

CITY OF TONGANOXIE, KANSAS

FINANCIAL STATEMENT
(with Independent Auditors' Report thereon)

For the Year Ended December 31, 2017

CITY OF TONGANOXIE, KANSAS
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Kramer & Associates

CPAs, LLC

Tony Kramer, CPA
Joseph J. Wood, CPA

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Tonganoxie, Kansas

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Tonganoxie, 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 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.

Auditors' 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 includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' 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 more fully in Note 1 of the financial statement, the financial statement is prepared by the City to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 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.

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.

REPORT ON REGULATORY-REQUIRED AND OTHER 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 schedule of regulatory basis receipts and disbursements - agency funds 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.

KRAMER & ASSOCIATES CPAs, LLC

Kramer & Associates CPAs, LLC
Leavenworth, Kansas
November 2, 2018

CITY OF TONGANOXIE, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the year ended December 31, 2017

Funds	Beginning unencumbered cash balance	Prior year cancelled encumbrances	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Governmental type funds:							
General fund:							
General	\$ 433,820	\$ -	\$ 2,816,539	\$ 2,719,264	\$ 531,095	\$ (3,879)	\$ 527,216
Special purpose funds:							
Special parks and recreation	15,042	-	3,517	4,866	13,693	-	13,693
Special highway	148,974	-	225,589	83,112	291,451	-	291,451
Library operations	11,403	-	346,592	343,585	14,410	-	14,410
Police equipment reserve	15,610	-	54,960	34,814	35,756	(1,500)	34,256
Fire equipment reserve	96,450	-	250,354	230,957	115,847	-	115,847
Law enforcement trust	1,606	-	100	-	1,706	-	1,706
Transient guest tax	1,528	-	715	-	2,243	-	2,243
Water park sales tax	6,820	-	417,137	313,153	110,804	-	110,804
Insurance proceeds	24,434	-	12,755	-	37,189	-	37,189
Debt proceeds	-	-	1,002,929	1,002,929	-	-	-
Gallagher Park	14,957	-	800	516	15,241	-	15,241
Festival/Event	10,273	-	33,095	31,098	12,270	-	12,270
Industrial Park Development Fund	-	-	5,000,000	1,460,615	3,539,385	-	3,539,385
Debt service fund:							
Bond and interest	249,921	-	716,121	814,496	151,546	-	151,546
Capital projects funds:							
Capital projects	177,234	-	569,022	392,510	353,746	-	353,746
Capital reserve	915	-	-	-	915	-	915
Business funds:							
Water operations	362,025	-	1,172,084	1,160,747	373,362	1,268	374,630
Water capital improvement	273,325	-	43,286	49,842	266,769	-	266,769
Sewer operations	273,232	-	818,596	790,322	301,506	4,186	305,692
Sewer capital improvement	308,032	-	59,100	66,869	300,263	-	300,263
Sanitation	120,860	-	346,890	345,626	122,124	-	122,124
Total reporting entity (excluding agency fund)	<u>\$ 2,546,461</u>	<u>\$ -</u>	<u>\$13,890,181</u>	<u>\$ 9,845,321</u>	<u>\$ 6,591,321</u>	<u>\$ 75</u>	<u>\$6,591,396</u>

Composition of cash:

General checking	\$6,510,199
Certificate of deposit	63,847
Revolving loan	47,670
Investments	116,507
Total cash	6,738,223
Less agency funds	(146,827)
Total reporting entity (excluding agency funds)	<u>\$6,591,396</u>

CITY OF TONGANOXIE, KANSAS
Notes to the Financial Statement
For the year ended December 31, 2017

1. Summary of significant accounting policies

a. Municipal financial reporting entity

The City of Tonganoxie, Kansas, (the City), is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City (the primary government) and excludes all related municipal entities of which the City appointed a voting majority of the unit's board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists. The financial statement of the City consists only of the funds of the primary government.

b. Related Municipal Entity That is Not Presented

The Tonganoxie Public Library (the Library) serves the citizens within the City's jurisdiction. Acquisition or disposition of real property by the Library must be approved by the City. Bond issues must be approved by the City. The Library is not included in the report of the primary government. Financial statements for the Library may be obtained at the Library's office in Tonganoxie, Kansas.

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

The 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.

1. Summary of significant accounting policies (continued)

e. Governmental fund types

In governmental accounting, 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 for the year ended December 31, 2017:

- a. General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
- b. Special purpose fund - used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.
- c. 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.
- d. Capital projects 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.
- e. 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.)
- f. Agency fund - funds used to report assets held by the City in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

1. Summary of significant accounting policies (continued)

f. Ad valorem tax revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

2. Stewardship, compliance, and accountability

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

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

2. Stewardship, compliance, and accountability (continued)

a. Budgetary information (continued)

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 documents evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, agency funds, and certain special purpose funds as follows: Police Department Equipment Reserve Fund, Fire Department Equipment Reserve Fund, Law Enforcement Trust Fund, Insurance Proceeds, Debt Proceeds, Gallagher Park Fund, Festival/Event Fund and the Water Park Sales Tax Fund.

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

b. Compliance with Kansas Statutes

Deposits at First State Bank & Trust were under secured for the months of June and July 2017, violating K.S.A. 9-1402. Management is not aware of any other violations.

3. Deposits and investments

As of December 31, 2017, the City had the following investments with maturities less than one year:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 116,507</u>	S&P AAaf/S1+
Total	<u><u>\$ 116,507</u></u>	

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 bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

3. 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.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the US government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

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

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	<u>100%</u>

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. Deposits were legally secured at December 31, 2017 except for the months of June and July.

At December 31, 2017, the City's carrying amount of deposits was \$6,620,717 and the bank balance was \$6,555,808. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$6,305,808 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.

3. Deposits and investments (continued)

At December 31, 2017, City had invested \$116,507 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

4. Long-term debt

General obligation bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year.

Capital leases. The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes.

On November 21, 2017, the City issued \$1,860,000 in general obligation bonds for the purpose of refunding \$990,000 of Series 2007A bonds outstanding and \$830,000 of Series 2009A bonds outstanding. Proceeds for redeeming the Series 2007A bonds with maturity dates September 1, 2018 through September 1, 2022 were held in the Kansas Municipal Investment Pool (MIP) for availability to redeem the bonds shortly after the January 1, 2018 call date. Proceeds for redeeming the Series 2009A General Obligation bonds are deposited with Security Bank of Kansas City as escrow agent to be held until the call date of September 1, 2019 for bonds scheduled to mature in the years 2020 through 2029.

General obligation bonds currently outstanding and a summary of changes in leases for the year ended December 31, 2017 are presented on the following pages.

4. Long-term debt (continued)

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

Issue	Interest rate	Date of issue	Amount of issue	Date of final maturity	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest Paid
General obligation bonds:									
Series 2000	4.85%-6.50%	12/01/2000	\$ 630,000	09/01/2021	\$ 55,000	\$ -	\$ (10,000)	\$ 45,000	\$ 3,162
Series 2002	3.50%-4.50%	12/01/2002	\$1,510,000	12/01/2016	-	-	-	-	-
Series 2006A	3.70%-4.10%	07/15/2006	\$ 370,000	09/01/2016	-	-	-	-	-
Series 2007A	3.55%-3.95%	10/15/2007	\$1,720,000	09/01/2022	1,135,000	-	(145,000)	990,000	43,570
Series 2007B	3.50%-3.70%	10/15/2007	\$2,990,000	09/01/2017	460,000	-	(460,000)	-	17,020
Series 2009A	2.80%-4.75%	04/01/2009	\$1,350,000	09/01/2029	1,020,000	-	(60,000)	960,000	43,642
Series 2010A	2.25%-3.15%	05/10/2010	\$1,075,000	09/01/2020	825,000	-	(85,000)	740,000	24,185
Series 2013A	2.25%-4.30%	01/29/2013	\$1,760,000	07/01/2033	1,615,000	-	(80,000)	1,535,000	55,568
Series 2013B	2.00%-2.70%	01/29/2013	\$6,355,000	08/01/2031	5,320,000	-	(385,000)	4,935,000	110,878
Series 2017A	3.00%	11/21/2017	\$1,860,000	09/01/2029	-	1,860,000	-	1,860,000	-
Capital leases:									
2006 Fire Trucks	4.93%	12/01/2006	\$ 400,000	09/17/2017	23,539	-	(23,539)	-	684
2011 Ford F250	3.72%	05/17/2010	\$ 35,000	07/01/2018	5,702	-	(5,702)	-	162
Motorola Radios	0.00%	08/27/2010	\$ 87,537	08/01/2017	15,147	-	(15,147)	-	-
Police Department and City Hall	2.44%	02/16/2016	\$1,100,000	09/01/2035	1,046,212	-	(41,854)	1,004,358	25,528
Total long-term debt					<u>\$11,520,600</u>	<u>\$1,860,000</u>	<u>\$1,311,242)</u>	<u>\$12,069,358</u>	<u>\$ 324,399</u>

4. Long-term debt (continued)

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

	Year ended December 31,									
	2018	2019	2020	2021	2022	2023-2027	2028-2032	2033-2037	Total	
Principal:										
G.O. Bonds:										
Series 2000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 45,000
Series 2006A	—	—	—	—	—	—	—	—	—	—
Series 2007A	150,000	190,000	205,000	220,000	225,000	—	—	—	—	990,000
Series 2009A	65,000	65,000	70,000	70,000	75,000	420,000	195,000	—	—	960,000
Series 2010A	235,000	250,000	255,000	—	—	—	—	—	—	740,000
Series 2013A	80,000	80,000	85,000	80,000	85,000	465,000	540,000	120,000	—	1,535,000
Series 2013B	385,000	395,000	400,000	555,000	560,000	2,065,000	575,000	—	—	4,935,000
Series 2017A	145,000	195,000	280,000	300,000	305,000	440,000	195,000	—	—	1,860,000
Capital leases:										
2006 Fire Trucks	—	—	—	—	—	—	—	—	—	—
Motorola Radios	—	—	—	—	—	—	—	—	—	—
Police Department and City Hall	43,089	44,360	\$ 45,668	47,016	48,403	264,292	305,644	205,886	—	1,004,358
Total principal	<u>1,113,089</u>	<u>1,229,360</u>	<u>1,350,668</u>	<u>1,287,016</u>	<u>1,298,403</u>	<u>3,654,292</u>	<u>1,810,644</u>	<u>325,886</u>	—	<u>12,069,358</u>
Interest:										
G.O. Bonds:										
Series 2000	\$ 2,588	\$ 2,012	\$ 2,300	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,900
Series 2006A	—	—	—	—	—	—	—	—	—	—
Series 2007A	38,205	32,580	51,715	—	—	—	—	—	—	122,500
Series 2009A	41,603	39,262	36,825	34,095	31,260	105,300	13,965	—	—	302,310
Series 2010A	22,230	15,533	8,032	—	—	—	—	—	—	45,795
Series 2013A	53,767	51,968	49,968	47,418	45,017	153,310	115,177	15,208	—	531,833
Series 2013B	103,177	95,477	87,577	79,577	68,478	178,445	35,875	—	—	648,606
Series 2017A	43,400	51,450	45,600	37,200	28,200	69,750	8,850	—	—	284,450
Capital leases:										
2006 Fire Trucks	—	—	—	—	—	—	—	—	—	—
Motorola Radios	—	—	—	—	—	—	—	—	—	—
Police Department and City Hall	24,506	23,455	\$ 22,373	21,258	20,111	82,128	47,925	10,144	—	251,900
Total interest	<u>329,476</u>	<u>311,737</u>	<u>304,390</u>	<u>219,548</u>	<u>193,066</u>	<u>588,933</u>	<u>221,792</u>	<u>25,352</u>	—	<u>2,194,294</u>
Total payments	<u>\$1,442,565</u>	<u>\$1,541,097</u>	<u>\$1,655,058</u>	<u>\$1,506,564</u>	<u>\$ 1,491,469</u>	<u>\$4,243,225</u>	<u>\$2,032,436</u>	<u>\$ 351,238</u>	—	<u>\$14,263,652</u>

5. Interfund transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Water Operations	General	K.S.A. 12-825d	\$ 150,080
Sewer Operations	General	K.S.A. 12-825d	72,540
Water Park Sales Tax	Bond and Interest	Bond Ordinance	313,153
Water Operations	Capital Projects	K.S.A. 12-825d	100,000
Total fund transfers			<u>\$ 635,773</u>

6. Compensated absences

It is the City's policy to permit employees to earn non-cumulative vacation at different intervals based on length of service. The liability for compensated vacation time at December 31, 2017 is \$79,038. Sick leave accrues at 12 days per year and accumulates to a maximum of 90 days. No liability is reported for unpaid accumulated sick leave. Floating holiday is 8 hours of vacation pay per year that is assigned January 1, 2018 to all full time employees and operated with a use it or lose it approach over the year.

7. Defined benefit pension plan

a. 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 provides retirement benefits, life insurance, disability income benefits, and death benefits. 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.

7. Defined benefit pension plan (continued)

b. Contributions

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

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate 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 \$174,839 for the year ended December 31, 2017.

c. Net pension liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,344,094. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

8. County Road No. 1 contract

In 2009, the City entered into an Interlocal agreement with Leavenworth County, Kansas to pay for the City's share of the cost of improvements to County Road No. 1. Under the \$1.5 million agreement, the City will pay \$100,000 each year for 10 years, with the final payment due on September 1, 2019. The remaining \$500,000 will be paid by the City from its share of development fees collected within the boundaries of the corridor, and is due no later than September 30, 2020.

9. Recreation Commission COP's

The City has entered into an Interlocal agreement with the Tonganoxie Recreation Commission (TRC) to open a line of credit. The recreation commission is assuming these payments as part of a lease purchase agreement with the city. The debt has been issued to purchase land for the construction of athletic facilities. The following is a summary of the changes in the line of credit for 2017:

<u>Issue</u>	<u>Beginning principal</u>	<u>Additions (reductions)</u>	<u>Ending principal outstanding</u>
TRC Lease	\$ 261,642	\$ (72,503)	\$ 189,139

10. 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.

11. Subsequent event

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued. In April 2018, bonds were issued in the amount of \$3,660,000 for the purpose of constructing a new Tonganoxie Public Library. In August 2018, a Tonganoxie police officer was involved in a crash in which a motorcyclist was killed. The case has been turned over to the City's insurance carrier; the Kansas Highway Patrol has not concluded the investigation so there is no estimate of the impact of the incident. No other matters were noted.

CITY OF TONGANOXIE, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the year ended December 31, 2017

Funds	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance - over (under)
Governmental type funds:					
General funds:					
General	\$ 2,916,958	\$ -	\$ 2,916,958	\$ 2,719,264	\$ (197,694)
Special purpose funds:					
Special parks and recreation	\$ 5,000	\$ -	\$ 5,000	\$ 4,866	\$ (134)
Special highway	\$ 169,500	\$ -	\$ 169,500	\$ 83,112	\$ (86,388)
Library operations	\$ 377,852	\$ -	\$ 377,852	\$ 343,585	\$ (34,267)
Transient guest tax	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ (1,500)
Debt service funds:					
Bond and interest	\$ 864,496	\$ -	\$ 864,496	\$ 814,496	\$ (50,000)
Capital projects fund	\$ 482,092	\$ -	\$ 482,092	\$ 392,510	\$ (89,582)
Business Funds:					
Water operations	\$ 1,204,308	\$ -	\$ 1,204,308	\$ 1,160,747	\$ (43,561)
Sewer operations	\$ 800,000	\$ -	\$ 800,000	\$ 790,322	\$ (9,678)
Sanitation	\$ 345,655	\$ -	\$ 345,655	\$ 345,626	\$ (29)

CITY OF TONGANOXIE, KANSAS
 GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Taxes	\$ 1,438,463	\$ 1,573,812	\$ (135,349)
Intergovernmental	558,728	526,000	32,728
Licenses and permits	91,908	60,400	31,508
Fines and fees	173,312	210,000	(36,688)
Use of money and property	61,787	30,377	31,410
Charges for services	118,874	-	118,874
Miscellaneous	150,847	180,900	(30,053)
Transfers in	222,620	222,620	-
Total cash receipts	<u>2,816,539</u>	<u>\$ 2,804,109</u>	<u>\$ 12,430</u>
Expenditures:			
Administration	297,182	\$ 305,504	\$ (8,322)
Code enforcement	57,538	78,773	(21,235)
City planning and development	52,969	-	52,969
Police department	967,308	1,080,571	(113,263)
Fire department	642,420	683,444	(41,024)
Highway and streets	319,908	356,530	(36,622)
Swimming pool	148,697	145,284	3,413
Court services	95,931	118,948	(23,017)
Animal control	22,390	21,383	1,007
Mayor and council	20,019	2,000	18,019
Debt management	94,902	99,521	(4,619)
Total expenditures	<u>2,719,264</u>	<u>\$ 2,891,958</u>	<u>\$ (172,694)</u>
Receipts over (under) expenditures	97,275		
Unencumbered cash, beginning of year	<u>433,820</u>		
Unencumbered cash, end of year	<u>\$ 531,095</u>		

CITY OF TONGANOXIE, KANSAS
 SPECIAL PARKS AND RECREATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Intergovernmental	\$ 3,517	\$ 5,000	\$ (1,483)
Total cash receipts	<u>3,517</u>	<u>\$ 5,000</u>	<u>\$ (1,483)</u>
Expenditures:			
Contractual services	3,006	\$ 4,600	\$ (1,594)
Commodities	<u>1,860</u>	<u>400</u>	<u>1,460</u>
Total expenditures	<u>4,866</u>	<u>\$ 5,000</u>	<u>\$ (134)</u>
Receipts over (under) expenditures	(1,349)		
Unencumbered cash, beginning of year	<u>15,042</u>		
Unencumbered cash, end of year	<u>\$ 13,693</u>		

CITY OF TONGANOXIE, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Intergovernmental	\$ 225,589	\$ 167,210	\$ 58,379
Total cash receipts	<u>225,589</u>	<u>\$ 167,210</u>	<u>\$ 58,379</u>
Expenditures:			
Capital outlay	36,036	122,423	(86,387)
Debt service	47,076	47,077	(1)
Total expenditures	<u>83,112</u>	<u>\$ 169,500</u>	<u>\$ (86,388)</u>
Receipts over (under) expenditures	142,477		
Unencumbered cash, beginning of year	<u>148,974</u>		
Unencumbered cash, end of year	<u>\$ 291,451</u>		

CITY OF TONGANOXIE, KANSAS
 LIBRARY OPERATIONS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Current year		
	Actual	Budget	Variance - over (under)
Cash receipts:			
Taxes	\$ 312,391	\$ 251,602	\$ 60,789
Reimbursements	34,201	-	34,201
Total cash receipts	<u>346,592</u>	<u>\$ 251,602</u>	<u>\$ 94,990</u>
Expenditures:			
Contractual services	<u>343,585</u>	<u>373,698</u>	<u>(30,113)</u>
Total expenditures	<u>343,585</u>	<u>\$ 373,698</u>	<u>\$ (30,113)</u>
Receipts over (under) expenditures	3,007		
Unencumbered cash, beginning of year	<u>11,403</u>		
Unencumbered cash, end of year	<u>\$ 14,410</u>		

CITY OF TONGANOXIE, KANSAS
POLICE EQUIPMENT RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Fines and fees	\$ 25,587
Grants and donations	942
Reimbursements	3,995
Miscellaneous	24,436
Total cash receipts	<u>54,960</u>
Expenditures:	
Commodities	6,347
Capital outlay	3,174
Automotive equipment	25,293
Total expenditures	<u>34,814</u>
Receipts over (under) expenditures	20,146
Unencumbered cash, beginning of year	<u>15,610</u>
Unencumbered cash, end of year	<u>\$ 35,756</u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
 FIRE EQUIPMENT RESERVE FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Special assessments	\$ 250,354
Miscellaneous	<u> -</u>
Total cash receipts	<u>250,354</u>
Expenditures:	
Contractual services	156,709
Capital outlay	29,143
Debt service	<u>45,105</u>
Total expenditures	<u>230,957</u>
Receipts over (under) expenditures	19,397
Unencumbered cash, beginning of year	<u>96,450</u>
Unencumbered cash, end of year	<u><u>\$ 115,847</u></u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
 LAW ENFORCEMENT TRUST FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Miscellaneous	\$ 100
Total cash receipts	<u>100</u>
Expenditures:	
Contractual services	<u>-</u>
Total expenditures	<u>-</u>
Receipts over (under) expenditures	100
Unencumbered cash, beginning of year	<u>1,606</u>
Unencumbered cash, end of year	<u><u>\$ 1,706</u></u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
 TRANSIENT GUEST TAX FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Intergovernmental	\$ 715	\$ 1,500	\$ (785)
Total cash receipts	<u>715</u>	<u>\$ 1,500</u>	<u>\$ (785)</u>
Expenditures:			
Contractual services	-	\$ 1,500	\$ (1,500)
Total expenditures	<u>-</u>	<u>\$ 1,500</u>	<u>\$ (1,500)</u>
Receipts over (under) expenditures	715		
Unencumbered cash, beginning of year	<u>1,528</u>		
Unencumbered cash, end of year	<u>\$ 2,243</u>		

CITY OF TONGANOXIE, KANSAS
 WATER PARK SALES TAX FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Sales tax	\$ 417,137
Total cash receipts	<u>417,137</u>
Expenditures:	
Transfer out	<u>313,153</u>
Total expenditures	<u>313,153</u>
Receipts over (under) expenditures	103,984
Unencumbered cash, beginning of year	<u>6,820</u>
Unencumbered cash, end of year	<u><u>\$ 110,804</u></u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
 INSURANCE PROCEEDS FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Current year actual
Cash receipts:	
Fire insurance proceeds	\$ 12,755
Total cash receipts	<u>12,755</u>
Expenditures:	
Reimbursed expenses	-
Commodities	-
Total expenditures	<u>-</u>
Receipts over (under) expenditures	12,755
Unencumbered cash, beginning of year	<u>24,434</u>
Unencumbered cash, end of year	<u>\$ 37,189</u>

*This fund is not statutorily required to be budgeted. See note 2a.

CITY OF TONGANOXIE, KANSAS
 DEBT PROCEEDS FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Current year actual
Cash receipts:	
Debt proceeds	\$ 1,002,929
Total cash receipts	<u>1,002,929</u>
Expenditures:	
Reimbursed expenses	<u>1,002,929</u>
Total expenditures	<u>1,002,929</u>
Receipts over (under) expenditures	-
Unencumbered cash, beginning of year	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>

*This fund is not statutorily required to be budgeted. See note 2a.

CITY OF TONGANOXIE, KANSAS
 GALLAGHER PARK FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Donations	\$ 800
Total cash receipts	<u>800</u>
Expenditures:	
Contractual services	-
Commodities	-
Capital outlay	516
Total expenditures	<u>516</u>
Receipts over (under) expenditures	284
Unencumbered cash, beginning of year	<u>14,957</u>
Unencumbered cash, end of year	<u><u>\$ 15,241</u></u>

*This fund is not statutorily required to be budgeted. See note 2a.

CITY OF TONGANOXIE, KANSAS
 FESTIVAL/EVENT FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Donations and fees	\$ 26,799
Charges (sales)	4,709
Reimbursed expense	1,587
Total cash receipts	<u>33,095</u>
Expenditures:	
Contractual services	9,750
Commodities	6,352
Rental of equipment	8,248
Advertising/publishing	6,748
Total expenditures	<u>31,098</u>
Receipts over (under) expenditures	1,997
Unencumbered cash, beginning of year	<u>10,273</u>
Unencumbered cash, end of year	<u>\$ 12,270</u>

*This fund is not statutorily required to be budgeted. See note 2a.

CITY OF TONGANOXIE, KANSAS
 BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Taxes	\$ 402,968	\$ 394,648	\$ 8,320
Transfers in	313,153	288,959	24,194
Total cash receipts	<u>716,121</u>	<u>\$ 683,607</u>	<u>\$ 32,514</u>
Expenditures:			
Debt service	814,496	939,657	(125,161)
Total expenditures	<u>814,496</u>	<u>\$ 939,657</u>	<u>\$ (125,161)</u>
Receipts over (under) expenditures	(98,375)		
Unencumbered cash, beginning of year	<u>249,921</u>		
Unencumbered cash, end of year	<u>\$ 151,546</u>		

CITY OF TONGANOXIE, KANSAS
 CAPITAL PROJECTS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Intergovernmental	\$ 469,022	\$ 445,000	\$ 24,022
Transfers in	100,000	—	100,000
Total cash receipts	<u>569,022</u>	<u>\$ 445,000</u>	<u>\$ 124,022</u>
Expenditures:			
Capital outlay	16,421	16,929	(508)
Debt service	369,781	465,163	(95,382)
Contingencies	6,308	—	6,308
Total expenditures	<u>392,510</u>	<u>\$ 482,092</u>	<u>\$ (89,582)</u>
Receipts over (under) expenditures	176,512		
Unencumbered cash, beginning of year	<u>177,234</u>		
Unencumbered cash, end of year	<u>\$ 353,746</u>		

CITY OF TONGANOXIE, KANSAS
 CAPITAL RESERVE FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Grants and donations	\$ —
Total cash receipts	<u> —</u>
Expenditures:	
Contractual services	<u> —</u>
Total expenditures	<u> —</u>
Receipts over (under) expenditures	—
Unencumbered cash, beginning of year	<u> 915</u>
Unencumbered cash, end of year	<u><u> \$ 915</u></u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
WATER OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Charges for services	\$ 1,172,084	\$ 1,154,749	\$ 17,335
Use of money and property	-	-	-
Total cash receipts	<u>1,172,084</u>	<u>\$ 1,154,749</u>	<u>\$ 17,335</u>
Expenditures:			
Production and distribution	756,945	745,487	11,458
Debt service	153,722	153,723	(1)
Transfers out	<u>250,080</u>	<u>250,080</u>	<u>-</u>
Total expenditures	<u>1,160,747</u>	<u>\$ 1,149,290</u>	<u>\$ 11,457</u>
Receipts over (under) expenditures	11,337		
Unencumbered cash, beginning of year	<u>362,025</u>		
Unencumbered cash, end of year	<u>\$ 373,362</u>		

CITY OF TONGANOXIE, KANSAS
 WATER CAPITAL IMPROVEMENT FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Charges for services	\$ 43,286
Use of money and property	-
Total cash receipts	<u>43,286</u>
Expenditures:	
Capital outlay	<u>49,842</u>
Total expenditures	<u>49,842</u>
Receipts over (under) expenditures	(6,556)
Unencumbered cash, beginning of year	<u>273,325</u>
Unencumbered cash, end of year	<u>\$ 266,769</u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
SEWER OPERATIONS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Charges for services	\$ 818,596	\$ 775,000	\$ 43,596
Total cash receipts	<u>818,596</u>	<u>\$ 775,000</u>	<u>\$ 43,596</u>
Expenditures:			
Plant operating costs	424,474	\$ 408,892	\$ 15,582
Capital outlay	740	1,000	(260)
Debt service	292,568	292,568	-
Transfers out	72,540	72,540	-
Total expenditures	<u>790,322</u>	<u>\$ 775,000</u>	<u>\$ 15,322</u>
Receipts over (under) expenditures	28,274		
Unencumbered cash, beginning of year	<u>273,232</u>		
Unencumbered cash, end of year	<u>\$ 301,506</u>		

CITY OF TONGANOXIE, KANSAS
 SEWER CAPITAL IMPROVEMENT FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual
Cash receipts:	
Charges for services	\$ 59,100
Total cash receipts	<u>59,100</u>
Expenditures:	
Capital outlay	<u>66,869</u>
Total expenditures	<u>66,869</u>
Receipts over (under) expenditures	(7,769)
Unencumbered cash, beginning of year	<u>308,032</u>
Unencumbered cash, end of year	<u><u>\$ 300,263</u></u>

* This fund is not statutorily required to be budgeted. See Note 2a.

CITY OF TONGANOXIE, KANSAS
 SANITATION FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017

	Actual	Budget	Variance - over (under)
Cash receipts:			
Charges for services	\$ 346,890	\$ 341,000	\$ 5,890
Total cash receipts	<u>346,890</u>	<u>\$ 341,000</u>	<u>\$ 5,890</u>
Expenditures:			
Personnel services	41,217	53,000	(11,783)
Contractual services	301,209	287,000	14,209
Commodities	-	176,000	(176,000)
Computer equipment/software	3,200	176,000	(172,800)
Total expenditures	<u>345,626</u>	<u>\$ 692,000</u>	<u>\$ (346,374)</u>
Receipts over (under) expenditures	1,264		
Unencumbered cash, beginning of year	<u>120,860</u>		
Unencumbered cash, end of year	<u>\$ 122,124</u>		

CITY OF TONGANOXIE, KANSAS
INDUSTRIAL PARK DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

	Prior year actual	Actual	Budget	Variance - over (under)
Cash receipts:				
Grant receipts	-	\$ 5,000,000	\$ -	\$ -
Total cash receipts	-	5,000,000	\$ -	\$ -
Expenditures:				
State permits & fees	-	24,200	-	-
Engineering services	-	336,127	-	-
Industrial park construction	-	1,100,288	-	-
Total expenditures	-	1,460,615	\$ -	\$ -
Receipts over (under) expenditures	-	3,539,385		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ 3,539,385		

CITY OF TONGANOXIE, KANSAS
 AGENCY FUNDS
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the year ended December 31, 2017

	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Payroll clearing	\$ 24,340	\$ 1,862,364	\$ 1,863,348	\$ 23,355
Bail bonds	10,871	4,365	3,281	11,955
Revolving loan	44,302	3,368	-	47,670
Total agency funds	<u>\$ 79,513</u>	<u>\$ 1,870,097</u>	<u>\$ 1,866,629</u>	<u>\$ 82,980</u>