>16,225</u>
 Unencumbered Cash, Ending	 <u>\$ 16,225</u>	 <u>\$ 15,685</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Cemetery Commission Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 20,850	\$ 20,097	\$ 14,000	\$ 6,097
Donations	350	23,839	600	23,239
Use of money and property	288	509	260	249
Total Receipts	<u>21,488</u>	<u>44,445</u>	<u>\$ 14,860</u>	<u>\$ 29,585</u>
Expenditures				
General government	<u>16,741</u>	<u>9,468</u>	<u>\$ 24,000</u>	<u>\$ 14,532</u>
Total Expenditures	<u>16,741</u>	<u>9,468</u>	<u>\$ 24,000</u>	<u>\$ 14,532</u>
Receipts Over [Under] Expenditures	4,747	34,977		
Unencumbered Cash, Beginning	<u>55,413</u>	<u>60,160</u>		
Unencumbered Cash, Ending	<u>\$ 60,160</u>	<u>\$ 95,137</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Fox Hall Commission Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Rents	\$ 7,860	\$ 6,265	\$ 7,600	\$ [1,335]
Use of money and property	104	108	220	[112]
Donations	450	1,300	1,500	[200]
Total Receipts	<u>8,414</u>	<u>7,673</u>	<u>\$ 9,320</u>	<u>\$ [1,647]</u>
Expenditures				
Culture and recreation	<u>7,920</u>	<u>7,479</u>	<u>\$ 8,000</u>	<u>\$ 521</u>
Total Expenditures	<u>7,920</u>	<u>7,479</u>	<u>\$ 8,000</u>	<u>\$ 521</u>
Receipts Over [Under] Expenditures	494	194		
Unencumbered Cash, Beginning	<u>39,332</u>	<u>39,826</u>		
Unencumbered Cash, Ending	<u>\$ 39,826</u>	<u>\$ 40,020</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 599,517	\$ 542,472	\$ 590,847	\$ [48,375]
Use of money and property	5,225	9,213	5,200	4,013
Transfer in	<u>517,751</u>	<u>531,000</u>	<u>531,000</u>	<u>-</u>
Total Receipts	<u>1,122,493</u>	<u>1,082,685</u>	<u>\$ 1,127,047</u>	<u>\$ [44,362]</u>
Expenditures				
Principal	1,195,000	1,330,000	\$ 1,140,000	\$ [190,000]
Interest	131,219	100,552	107,280	6,728
Cash basis reserve	<u>-</u>	<u>-</u>	<u>460,455</u>	<u>460,455</u>
Total Expenditures	<u>1,326,219</u>	<u>1,430,552</u>	<u>\$ 1,707,735</u>	<u>\$ 277,183</u>
Receipts Over [Under] Expenditures	[203,726]	[347,867]		
Unencumbered Cash, Beginning	<u>718,672</u>	<u>514,946</u>		
Unencumbered Cash, Ending	<u>\$ 514,946</u>	<u>\$ 167,079</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Stormwater Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges for services	\$ 87,832	\$ 87,658	\$ 86,000	\$ 1,658
Use of money and property	2,940	5,183	3,000	2,183
Total Receipts	<u>90,772</u>	<u>92,841</u>	<u>\$ 89,000</u>	<u>\$ 3,841</u>
Expenditures				
Capital outlay	-	3,250	\$ 100,000	\$ 96,750
Transfers out	-	190,000	190,000	-
Total Expenditures	<u>-</u>	<u>193,250</u>	<u>\$ 290,000</u>	<u>\$ 96,750</u>
Receipts Over [Under] Expenditures	90,772	[100,409]		
Unencumbered Cash, Beginning	<u>683,704</u>	<u>774,476</u>		
Unencumbered Cash, Ending	<u>\$ 774,476</u>	<u>\$ 674,067</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Natural Gas Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 1,013,345	\$ 1,054,000	\$ 1,064,000	\$ [10,000]
Use of money and property	9,669	17,049	9,700	7,349
Miscellaneous	-	55	740	[685]
Total Receipts	<u>1,023,014</u>	<u>1,071,104</u>	<u>\$ 1,074,440</u>	<u>\$ [3,336]</u>
Expenditures				
Salaries	281,598	298,321	\$ 292,320	\$ [6,001]
Contractual	63,635	92,347	66,300	[26,047]
Commodities	423,590	511,614	650,000	138,386
Capital outlay	21,853	64,751	100,000	35,249
Transfer out	185,000	720,000	720,000	-
Total Expenditures	<u>975,676</u>	<u>1,687,033</u>	<u>\$ 1,828,620</u>	<u>\$ 141,587</u>
Receipts Over [Under] Expenditures	47,338	[615,929]		
Unencumbered Cash, Beginning	<u>2,088,404</u>	<u>2,135,742</u>		
Unencumbered Cash, Ending	<u>\$ 2,135,742</u>	<u>\$ 1,519,813</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Natural Gas Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers In	\$ 55,000	\$ 600,000
Use of money and property	<u>1,223</u>	<u>2,159</u>
Total Receipts	<u>56,223</u>	<u>602,159</u>
 Expenditures		
Capital outlay	<u>126,144</u>	<u>45,637</u>
Total Expenditures	<u>126,144</u>	<u>45,637</u>
 Receipts Over [Under] Expenditures	 [69,921]	 556,522
 Unencumbered Cash, Beginning	 <u>315,727</u>	 <u>245,806</u>
 Unencumbered Cash, Ending	 <u>\$ 245,806</u>	 <u>\$ 802,328</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 1,547,978	\$ 1,436,974	\$ 1,460,000	\$ [23,026]
Transfer in	-	-	70,000	[70,000]
Use of money and property	27,472	28,959	1,900	27,059
Miscellaneous	976	2,552	-	2,552
Total Receipts	<u>1,576,426</u>	<u>1,468,485</u>	<u>\$ 1,531,900</u>	<u>\$ [63,415]</u>
Expenditures				
Salaries	89,575	86,706	\$ 175,000	\$ 88,294
Contractual	1,237,666	1,270,014	1,385,691	115,677
Commodities	29,473	19,155	42,000	22,845
Capital outlay	26,517	45,844	60,000	14,156
Transfer out	-	100,000	-	[100,000]
Total Expenditures	<u>1,383,231</u>	<u>1,521,719</u>	<u>\$ 1,662,691</u>	<u>\$ 140,972</u>
Receipts Over [Under] Expenditures	193,195	[53,234]		
Unencumbered Cash, Beginning	<u>284,689</u>	<u>477,884</u>		
Unencumbered Cash, Ending	<u>\$ 477,884</u>	<u>\$ 424,650</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Water Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 3,532	\$ 6,233
Total Receipts	<u>3,532</u>	<u>6,233</u>
 Expenditures		
Capital outlay	<u>522,979</u>	<u>132,045</u>
Total Expenditures	<u>522,979</u>	<u>132,045</u>
 Receipts Over [Under] Expenditures	 [519,447]	 [125,812]
 Unencumbered Cash, Beginning	 <u>680,427</u>	 <u>160,980</u>
 Unencumbered Cash, Ending	 <u>\$ 160,980</u>	 <u>\$ 35,168</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Water Utility Surplus Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 4,569	\$ 8,059
Transfers in	<u>-</u>	<u>100,000</u>
Total Receipts	<u>4,569</u>	<u>108,059</u>
Expenditures		
Transfers out	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	4,569	108,059
Unencumbered Cash, Beginning	<u>752,336</u>	<u>756,905</u>
Unencumbered Cash, Ending	<u>\$ 756,905</u>	<u>\$ 864,964</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
Wastewater Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017
(With Comparative Actual Amounts For the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 851,441	\$ 1,051,381	\$ 1,148,307	\$ [96,926]
Use of money and property	<u>4,806</u>	<u>8,474</u>	<u>4,800</u>	<u>3,674</u>
Total Receipts	<u>856,247</u>	<u>1,059,855</u>	<u>\$ 1,153,107</u>	<u>\$ [93,252]</u>
Expenditures				
Salaries	209,816	231,429	\$ 230,000	\$ [1,429]
Contractual	113,601	107,125	204,000	96,875
Commodities	11,673	12,393	39,780	27,387
Capital outlay	30,805	54,873	-	[54,873]
Transfer out	<u>70,000</u>	<u>1,570,000</u>	<u>1,570,000</u>	<u>-</u>
Total Expenditures	<u>435,895</u>	<u>1,975,820</u>	<u>\$ 2,043,780</u>	<u>\$ 67,960</u>
Receipts Over [Under] Expenditures	420,352	[915,965]		
Unencumbered Cash, Beginning	<u>981,041</u>	<u>1,401,393</u>		
Unencumbered Cash, Ending	<u>\$ 1,401,393</u>	<u>\$ 485,428</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Wastewater Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 513	\$ 904
Transfers In	<u>-</u>	<u>1,500,000</u>
Total Receipts	<u>513</u>	<u>1,500,904</u>
Expenditures		
Capital outlay	<u>17,417</u>	<u>154,930</u>
Total Expenditures	<u>17,417</u>	<u>154,930</u>
Receipts Over [Under] Expenditures	[16,904]	1,345,974
Unencumbered Cash, Beginning	<u>161,375</u>	<u>144,471</u>
Unencumbered Cash, Ending	<u>\$ 144,471</u>	<u>\$ 1,490,445</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Water/Sewer Bond Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 1,300	\$ 2,293
Total Receipts	1,300	2,293
Expenditures		
Miscellaneous	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	1,300	2,293
Unencumbered Cash, Beginning	282,408	283,708
Unencumbered Cash, Ending	\$ 283,708	\$ 286,001

* This fund is not required to be budgeted

CITY OF LOUISBURG, KANSAS
 Water/Sewer Depreciation Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 817	\$ 1,440
Total Receipts	<u>817</u>	<u>1,440</u>
Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	817	1,440
Unencumbered Cash, Beginning	<u>204,725</u>	<u>205,542</u>
Unencumbered Cash, Ending	<u>\$ 205,542</u>	<u>\$ 206,982</u>

* This fund is not required to be budgeted

Schedule 3

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

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court	\$ 5,925	\$ 1,250	\$ 2,000	\$ 5,175
Total Agency Funds	<u>\$ 5,925</u>	<u>\$ 1,250</u>	<u>\$ 2,000</u>	<u>\$ 5,175</u>

See independent auditor's report on the financial statements.