

CITY OF ARKANSAS CITY, KANSAS

Financial Statements

For the Year Ended December 31, 2018

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CITY OF ARKANSAS CITY, KANSAS
 Financial Statements
 For the Year Ended December 31, 2018
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Commissioners
City of Arkansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Arkansas City, Kansas, (the City), as of and for the year ended December 31, 2018 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 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 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, 2018, 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, 2018, 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.

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, and the summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2017 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) for the year ended December 31, 2017, is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The City of Arkansas City, Kansas’s basic financial statement for the year ended December 31, 2017 (not presented herein), was audited by other auditors whose report dated March 28, 2018, expressed an unmodified opinion on the basic financial statement. The 2017 basic financial statement and the other auditor’s report are available in electronic form from the website of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated March 28, 2018, stated that the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2017, was subjected to auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was 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

March 22, 2019

CITY OF ARKANSAS CITY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2018

Funds	Beginning	Prior	Receipts	Expenditures	Ending	Add:	Ending
	Unencumbered	Period			Unencumbered	Encumbrances	Cash
	Cash Balance	Adjustment			Cash Balance	and Accounts Payable	Balance
General Funds:							
General Fund	\$ 904,617	\$ -	\$ 9,566,197	\$ 9,525,880	\$ 944,934	\$ 495,603	\$ 1,440,537
Special Purpose Funds:							
Special Recreation and Parks Fund	29,071	-	11,908	14,000	26,979	-	26,979
Special Street and Highway Fund	293,280	-	717,385	524,651	486,014	1,917	487,931
Tourism Fund	24,462	-	120,871	125,642	19,691	-	19,691
Special Alcohol Fund	74,243	-	22,192	13,979	82,456	1,751	84,207
Library Fund	-	-	347,293	347,293	-	-	-
Hospital Improvements Fund	1,037,162	-	2,378,989	1,952,351	1,463,800	-	1,463,800
Street Improvements Fund	-	-	-	-	-	-	-
Special Law Enforcement Trust Fund	11,683	-	7,046	2,794	15,935	262	16,197
CID Sales Tax Fund	885	-	35,292	36,177	-	3,951	3,951
Equipment Reserve Fund	200,946	-	-	-	200,946	-	200,946
Public Building Commission Fund	1,923,156	-	1,908,542	1,885,505	1,946,193	-	1,946,193
Capital Improvements Reserve Fund	308,673	-	3,321,060	2,438,650	1,191,083	9,075	1,200,158
Bond and Interest Funds:							
Bond and Interest Fund	164,474	-	1,041,465	1,125,085	80,854	-	80,854
Business Funds:							
Water Utility Fund	3,098,280	-	7,199,593	6,043,573	4,254,300	110,118	4,364,418
Sewer Utility Fund	3,517,568	-	2,023,796	1,573,762	3,967,602	36,575	4,004,177
Sanitation Utility Fund	759,010	-	1,515,472	1,280,686	993,796	57,620	1,051,416
Stormwater Utility Fund	382,444	-	284,214	459,141	207,517	231,771	439,288
Total reporting entity [excluding agency funds]	\$ 12,729,954	\$ -	\$ 30,501,315	\$ 27,349,169	\$ 15,882,100	\$ 948,643	\$ 16,830,743

Composition of Cash:

RCB Bank	
Checking	\$ 13,921,818
Drug Task Force Checking	660
Union State Bank	
Checking	61,973
CD	1,150,000
The Stock Exchange Bank	
CD	1,250,000
Community National Bank & Trust	
CD	500,000
Petty Cash	1,725
Total Cash	16,886,176
Less: Agency Funds per Schedule 3	[55,433]
Total Reporting Entity [Excluding Agency Funds]	\$ 16,830,743

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 - Summary of Significant Accounting Policies

The City of Arkansas City, Kansas, (the City) is incorporated as a City of the second class, under the provisions of K.S.A. 13-101 et seq. The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Arkansas City, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Financial Reporting Entity

The City of Arkansas City, Kansas (the City) is a municipal corporation governed by an elected five-member commission. This financial statement presents the City of Arkansas City, Kansas.

Related Municipal Entity. A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the *Kansas Municipal Audit and Accounting Guide* (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Arkansas City Public Library - The City of Arkansas City Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate audited financial statements are available at the Library.

South Central Kansas Regional Medical Center - The Medical Center Board of Trustees operates the City's hospital. The hospital can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Separate audited financial statements are available at the Medical Center.

Arkansas City Public Building Commission - The City of Arkansas City Public Building Commission was created to oversee the construction of the Regional Medical Center project. Acquisition or disposition of real property or bond issuances must be approved by the City. The City is acting as the fiduciary agent for the Commission. Separate financial statements are not prepared by the Commission.

Strother Field Airport and Industrial Park - The City has adopted Ordinance No. 98-11-3793 providing for an interlocal cooperation agreement between the City of Arkansas City, the City of Winfield and Strother Field to provide financing of water systems improvements at Strother Field. The agreement provides for \$500,000 in G.O. bonds to be issued by the City of Winfield to finance the improvements. If Strother Field defaults on the bond issue, the cities of Arkansas City and Winfield would each be responsible for 50% of the remaining liability. The agreement acknowledges that the obligations of Arkansas City are subject to K.S.A. 10-1101 et seq., and as such, Arkansas City is obligated only to the extent that it has funds actually on hand in its treasury at the time for such purpose. The Strother Field Airport and Industrial Park joint venture has had an audit of their financial statements completed separately.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Arkansas City/Winfield Recycling Center – The cities of Arkansas City and Winfield, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. Separate financial information can be obtained from the Center.

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Arkansas City, Kansas, for the year of 2018:

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

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

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. 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.).

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

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Reimbursed Expense

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Property Taxes

In accordance with governing state 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 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

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, and business funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the 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. During the year ended December 31, 2018, the City amended the budget for the Water Utility Fund.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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.

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

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

- Special Law Enforcement Trust Fund
- Equipment Reserve Fund
- Capital Improvements Reserve Fund

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

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 there in for the current year.

NOTE 2 - Deposits and Investments

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch 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 bank provides 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.

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

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

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 2 - Deposits and Investments (Continued)

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. All deposits were legally secured at December 31, 2018.

At December 31, 2018, the City's carrying amount of deposits was \$16,886,176 and the bank balance was \$16,982,981. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$1,000,000 was covered by federal depository insurance and the balance of \$15,982,981 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name.

NOTE 3 - Long-Term Debt

During the year ended December 31, 2018, the following changes occurred in long-term liabilities:

<u>Type of Issue</u>	Beginning Principal <u>Outstanding</u>	Additions to Principal	Reductions of Principal	Ending Principal <u>Outstanding</u>	<u>Interest Paid</u>
General Obligation Bonds	\$ 4,520,000	\$ -	\$ 1,025,000	\$ 3,495,000	\$ 100,085
Revenue Bonds	20,710,000	-	490,000	20,220,000	1,395,505
KDHE Loans	19,618,949	3,005,802	463,549	22,161,202	561,305
Capital Leases	338,679	-	57,763	280,916	9,146
Total	<u>\$ 45,187,628</u>	<u>\$ 3,005,802</u>	<u>\$ 2,036,312</u>	<u>\$ 46,157,118</u>	<u>\$ 2,066,041</u>

General Obligation Bonds. General obligation bonds currently outstanding are as follows:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with taxes and utility revenues					
Series 2009	2.50% - 3.70%	\$ 235,000	\$ 1,950,000	07/01/09	12/01/19
Series 2013	1.50% - 3.0%	<u>3,260,000</u>	6,015,000	04/01/13	12/01/32
Total		<u>\$ 3,495,000</u>			

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 3 - Long-Term Debt (Continued)

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

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 730,000	\$ 72,130	\$ 802,130
2020	515,000	56,010	571,010
2021	525,000	48,285	573,285
2022	540,000	40,410	580,410
2023	100,000	30,960	130,960
2024 - 2028	555,000	119,458	674,458
2029 - 2032	<u>530,000</u>	<u>39,730</u>	<u>569,730</u>
Total	<u>\$ 3,495,000</u>	<u>\$ 406,983</u>	<u>\$ 3,901,983</u>

Revenue Bonds. Revenue bonds currently outstanding are as follows:

<u>Revenue Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with hospital collections					
Public Building Commission	4.00% - 7.00%	<u>\$ 20,220,000</u>	\$ 23,205,000	09/01/09	09/01/38

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

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 520,000	\$ 1,369,045	\$ 1,889,045
2020	545,000	1,339,925	1,884,925
2021	580,000	1,305,863	1,885,863
2022	615,000	1,269,613	1,884,613
2023	655,000	1,231,175	1,886,175
2024 - 2028	3,975,000	5,452,288	9,427,288
2029 - 2033	5,570,000	3,866,038	9,436,038
2034 - 2038	<u>7,760,000</u>	<u>1,670,150</u>	<u>9,430,150</u>
Total	<u>\$ 20,220,000</u>	<u>\$ 17,504,097</u>	<u>\$ 37,724,097</u>

Revolving Loans. Revolving loans with the Kansas Department of Health and Environment currently outstanding are as follows:

<u>KDHE Loans</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid with utility revenues					
KDHE Loan #2649	3.12%	\$ 585,979	\$ 1,226,071	11/18/09	08/01/30
KDHE Loan #2813	2.35%	<u>21,575,223</u>	22,000,000	01/14/16	02/01/38
		<u>\$ 22,161,202</u>			

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 3 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the revolving loans are as follows:

Year ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 893,734	\$ 596,796	\$ 1,490,530
2020	918,341	572,189	1,490,530
2021	943,628	546,901	1,490,529
2022	969,614	519,296	1,488,910
2023	996,319	494,211	1,490,530
2024 - 2028	5,408,717	2,043,932	7,452,649
2029 - 2033	6,007,820	1,264,474	7,272,294
2034 - 2038	6,023,029	413,822	6,436,851
Total	<u>\$ 22,161,202</u>	<u>\$ 6,451,621</u>	<u>\$ 28,612,823</u>

Capital Leases. The City has entered into a capital lease agreement in order to finance the purchase of a 2013 pumper fire truck. Payments are made semi-annually including interest at 2.82%. Final maturity of the lease is March 6, 2023. Future minimum lease payments are as follows:

Year ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 59,403	\$ 7,506	\$ 66,909
2020	61,090	5,819	66,909
2021	62,825	4,084	66,909
2022	64,609	2,300	66,909
2023	32,989	465	33,454
Total	<u>\$ 280,916</u>	<u>\$ 20,174</u>	<u>\$ 301,090</u>

NOTE 4 - Economic Development Bonds

The City has entered into various agreements to induce businesses to locate or expand operations in Arkansas City, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2018, there were three industrial revenue bond issues with principal balances due totaling \$5,222,343.

NOTE 5 - Defined Benefit Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in 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.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 5 - Defined Benefit Pension Plan (Continued)

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. 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, KPERS 3 and KP&F 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 for the Death and Disability Program) and the statutory contribution rate was 8.39% for KPERS and 20.09% for KP&F for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$268,341 for KPERS and \$528,743 for KP&F for the year ended December 31, 2018.

Net Pension Liability. At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$2,262,734 and \$4,870,501 for KP&F. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 6 - Capital Projects

The following is a summary of capital project authorizations and expenditures to date:

Project Name	Project Authorization	Expenditures	
		Through December 31, 2018	Estimated Completion
Corp/Levee Project	\$ 322,101	\$ 23,807	Completed
Water Treatment Plant	23,585,697	23,258,873	Completed
Summit Street Improvements	2,006,270	2,000,481	Completed
Waterline Replacement	749,324	462,748	Completed
15th Street Improvements	790,451	742,738	Completed
S Summit KLINK Paving	630,109	617,212	Completed
Crestwood Bridge Repair	396,907	114,095	2019
Westar Hike/Bike Trail	5,000	3,160	2020
Offset Well #5 (Well #15)	145,074	19,483	2019
Waterline Relocate for Westar Easement	120,800	42,900	2020
Compass Point Subdivision	5,000	669	2020
Wilson Park Planning - Phase 1 Upgrades	60,500	9,075	2019

NOTE 7 - Other Long-Term Obligations from Operations

Compensated Absences. It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits

Vacation Leave. All employees shall accrue vacation leave each pay period according to their position and years of service with the City.

Full time employees, except fire personnel:

<u>Years of service</u>	<u>Hours per year</u>	<u>Maximum accrual</u>
1 - 7 years	80	160
8 - 15 years	120	240
16 - 20 years	160	320
20+ years	200	400

Fire personnel working on a work period:

<u>Years of service</u>	<u>Hours per year</u>	<u>Maximum accrual</u>
1 - 7 years	112	224
8 - 15 years	168	336
16 - 20 years	224	448
20+ years	280	560

Sick Leave. All full-time employees, except fire personnel, shall accrue paid sick leave at a rate of at least one eight-hour day per month with a maximum accrual of 960 hours. Fire personnel working on a work period shall accrue 11.2 hours per month with a maximum accrual of 960 hours.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - Other Long-Term Obligations from Operations (Continued)

Accumulated Leave Payout. All employees separating from City employment that have given and satisfactorily completed an appropriate 14-day notice period will receive payment for all accumulated accrued and unused vacation and, depending upon the employee's length of service with the City, a percentage of their accrued unused sick leave as follows:

<u>Continuous Years of Service</u>	<u>Sick Leave Payout %</u>
0 - 4 years	-
5 - 9 years	25%
10 - 14 years	50%
15 - 19 years	75%
20+ years	100%

The maximum leave hours each employee can be paid out is 480 hours.

Compensatory Time. All employees who are eligible, except firefighters, can elect to receive compensatory time off at a rate of not less than one and one-half hours for each overtime hour worked in lieu of cash overtime compensation. All eligible City employees, except police, may accrue up to twenty-four hours of compensatory time. Police personnel may accumulate up to sixty hours of compensatory time.

Banked Holiday Time. Police, fire, wastewater treatment facility and water treatment plant personnel can accumulate holiday premium pay in lieu of payment. Holiday time banked has a maximum accrual of 24 hours and must be earned prior to use, except fire personnel, which receive 26 hours of banked holiday time four times a year regardless of whether or not the employee works the official holiday. Fire personnel can accumulate a maximum of 104 hours.

Personal Business Day Leave. All full-time employees after two months of continuous employment will accrue 8 hours of personal business day leave, then each January 1st thereafter shall be awarded an additional 8 hours of personal business day leave. Personal business day leave must be used within the calendar year and may not be accumulated.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for annual leave, sick time, compensatory time, and banked holiday time, which has been earned, but not taken, by City employees. The estimated liability at December 31, 2018, was \$318,148 for annual leave, \$386,365 for sick leave, \$5,266 for compensatory time, and \$26,954 for banked holiday time.

CITY OF ARKANSAS CITY, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2018

NOTE 7 - Other Long-Term Obligations from Operations (Continued)

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

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

NOTE 8 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

NOTE 9 - Interfund Transfers

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Water Utility	General	\$ 400,000	K.S.A. 12-825d
Sewer Utility	General	550,000	K.S.A. 12-825d
Sanitation Utility	General	200,000	K.S.A. 12-825d
General	Capital Improvements Reserve	7,564	K.S.A. 12-1,118
Special Street and Highway	Capital Improvements Reserve	192,312	K.S.A. 12-1,118
Sanitation Utility	Capital Improvements Reserve	7,564	K.S.A. 12-1,118
Water Utility	Capital Improvements Reserve	2,394,516	K.S.A. 12-1,118
Water Utility	Bond and Interest	75,000	K.S.A. 12-825d
Sewer Utility	Bond and Interest	75,000	K.S.A. 12-825d
Sewer Utility	Stormwater Utility	50,000	K.S.A. 12-825d
		<u>\$ 3,951,956</u>	

NOTE 10 - Subsequent Events

On January 28, 2019, the City signed a \$620,775 capital lease agreement for a new fire truck. Terms of the lease call for bi-annual principal and interest payments of \$36,554. The lease carries a 3.55% interest rate and matures on August 1, 2028.

SCHEDULE 1

CITY OF ARKANSAS CITY, KANSAS

Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2018

<u>Funds</u>	<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>
General Funds:					
General Fund	\$ 10,558,582	\$ -	\$ 10,558,582	\$ 9,525,880	\$ [1,032,702]
Special Purpose Funds:					
Special Recreation and Parks Fund	30,000	-	30,000	14,000	[16,000]
Special Street and Highway Fund	772,723	-	772,723	524,651	[248,072]
Tourism Fund	128,500	-	128,500	125,642	[2,858]
Special Alcohol Fund	20,000	-	20,000	13,979	[6,021]
Library Fund	366,250	-	366,250	347,293	[18,957]
Hospital Improvements Fund	2,275,000	-	2,275,000	1,952,351	[322,649]
Street Improvements Fund	-	-	-	-	-
CID Sales Tax Fund	50,000	-	50,000	36,177	[13,823]
Public Building Commission Fund	-	1,885,505	1,885,505	1,885,505	-
Bond and Interest Funds:					
Bond and Interest Fund	1,525,185	-	1,525,185	1,125,085	[400,100]
Business Funds:					
Water Utility Fund	6,821,224	-	6,821,224	6,043,573	[777,651]
Sewer Utility Fund	4,341,948	-	4,341,948	1,573,762	[2,768,186]
Sanitation Utility Fund	1,771,538	-	1,771,538	1,280,686	[490,852]
Stormwater Utility Fund	606,800	-	606,800	459,141	[147,659]

CITY OF ARKANSAS CITY, KANSAS

General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,341,188	\$ 2,456,927	\$ 2,654,203	\$ [197,276]
Delinquent tax	83,014	76,315	60,000	16,315
Motor vehicle tax	348,010	335,054	332,715	2,339
Recreational vehicle tax	3,307	3,111	3,088	23
Commercial vehicle tax	-	-	6,273	[6,273]
16/20M truck tax	5,995	6,096	1,587	4,509
In lieu of tax	-	908	-	908
Neighborhood revitalization	[58,860]	[68,972]	[50,000]	[18,972]
Compensating use tax	557,359	580,589	325,000	255,589
Sales tax	1,599,230	1,576,308	1,660,000	[83,692]
Franchise tax	1,161,694	1,225,236	1,163,000	62,236
Special assessments	30,712	18,091	15,000	3,091
Intergovernmental				
Local alcoholic liquor tax	12,885	11,908	12,274	[366]
Federal grant	21,715	12,455	-	12,455
State grant	65,584	31,712	13,600	18,112
Licenses and permits				
Licenses, permits and fees	138,737	153,119	85,100	68,019
Charges and services				
Animal redemption	2,898	-	2,000	[2,000]
Cemetery permits/deeds	23,785	19,960	21,000	[1,040]
Rural fire contracts	337,570	350,742	325,000	25,742
County ambulance fees	176,672	176,497	170,000	6,497
Other ambulance fees	611,575	651,483	650,000	1,483
Fines, forfeitures and penalties				
Fines	424,554	413,472	432,000	[18,528]
Use of money and property				
Interest	14,077	36,296	6,000	30,296
Sale of assets	5,268	11,620	12,300	[680]
Rental income	36,005	39,025	40,000	[975]
Other receipts				
Donations	25,485	24,250	15,000	9,250
Reimbursed expense	260,920	240,571	104,000	136,571
Miscellaneous	23,808	33,424	338,000	[304,576]
Operating transfers from				
Water Utility Fund	100,000	400,000	400,000	-
Sewer Utility Fund	550,000	550,000	550,000	-
Sanitation Utility Fund	200,000	200,000	200,000	-
Total Receipts	<u>9,103,187</u>	<u>9,566,197</u>	<u>\$ 9,547,140</u>	<u>\$ 19,057</u>

See independent auditor's report on the financial statements.

SCHEDULE 2 - 1 (Continued)

CITY OF ARKANSAS CITY, KANSAS

General Fund - Continued
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures				
General administrative services				
Personal services	\$ 809,165	\$ 842,247	\$ 848,369	\$ [6,122]
Contractual services	424,062	317,517	331,346	[13,829]
Commodities	34,420	46,565	30,950	15,615
Capital outlay	32,506	27,672	25,000	2,672
Total general administrative services	<u>1,300,153</u>	<u>1,234,001</u>	<u>1,235,665</u>	<u>[1,664]</u>
Municipal court/legal				
Personal services	131,601	134,998	135,533	[535]
Contractual services	67,602	64,714	49,830	14,884
Commodities	1,531	1,577	1,250	327
Capital outlay	2,654	2,683	3,512	[829]
Total municipal court/legal	<u>203,388</u>	<u>203,972</u>	<u>190,125</u>	<u>13,847</u>
Neighborhood services				
Personal services	165,847	196,698	222,909	[26,211]
Contractual services	37,950	46,799	35,400	11,399
Commodities	33,221	62,881	113,050	[50,169]
Capital outlay	45,149	31,257	42,000	[10,743]
Total neighborhood services	<u>282,167</u>	<u>337,635</u>	<u>413,359</u>	<u>[75,724]</u>
Fire/EMT services				
Personal services	1,766,684	1,913,608	2,098,689	[185,081]
Contractual services	94,676	93,895	99,030	[5,135]
Commodities	157,051	144,297	194,700	[50,403]
Capital outlay	266,357	462,770	164,000	298,770
Debt service	66,909	66,909	151,000	[84,091]
Total fire/EMT services	<u>2,351,677</u>	<u>2,681,479</u>	<u>2,707,419</u>	<u>[25,940]</u>
Law enforcement				
Personal services	2,334,966	2,373,811	2,507,207	[133,396]
Contractual services	105,041	117,159	115,100	2,059
Commodities	125,775	107,694	100,000	7,694
Capital outlay	179,559	229,277	186,500	42,777
Total law enforcement	<u>2,745,341</u>	<u>2,827,941</u>	<u>2,908,807</u>	<u>[80,866]</u>
Parks and facilities				
Personal services	560,436	553,469	631,960	[78,491]
Contractual services	133,975	140,856	143,600	[2,744]
Commodities	149,261	171,977	320,500	[148,523]
Capital outlay	57,856	396,257	174,000	222,257
Total parks and facilities	<u>901,528</u>	<u>1,262,559</u>	<u>1,270,060</u>	<u>[7,501]</u>

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

General Fund - Continued
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Public works/streets				
Personal services	\$ 301,410	\$ 347,101	\$ 357,298	\$ [10,197]
Contractual services	253,356	263,032	263,300	[268]
Commodities	82,458	77,805	59,500	18,305
Capital outlay	-	1,254	2,000	[746]
Total public works/streets	<u>637,224</u>	<u>689,192</u>	<u>682,098</u>	<u>7,094</u>
Northwest Community Center				
Personal services	42,719	44,084	45,374	[1,290]
Contractual services	7,588	7,882	8,475	[593]
Commodities	1,117	2,757	9,850	[7,093]
Capital outlay	1,790	-	500	[500]
Total Northwest Community Center	<u>53,214</u>	<u>54,723</u>	<u>64,199</u>	<u>[9,476]</u>
Senior center				
Personal services	173,214	182,781	175,700	7,081
Contractual services	25,416	23,437	28,700	[5,263]
Commodities	9,005	20,373	23,250	[2,877]
Capital outlay	1,844	223	1,200	[977]
Total senior center	<u>209,479</u>	<u>226,814</u>	<u>228,850</u>	<u>[2,036]</u>
Operating transfers to				
Capital Improvement Reserve Fund	85,756	7,564	558,000	[550,436]
Emergency reserve	-	-	300,000	[300,000]
Total Expenditures	<u>8,769,927</u>	<u>9,525,880</u>	<u>\$ 10,558,582</u>	<u>\$ [1,032,702]</u>
Receipts Over [Under] Expenditures	333,260	40,317		
Unencumbered Cash, Beginning	<u>571,357</u>	<u>904,617</u>		
Unencumbered Cash, Ending	<u>\$ 904,617</u>	<u>\$ 944,934</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Special Recreation and Parks Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Local alcoholic liquor tax	\$ 12,885	\$ 11,908	\$ 12,274	\$ [366]
Total Receipts	<u>12,885</u>	<u>11,908</u>	<u>\$ 12,274</u>	<u>\$ [366]</u>
Expenditures				
Culture and recreation				
Contractual services	-	14,000	\$ -	\$ 14,000
Commodities	12,292	-	5,000	[5,000]
Capital outlay	-	-	25,000	[25,000]
Total Expenditures	<u>12,292</u>	<u>14,000</u>	<u>\$ 30,000</u>	<u>\$ [16,000]</u>
Receipts Over [Under] Expenditures	593	[2,092]		
Unencumbered Cash, Beginning	<u>28,478</u>	<u>29,071</u>		
Unencumbered Cash, Ending	<u>\$ 29,071</u>	<u>\$ 26,979</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Special Street and Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Highway gas tax	\$ 322,578	\$ 325,451	\$ 325,090	\$ 361
County gas tax	54,713	54,732	48,400	6,332
Intergovernmental				
KDOT federal exchange funds	598,885	337,196	300,000	37,196
Other receipts				
Reimbursed expense	-	6	-	6
Operating transfer from Street Improvement Fund	<u>311,183</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>1,287,359</u>	<u>717,385</u>	<u>\$ 673,490</u>	<u>\$ 43,895</u>
Expenditures				
General government				
Contractual services	1,363,030	201,659	\$ 45,000	\$ 156,659
Commodities	402,181	76,858	175,000	[98,142]
Capital outlay	-	53,822	50,000	3,822
Operating transfers to Capital Improvements Reserve Fund	<u>-</u>	<u>192,312</u>	<u>502,723</u>	<u>[310,411]</u>
Total Expenditures	<u>1,765,211</u>	<u>524,651</u>	<u>\$ 772,723</u>	<u>\$ [248,072]</u>
Receipts Over [Under] Expenditures	[477,852]	192,734		
Unencumbered Cash, Beginning	<u>771,132</u>	<u>293,280</u>		
Unencumbered Cash, Ending	<u>\$ 293,280</u>	<u>\$ 486,014</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Tourism Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
State guest tax	\$ 101,614	\$ 120,871	\$ 120,000	\$ 871
Total Receipts	<u>101,614</u>	<u>120,871</u>	<u>\$ 120,000</u>	<u>\$ 871</u>
Expenditures				
Culture and recreation				
Contractual services	121,016	125,642	\$ 128,500	\$ [2,858]
Total Expenditures	<u>121,016</u>	<u>125,642</u>	<u>\$ 128,500</u>	<u>\$ [2,858]</u>
Receipts Over [Under] Expenditures	[19,402]	[4,771]		
Unencumbered Cash, Beginning	<u>43,864</u>	<u>24,462</u>		
Unencumbered Cash, Ending	<u>\$ 24,462</u>	<u>\$ 19,691</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Special Alcohol Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Local alcoholic liquor tax	\$ 12,885	\$ 11,908	\$ 12,274	\$ [366]
Other receipts				
Donations	<u>7,490</u>	<u>10,284</u>	<u>-</u>	<u>10,284</u>
Total Receipts	<u>20,375</u>	<u>22,192</u>	<u>\$ 12,274</u>	<u>\$ 9,918</u>
Expenditures				
Culture and recreation				
Contractual services	-	-	\$ 1,000	\$ [1,000]
Commodities	<u>6,200</u>	<u>13,979</u>	<u>19,000</u>	<u>[5,021]</u>
Total Expenditures	<u>6,200</u>	<u>13,979</u>	<u>\$ 20,000</u>	<u>\$ [6,021]</u>
Receipts Over [Under] Expenditures	14,175	8,213		
Unencumbered Cash, Beginning	<u>60,068</u>	<u>74,243</u>		
Unencumbered Cash, Ending	<u>\$ 74,243</u>	<u>\$ 82,456</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Ad valorem property tax	\$ 306,646	\$ 300,809	\$ 325,134	\$ [24,325]
Delinquent tax	10,537	9,818	10,000	[182]
Motor vehicle tax	42,969	43,811	43,576	235
Recreational vehicle tax	408	407	404	3
Commercial vehicle tax	-	-	822	[822]
16/20M truck tax	746	909	208	701
Neighborhood revitalization	<u>[7,709]</u>	<u>[8,461]</u>	<u>[5,500]</u>	<u>[2,961]</u>
Total Receipts	<u>353,597</u>	<u>347,293</u>	<u>\$ 374,644</u>	<u>\$ [27,351]</u>
Expenditures				
Culture and recreation				
Appropriation to library board	<u>353,597</u>	<u>347,293</u>	<u>\$ 366,250</u>	<u>\$ [18,957]</u>
Total Expenditures	<u>353,597</u>	<u>347,293</u>	<u>\$ 366,250</u>	<u>\$ [18,957]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF ARKANSAS CITY, KANSAS

Hospital Improvements Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Sales tax	\$ 799,615	\$ 788,154	\$ 775,000	\$ 13,154
Debt service sales tax	1,599,230	1,576,308	1,500,000	76,308
Use of money and property				
Interest	<u>3,220</u>	<u>14,527</u>	<u>200</u>	<u>14,327</u>
Total Receipts	<u>2,402,065</u>	<u>2,378,989</u>	<u>\$ 2,275,200</u>	<u>\$ 103,789</u>
Expenditures				
Appropriations to Library Board	<u>1,824,842</u>	<u>1,952,351</u>	<u>\$ 2,275,000</u>	<u>\$ [322,649]</u>
Total Expenditures	<u>1,824,842</u>	<u>1,952,351</u>	<u>\$ 2,275,000</u>	<u>\$ [322,649]</u>
Receipts Over [Under] Expenditures	577,223	426,638		
Unencumbered Cash, Beginning	<u>459,939</u>	<u>1,037,162</u>		
Unencumbered Cash, Ending	<u>\$ 1,037,162</u>	<u>\$ 1,463,800</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Street Improvements Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property				
Interest	\$ 1,306	\$ -	\$ -	\$ -
Total Receipts	<u>1,306</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Capital improvements				
Contractual services	20,951	-	\$ -	\$ -
Operating transfers to				
Special Street and Highway Fund	<u>311,183</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>332,134</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[330,828]	-		
Unencumbered Cash, Beginning	<u>330,828</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Special Law Enforcement Trust Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2017</u>	<u>2018</u>
Receipts		
Other receipts		
Donations	\$ 3,148	\$ 7,046
Total Receipts	<u>3,148</u>	<u>7,046</u>
Expenditures		
Capital improvements		
Contractual services	<u>673</u>	<u>2,794</u>
Total Expenditures	<u>673</u>	<u>2,794</u>
Receipts Over [Under] Expenditures	2,475	4,252
Unencumbered Cash, Beginning	<u>9,208</u>	<u>11,683</u>
Unencumbered Cash, Ending	<u>\$ 11,683</u>	<u>\$ 15,935</u>

* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS

CID Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Sales tax	\$ 40,885	\$ 35,292	\$ 50,000	\$ [14,708]
Total Receipts	<u>40,885</u>	<u>35,292</u>	<u>\$ 50,000</u>	<u>\$ [14,708]</u>
Expenditures				
Capital improvements				
Contractual services	40,000	36,177	\$ 50,000	\$ [13,823]
Total Expenditures	<u>40,000</u>	<u>36,177</u>	<u>\$ 50,000</u>	<u>\$ [13,823]</u>
Receipts Over [Under] Expenditures	885	[885]		
Unencumbered Cash, Beginning	<u>-</u>	<u>885</u>		
Unencumbered Cash, Ending	<u>\$ 885</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS
 Equipment Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2017</u>	<u>2018</u>
Receipts		
Operating transfers from		
General Fund	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Capital improvements		
Capital outlay	24,702	-
Total Expenditures	<u>24,702</u>	<u>-</u>
Receipts Over [Under] Expenditures	[24,702]	-
Unencumbered Cash, Beginning	<u>225,648</u>	<u>200,946</u>
Unencumbered Cash, Ending	<u>\$ 200,946</u>	<u>\$ 200,946</u>

* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS

Public Building Commission Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2018

(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property				
Interest	\$ 15,685	\$ 23,037	\$ -	\$ 23,037
Other receipts				
Reimbursed expense	<u>1,884,685</u>	<u>1,885,505</u>	-	<u>1,885,505</u>
Total Receipts	<u>1,900,370</u>	<u>1,908,542</u>	<u>\$ -</u>	<u>\$ 1,908,542</u>
Expenditures				
Debt service				
Principal	465,000	490,000	\$ -	\$ 490,000
Interest	1,419,685	1,395,505	-	1,395,505
Adjustments for qualifying budget credits	-	-	<u>1,885,505</u>	<u>[1,885,505]</u>
Total Expenditures	<u>1,884,685</u>	<u>1,885,505</u>	<u>\$ 1,885,505</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	15,685	23,037		
Unencumbered Cash, Beginning	<u>1,907,471</u>	<u>1,923,156</u>		
Unencumbered Cash, Ending	<u>\$ 1,923,156</u>	<u>\$ 1,946,193</u>		

CITY OF ARKANSAS CITY, KANSAS

Capital Improvements Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2017</u>	<u>2018</u>
Receipts		
Use of money and property		
Interest	\$ 2,867	\$ 7,108
Other receipts		
Donations	33,500	68,500
Reimbursed expense	-	643,496
Operating transfers from		
General Fund	85,756	7,564
Special Street and Highway Fund	-	192,312
Water Utility Fund	12,799,290	2,394,516
Sanitation Utility Fund	-	7,564
Total Receipts	<u>12,921,413</u>	<u>3,321,060</u>
Expenditures		
General government		
Contractual services	275,756	-
Capital outlay	<u>12,754,575</u>	<u>2,438,650</u>
Total Expenditures	<u>13,030,331</u>	<u>2,438,650</u>
Receipts Over [Under] Expenditures	[108,918]	882,410
Unencumbered Cash, Beginning	<u>417,591</u>	<u>308,673</u>
Unencumbered Cash, Ending	<u>\$ 308,673</u>	<u>\$ 1,191,083</u>

* - This fund is not required to be budgeted.

CITY OF ARKANSAS CITY, KANSAS

Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance- Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared receipts				
Ad valorem property tax	\$ 911,906	\$ 751,338	\$ 813,786	\$ [62,448]
Delinquent tax	28,495	27,659	17,000	10,659
Motor vehicle tax	110,195	129,796	129,591	205
Recreational vehicle tax	1,045	1,203	1,202	1
Commercial vehicle tax	-	-	2,444	[2,444]
16/20M truck tax	1,925	2,645	618	2,027
In lieu of tax	-	-	233,143	[233,143]
Neighborhood revitalization	[22,926]	[21,176]	[20,000]	[1,176]
Operating transfers from				
Water Utility Fund	75,000	75,000	75,000	-
Sewer Utility Fund	75,000	75,000	75,000	-
Total Receipts	<u>1,180,640</u>	<u>1,041,465</u>	<u>\$ 1,327,784</u>	<u>\$ [286,319]</u>
Expenditures				
Debt service				
Principal	985,000	1,025,000	\$ 1,025,000	\$ -
Interest	125,973	100,085	100,085	-
Miscellaneous	-	-	100	[100]
Cash basis reserve	-	-	400,000	[400,000]
Total Expenditures	<u>1,110,973</u>	<u>1,125,085</u>	<u>\$ 1,525,185</u>	<u>\$ [400,100]</u>
Receipts Over [Under] Expenditures	69,667	[83,620]		
Unencumbered Cash, Beginning	<u>94,807</u>	<u>164,474</u>		
Unencumbered Cash, Ending	<u>\$ 164,474</u>	<u>\$ 80,854</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Water Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Water receipts	\$ 3,800,193	\$ 3,976,148	\$ 3,900,000	\$ 76,148
Connection fees	83,491	84,818	79,000	5,818
Use of money and property				
Loan proceeds	14,174,980	3,005,802	2,000,000	1,005,802
Interest	16,169	56,875	2,500	54,375
Sale of assets	25,043	7,043	-	7,043
Other receipts				
Bad debt collection	21	265	100	165
Penalties	29,760	29,550	27,000	2,550
Reimbursed expense	32,319	3,549	-	3,549
Miscellaneous	53,830	35,543	11,100	24,443
Total Receipts	<u>18,215,806</u>	<u>7,199,593</u>	<u>\$ 6,019,700</u>	<u>\$ 1,179,893</u>
Expenditures				
Treatment				
Personal services	361,183	209,694	\$ 267,802	\$ [58,108]
Contractual services	981,270	466,478	380,000	86,478
Commodities	288,341	361,790	491,500	[129,710]
Capital outlay	29,404	53,678	32,500	21,178
Total treatment	<u>1,660,198</u>	<u>1,091,640</u>	<u>1,171,802</u>	<u>[80,162]</u>
Distribution				
Personal services	405,310	332,610	416,117	[83,507]
Contractual services	1,280,637	102,975	137,900	[34,925]
Commodities	196,023	245,917	174,700	71,217
Capital outlay	2,471	53,720	90,500	[36,780]
Total distribution	<u>1,884,441</u>	<u>735,222</u>	<u>819,217</u>	<u>[83,995]</u>
Environmental				
Personal services	219,881	186,044	272,952	[86,908]
Contractual services	17,696	28,156	23,000	5,156
Commodities	5,608	2,410	5,600	[3,190]
Capital outlay	3,837	5,025	10,000	[4,975]
Total environmental	<u>247,022</u>	<u>221,635</u>	<u>311,552</u>	<u>[89,917]</u>

See independent auditor's report on the financial statements.

SCHEDULE 2 - 15 (Continued)

CITY OF ARKANSAS CITY, KANSAS

Water Utility Fund - Continued
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Administration				
Personal services	\$ 4,485	\$ 8,795	\$ 8,500	\$ 295
Contractual services	56,147	54,064	53,000	1,064
Commodities	18,439	13,387	17,700	[4,313]
Capital outlay	<u>22,399</u>	<u>24,460</u>	<u>23,500</u>	<u>960</u>
Total administration	<u>101,470</u>	<u>100,706</u>	<u>102,700</u>	<u>[1,994]</u>
Debt service				
Revolving loans				
Principal	37,462	463,549	881,255	[417,706]
Interest	211,436	489,157	531,277	[42,120]
Agency fees	30,742	72,148	78,421	[6,273]
Operating transfers to				
General Fund	100,000	400,000	400,000	-
Capital Improvements Reserve Fund	12,799,290	2,394,516	2,450,000	[55,484]
Bond and Interest Fund	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total Expenditures	<u>17,147,061</u>	<u>6,043,573</u>	<u>\$ 6,821,224</u>	<u>\$ [777,651]</u>
Receipts Over [Under] Expenditures	1,068,745	1,156,020		
Unencumbered Cash, Beginning	<u>2,029,535</u>	<u>3,098,280</u>		
Unencumbered Cash, Ending	<u>\$ 3,098,280</u>	<u>\$ 4,254,300</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Sewer Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Wastewater receipts	\$ 1,949,210	\$ 1,950,943	\$ 1,900,000	\$ 50,943
Use of money and property				
Interest	15,820	50,848	4,000	46,848
Sale of assets	145	-	-	-
Other receipts				
Penalties	9,916	20,247	19,000	1,247
Reimbursed expense	20,171	194	-	194
Miscellaneous	456	1,564	15,000	[13,436]
Total Receipts	<u>1,995,718</u>	<u>2,023,796</u>	<u>\$ 1,938,000</u>	<u>\$ 85,796</u>
Expenditures				
Treatment				
Personal services	188,751	180,196	\$ 202,911	\$ [22,715]
Contractual services	145,368	134,940	266,400	[131,460]
Commodities	84,820	91,382	152,700	[61,318]
Capital outlay	1,174	18,176	2,000	16,176
Total treatment	<u>420,113</u>	<u>424,694</u>	<u>624,011</u>	<u>[199,317]</u>
Collections				
Personal services	167,084	183,657	164,716	18,941
Contractual services	24,753	32,059	61,500	[29,441]
Commodities	54,524	57,553	50,450	7,103
Capital outlay	1,928	-	-	-
Total collections	<u>248,289</u>	<u>273,269</u>	<u>276,666</u>	<u>[3,397]</u>
Environmental				
Personal services	177,249	156,985	226,021	[69,036]
Contractual services	81	79	100	[21]
Capital outlay	1,500	-	-	-
Total environmental	<u>178,830</u>	<u>157,064</u>	<u>226,121</u>	<u>[69,057]</u>

See independent auditor's report on the financial statements.

SCHEDULE 2 - 16 (Continued)

CITY OF ARKANSAS CITY, KANSAS

Sewer Utility Fund - Continued
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Expenditures - Continued				
Administration				
Personal services	\$ 4,941	\$ 7,527	\$ 4,900	\$ 2,627
Contractual services	11,586	12,566	11,850	716
Commodities	11,693	8,056	9,900	[1,844]
Capital outlay	<u>14,483</u>	<u>15,586</u>	<u>13,500</u>	<u>2,086</u>
Total administration	<u>42,703</u>	<u>43,735</u>	<u>40,150</u>	<u>3,585</u>
Operating transfers to				
General Fund	550,000	550,000	550,000	-
Capital Improvements Reserve Fund	75,000	-	2,500,000	[2,500,000]
Bond and Interest Fund	50,000	75,000	75,000	-
Stormwater Utility Fund	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Expenditures	<u>1,564,935</u>	<u>1,573,762</u>	<u>\$ 4,341,948</u>	<u>\$ [2,768,186]</u>
Receipts Over [Under] Expenditures	430,783	450,034		
Unencumbered Cash, Beginning	<u>3,086,785</u>	<u>3,517,568</u>		
Unencumbered Cash, Ending	<u>\$ 3,517,568</u>	<u>\$ 3,967,602</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Sanitation Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Sanitation fees	\$ 1,481,181	\$ 1,467,511	\$ 1,470,000	\$ [2,489]
Service fees	6,110	17,256	10,000	7,256
Intergovernmental				
State grant	-	2,569	-	2,569
Use of money and property				
Interest	4,518	13,196	1,000	12,196
Sale of assets	291	-	-	-
Other receipts				
Penalties	14,738	14,779	13,500	1,279
Reimbursed expense	1,276	-	-	-
Miscellaneous	242	161	200	[39]
Total Receipts	<u>1,508,356</u>	<u>1,515,472</u>	<u>\$ 1,494,700</u>	<u>\$ 20,772</u>
Expenditures				
General utility services				
Personal services	403,748	331,714	\$ 453,185	\$ [121,471]
Contractual services	306,717	299,358	358,950	[59,592]
Commodities	126,599	148,836	110,550	38,286
Capital outlay	<u>347,655</u>	<u>39,400</u>	<u>363,500</u>	<u>[324,100]</u>
Total general utility services	<u>1,184,719</u>	<u>819,308</u>	<u>1,286,185</u>	<u>[466,877]</u>
Administration				
Personal services	237,683	225,906	257,453	[31,547]
Contractual services	11,422	12,388	11,600	788
Commodities	5,396	5,391	6,500	[1,109]
Capital outlay	<u>11,743</u>	<u>10,129</u>	<u>9,800</u>	<u>329</u>
Total administration	<u>266,244</u>	<u>253,814</u>	<u>285,353</u>	<u>[31,539]</u>
Operating transfers to				
General Fund	200,000	200,000	200,000	-
Capital Improvements Reserve Fund	-	7,564	-	7,564
Total Expenditures	<u>1,650,963</u>	<u>1,280,686</u>	<u>\$ 1,771,538</u>	<u>\$ [490,852]</u>
Receipts Over [Under] Expenditures	[142,607]	234,786		
Unencumbered Cash, Beginning	<u>901,617</u>	<u>759,010</u>		
Unencumbered Cash, Ending	<u>\$ 759,010</u>	<u>\$ 993,796</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Stormwater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2018
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	Prior Year <u>Actual</u>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services				
Stormwater receipts	\$ 188,865	\$ 187,955	\$ 190,000	\$ [2,045]
Intergovernmental				
Federal grant - FEMA	25,329	38,809	60,000	[21,191]
Use of money and property				
Interest	1,620	5,203	400	4,803
Sale of assets	22,398	-	-	-
Other receipts				
Penalties	2,157	2,155	2,100	55
Miscellaneous	106	92	-	92
Operating transfers from				
Sewer Utility Fund	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Receipts	<u>290,475</u>	<u>284,214</u>	<u>\$ 302,500</u>	<u>\$ [18,286]</u>
Expenditures				
General utility services				
Personal services	182,158	165,489	\$ 202,300	\$ [36,811]
Contractual services	35,876	42,800	52,000	[9,200]
Commodities	11,623	19,210	14,000	5,210
Capital outlay	57,432	231,642	18,500	213,142
Transfer out to				
Capital Improvements Reserve Fund	<u>-</u>	<u>-</u>	<u>320,000</u>	<u>[320,000]</u>
Total Expenditures	<u>287,089</u>	<u>459,141</u>	<u>\$ 606,800</u>	<u>\$ [147,659]</u>
Receipts Over [Under] Expenditures	3,386	[174,927]		
Unencumbered Cash, Beginning	<u>379,058</u>	<u>382,444</u>		
Unencumbered Cash, Ending	<u>\$ 382,444</u>	<u>\$ 207,517</u>		

See independent auditor's report on the financial statements.

CITY OF ARKANSAS CITY, KANSAS

Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2018

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Municipal Court	\$ 15,667	\$ 145,599	\$ 143,641	\$ 17,625
Drug Task Force	<u>33,300</u>	<u>10,364</u>	<u>5,856</u>	<u>37,808</u>
	<u>\$ 48,967</u>	<u>\$ 155,963</u>	<u>\$ 149,497</u>	<u>\$ 55,433</u>

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