

CITY OF VALLEY CENTER, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2017

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CITY OF VALLEY CENTER, KANSAS

FINANCIAL STATEMENTS
Year Ended December 31, 2017

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INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Valley Center, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the municipal financial reporting entity of the City of Valley Center, 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 involves 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 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.

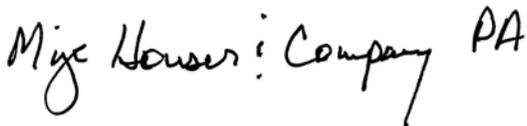
Unmodified Opinion on Regulatory Basis of Accounting

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

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 schedule of regulatory basis receipts and expenditures-related municipal entity (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 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated June 28, 2016. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

Handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

Lawrence, Kansas

June 11, 2018

CITY OF VALLEY CENTER, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2017

<u>Funds</u>	Beginning Unencumbered <u>Cash Balance</u>	Prior Period <u>Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>	Add: Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
General Fund:							
General	\$ 909,968	\$ -	\$ 3,349,074	\$ 3,225,521	\$ 1,033,521	\$ 60,331	\$ 1,093,852
Special Purpose Funds:							
Library	1,271	-	238,715	238,715	1,271	6,531	7,802
Employee Benefits	557,101	-	535,157	621,352	470,906	-	470,906
Emergency Equipment	155,197	-	61,217	69,677	146,737	3,859	150,596
Special Highway	411,318	-	977,984	991,108	398,194	8,610	406,804
Equipment Reserve	198,295	-	174,485	135,171	237,609	689	238,298
Alcohol and Drug Safety Action Program	3,160	-	-	1,695	1,465	-	1,465
Active Aging	[26]	-	-	-	[26]	26	-
Special Alcohol & Drug	31,562	-	4,785	5,000	31,347	39	31,386
Special Parks and Recreation	5,155	-	4,785	-	9,940	-	9,940
Drug Tax	5,347	-	-	-	5,347	-	5,347
Building Equipment Reserve	119,805	-	-	-	119,805	-	119,805
Park Beautification	2,202	-	-	-	2,202	-	2,202
D.A.R.E.	[97]	-	251	-	154	-	154
Law Enforcement	2,500	-	-	-	2,500	-	2,500
Land Bank Reserve	-	-	20,000	4,600	15,400	-	15,400
Bond and Interest Fund:							
Bond and Interest	1,039,001	-	4,710,148	5,274,876	474,273	-	474,273
Capital Projects Funds:							
Capital Projects	2,205,199	-	3,041,146	3,236,366	2,009,979	400,896	2,410,875
Business Funds:							
Water	1,544,225	-	2,485,606	1,520,381	2,509,450	41,675	2,551,125
Sewer	824,025	-	1,184,814	913,172	1,095,667	23,989	1,119,656
Stormwater	356,098	-	270,024	256,472	369,650	119	369,769
Solid Waste	154,570	-	442,833	466,205	131,198	-	131,198
Total Primary Government	8,525,876	-	17,501,024	16,960,311	9,066,589	546,764	9,613,353
Related Municipal Entities:							
Valley Center Public Library	478,385	-	274,543	255,088	497,840	1,628	499,468
Total Reporting Entity	\$ 9,004,261	\$ -	\$ 17,775,567	\$ 17,215,399	\$ 9,564,429	\$ 548,392	\$ 10,112,821

Composition of Cash:

Intrust Bank	
Operating	\$ 1,028,292
Money Market	7,597,498
Certificate of Deposit	200,000
Halstead Bank	
Certificates of Deposit	684,949
Emprise Bank	
Certificate of Deposit	102,614
Chisolm Trail State Bank	
Library Checking	427,511
Library Saving	71,857
Library Petty Cash	100
Total Reporting Entity	\$ 10,112,821

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2017

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Valley Center (the City) is a municipal corporation governed by a mayor and eight-member council. This financial statement presents the City (the primary government) and the Valley Center Public Library (related municipal entity) for which the City is considered to be financially accountable. The related municipal entity is included in the city's reporting entity because it was established to benefit the City and/or its constituents.

Library Board – The City of Valley Center Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

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

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

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

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.

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).

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

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

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

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

A legal operating budget is not required for capital project funds and certain special purpose funds including: Equipment Reserve, Alcohol and Drug Safety Action Program, Active Aging, Drug Tax, Building Equipment Reserve, Park Beautification, D.A.R.E., Law Enforcement, and Land Bank Reserve funds.

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

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 2 - Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2017, the City held no such investments.

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

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

At December 31, 2017, the City's and Library's carrying amounts of deposits were \$9,613,353 and \$499,468, respectively, and the bank balances were \$9,637,714 and \$499,368, respectively. The City's bank balances were held by three banks and the Library's bank balances was held by one bank, resulting in a concentration of credit risk. Of the City's bank balance, \$604,197 was covered by federal depository insurance and the remaining balance of \$9,033,517 was collateralized with securities held by the pledging financial institutions' agents in the City's name. Of the Library's bank balance, \$250,000 was covered by federal depository insurance and the remaining balance of \$249,368 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

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

NOTE 3 – Defined Benefit Pension

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.

Funding Policy - 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.

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 3 – Defined Benefit Pension (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate with a 0% moratorium for the period of January 1, 2017, through September 30, 2017, for the Death and Disability Program) and the statutory contribution rate 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$178,732 for the year ended December 31, 2017.

Net Pension Liability. At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,681,889. 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 of 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 publically available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - Long-Term Debt

Following is a summary of changes in long-term debt for the year ended December 31, 2017:

	Balance <u>January 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>December 31, 2017</u>	Interest <u>Paid</u>
Paid by Taxes:					
General Obligation Bonds	\$ 18,395,000	\$ 3,030,000	\$ 4,645,000	\$ 16,780,000	\$ 522,980
Temporary Notes	-	2,500,000	-	2,500,000	-
Capital Lease	95,988	-	47,421	48,567	2,319
	<u>\$ 18,490,988</u>	<u>\$ 5,530,000</u>	<u>\$ 4,692,421</u>	<u>\$ 19,328,567</u>	<u>\$ 525,299</u>
Paid by Utility Revenues:					
KDHE Revolving Loan	<u>\$ 2,150,329</u>	<u>-</u>	<u>\$ 155,644</u>	<u>\$ 1,994,685</u>	<u>\$ 53,003</u>
Total	<u>\$ 20,641,317</u>	<u>\$ 5,530,000</u>	<u>\$ 4,848,065</u>	<u>\$ 21,323,252</u>	<u>\$ 578,302</u>

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 4 - Long-Term Debt (Continued)

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

<u>Description</u>	<u>Interest Rates</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>
Paid by taxes					
G.O. Bonds issued:					
Series 2009-1	3.00% - 4.375%	9/10/2009	12/1/2024	\$ 1,395,000	\$ 110,000
Series 2010-1	2.25% - 3.875%	6/15/2010	12/1/2025	2,005,000	295,000
Series 2012-1	2.00% - 3.00%	4/11/2012	12/1/2027	4,665,000	2,860,000
Series 2012-2	2.00% - 3.375%	4/11/2012	12/1/2032	2,065,000	1,510,000
Series 2013	2.00% - 4.00%	2/12/2013	12/1/2033	6,635,000	4,560,000
Series 2016-1	2.00% - 3.00%	6/1/2016	12/1/2036	4,490,000	4,415,000
Series 2017-1	2.00% - 3.35%	11/1/2017	12/1/2032	<u>3,030,000</u>	<u>3,030,000</u>
				<u>\$ 24,285,000</u>	<u>\$ 16,780,000</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 1,315,000	\$ 464,406	\$ 1,779,406
2019	1,360,000	424,289	1,784,289
2020	3,075,000	390,714	3,465,714
2021	1,220,000	285,714	1,505,714
2022	1,195,000	256,445	1,451,445
2023-2027	5,490,000	851,209	6,341,209
2028-2032	2,025,000	334,661	2,359,661
2033-2036	1,100,000	83,700	1,183,700
Total	<u>\$ 16,780,000</u>	<u>\$ 3,091,138</u>	<u>\$ 19,871,138</u>

The City issued Series 2017-1 General Obligation Bonds in the amount of \$3,030,000 on November 1, 2017, to fully refund \$480,000 of Series 2007-1 General Obligation Bonds, to partially refund \$780,000 of Series 2009-1 General Obligation Bonds, and to fully refund \$1,830,000 of Series 2012-3 General Obligation Bonds. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal and the interest due on the refunded bonds. As a result, this portion of the refunded bonds was considered to be defeased and the liability of the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of \$28,108 and a reduction of \$110,407 in future debt payments.

The Series 2017-1 General Obligation Bonds have an interest rate of 2.00% to 3.35% and a final maturity of December 1, 2032.

CITY OF VALLEY CENTER, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 4 - Long-Term Debt (Continued)

At December 31, 2017, the remaining principal balance of outstanding debt issues previously defeased is \$780,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

KDHE Loans Payable. The City is currently indebted to the KDHE revolving loans program for the following loans outstanding as of December 31, 2017:

Fund	Description	Outstanding Balance
Wastewater Fund	KDHE Project No. C20 1740 01 WWTP	<u>\$ 1,994,685</u>

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

Year Ending December 31,	KDHE Loan
2018	\$ 203,760
2019	204,161
2020	204,573
2021	204,995
2022	205,427
2023-2027	1,034,018
2028	<u>208,262</u>
Total Principal and Interest	2,265,196
Total Interest	<u>270,511</u>
Total Principal	<u>\$ 1,994,685</u>

Capital Lease. During 2014, the City entered into a capital lease to acquire a street sweeper for a purchase price of \$187,500 with annual payments of \$49,740 for four years beginning August 2, 2015.

Annual payments to maturity for this capital lease are as follows:

Year Ending December 31,	Principal	Interest	Totals
2018	\$ 48,567	\$ 1,174	\$ 49,741
Total	<u>\$ 48,567</u>	<u>\$ 1,174</u>	<u>\$ 49,741</u>

Temporary Notes. The City issued Series 2017-1 Temporary Notes in the amount of \$2,500,000 on November 1, 2017. The purpose of the issuance is to pay for the construction of a community center. The notes have an interest rate of 1.05% and a final maturity of December 1, 2018.

Annual payments to maturity for the temporary notes are as follows:

Year Ending December 31,	Principal	Interest	Totals
2018	\$ 2,500,000	\$ 28,438	\$ 2,528,438
Total	<u>\$ 2,500,000</u>	<u>\$ 28,438</u>	<u>\$ 2,528,438</u>

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 4 - Long-Term Debt (Continued)

Special Assessments. As provided by Kansas statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the Bond and Interest Fund. The special assessments receivable are not recorded as regulatory receipts when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults which have historically been immaterial.

NOTE 5 – Compensated Absences

It is the City's policy to pay employees' accrued vacation pay upon termination of employment, subject to the maximum hours of accumulation authorized in the following schedule:

<u>Work Years</u>	<u>Days</u>	
	<u>Earned</u>	<u>Available To Use</u>
Initial employment through first anniversary	10	0
2nd through 5th anniversary	10	10
6th through 8th anniversary	12	12
9th through 14th anniversary	14	14
15th through 20th anniversary	18	18
21st anniversary and thereafter	20	20

As of December 31, 2017, the liability for earned vacation pay was \$63,360.

NOTE 6 - Commitments and Contingencies

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

NOTE 7 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF VALLEY CENTER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

NOTE 8 - Interfund Transfers

A reconciliation of transfers by fund type for 2017 follows:

	<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General		Equipment Reserve	\$ 124,338	K.S.A. 12-1,117
General		Special Highway	80,000	K.S.A. 68-590
General		Capital Projects	500,000	K.S.A. 12-1,117
Sewer		Land Bank Reserve	10,000	K.S.A. 12-1,117
Solid Waste		Equipment Reserve	15,000	K.S.A. 12-1,117
Capital Projects		Water	500,000	K.S.A. 12-1,117
Special Highway		Equipment Reserve	4,000	K.S.A. 12-1,117
Stormwater		Bond and Interest	200,000	K.S.A. 12-1,118
Water		Bond and Interest	274,500	K.S.A. 12-1,118
Water		Land Bank Reserve	10,000	K.S.A. 12-1,117
Water		Equipment Reserve	4,000	K.S.A. 12-1,117
			<u>\$ 1,721,838</u>	

NOTE 9 – 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.

NOTE 10 – Employee Health Care

The City has established a program to pay medical claims of covered employees through a stop-loss, self-funded healthcare insurance plan. Health insurance claims are paid monthly to the insurance provider up to a maximum accumulated attachment point. The attachment point is based on the number of employees enrolled and the type of plan each employee is enrolled in each month. The attachment point resets each January 1st. As of December 31, 2017, all claims have been paid and the annual attachment point limit for the year has been met. Therefore, no liability exists as of December 31, 2017.

NOTE 11 – Statutory Violation

The Active Aging Fund had negative ending unencumbered cash as of December 31, 2017, which is a violation of K.S.A. 10-1113.

CITY OF VALLEY CENTER, KANSAS
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

<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	\$ 3,452,456	\$ -	\$ 3,452,456	\$ 3,225,521	\$ 226,935
Special Purpose Funds:					
Library	245,000	-	245,000	238,715	6,285
Employee Benefits	809,280	-	809,280	621,352	187,928
Emergency Equipment	190,034	-	190,034	69,677	120,357
Special Highway	1,001,503	-	1,001,503	991,108	10,395
Special Alcohol & Drug	5,000	-	5,000	5,000	-
Special Parks and Recreation	10,000	-	10,000	-	10,000
Bond and Interest Funds:					
Bond and Interest	5,524,157	-	5,524,157	5,274,876	249,281
Business Funds:					
Water	1,826,600	-	1,826,600	1,520,381	306,219
Sewer	1,369,350	113,170	1,482,520	913,172	569,348
Stormwater	312,275	-	312,275	256,472	55,803
Solid Waste	469,000	-	469,000	466,205	2,795

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 2,209,195	\$ 2,325,972	\$ 1,849,556	\$ 476,416
Intergovernmental	600,509	596,835	580,000	16,835
Licenses and permits	184,688	148,997	619,850	[470,853]
Fines and fees	131,794	131,838	142,100	[10,262]
Use of money and property	10,305	6,860	1,000	5,860
Charges for services	5,000	2,000	16,100	[14,100]
Reimbursement	42,102	81,817	-	81,817
Miscellaneous	159,318	54,755	254,155	[199,400]
Grants	31,671	-	-	-
Total Receipts	<u>3,374,582</u>	<u>3,349,074</u>	<u>\$ 3,462,761</u>	<u>\$ [113,687]</u>
Expenditures				
General Government				
Administration	613,392	627,345	\$ 616,500	\$ [10,845]
Public Works				
Community development	157,039	194,336	214,800	20,464
Environmental services	18,505	18,199	31,680	13,481
Public Safety				
Police department	901,613	871,716	924,450	52,734
Fire department	218,761	231,543	300,600	69,057
Legal and municipal court	129,862	131,683	153,530	21,847
Culture and Recreation				
Parks	416,915	446,361	491,558	45,197
Transfers out	<u>747,406</u>	<u>704,338</u>	<u>719,338</u>	<u>15,000</u>
Total Expenditures	<u>3,203,493</u>	<u>3,225,521</u>	<u>\$ 3,452,456</u>	<u>\$ 226,935</u>
Receipts Over [Under] Expenditures	171,089	123,553		
Unencumbered Cash, Beginning	<u>738,879</u>	<u>909,968</u>		
Unencumbered Cash, Ending	<u>\$ 909,968</u>	<u>\$ 1,033,521</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 236,826	\$ 238,715	\$ 239,152	\$ [437]
Total Receipts	<u>236,826</u>	<u>238,715</u>	<u>\$ 239,152</u>	<u>\$ [437]</u>
Expenditures				
Culture and recreation appropriation	<u>250,495</u>	<u>238,715</u>	<u>\$ 245,000</u>	<u>\$ 6,285</u>
Total Expenditures	<u>250,495</u>	<u>238,715</u>	<u>\$ 245,000</u>	<u>\$ 6,285</u>
Receipts Over [Under] Expenditures	[13,669]	-		
Unencumbered Cash, Beginning	<u>14,940</u>	<u>1,271</u>		
Unencumbered Cash, Ending	<u>\$ 1,271</u>	<u>\$ 1,271</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
 EMPLOYEE BENEFITS FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 516,908	\$ 514,649	\$ 516,517	\$ [1,868]
Reimbursement	<u>30</u>	<u>20,508</u>	<u>3,500</u>	<u>17,008</u>
Total Receipts	<u>516,938</u>	<u>535,157</u>	<u>\$ 520,017</u>	<u>\$ 15,140</u>
Expenditures				
Personal services	527,132	427,857	\$ 352,280	\$ [75,577]
Insurance claims	<u>-</u>	<u>193,495</u>	<u>457,000</u>	<u>263,505</u>
Total Expenditures	<u>527,132</u>	<u>621,352</u>	<u>\$ 809,280</u>	<u>\$ 187,928</u>
Receipts Over [Under] Expenditures	[10,194]	[86,195]		
Unencumbered Cash, Beginning	<u>567,295</u>	<u>557,101</u>		
Unencumbered Cash, Ending	<u>\$ 557,101</u>	<u>\$ 470,906</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
 EMERGENCY EQUIPMENT FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 55,015	\$ 58,822	\$ 53,120	\$ 5,702
Reimbursements	-	1,000	-	1,000
Grants	-	1,395	-	1,395
Total Receipts	<u>55,015</u>	<u>61,217</u>	<u>\$ 53,120</u>	<u>\$ 8,097</u>
Expenditures				
Capital outlay	<u>39,182</u>	<u>69,677</u>	<u>\$ 190,034</u>	<u>\$ 120,357</u>
Total Expenditures	<u>39,182</u>	<u>69,677</u>	<u>\$ 190,034</u>	<u>\$ 120,357</u>
Receipts Over [Under] Expenditures	15,833	[8,460]		
Unencumbered Cash, Beginning	<u>139,364</u>	<u>155,197</u>		
Unencumbered Cash, Ending	<u>\$ 155,197</u>	<u>\$ 146,737</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 82,454	\$ 86,817	\$ 80,810	\$ 6,007
Intergovernmental	785,887	786,254	758,160	28,094
Transfer in	130,000	80,000	80,000	-
Licenses and permits	650	400	-	400
Miscellaneous	<u>14,628</u>	<u>24,513</u>	<u>10,000</u>	<u>14,513</u>
Total Receipts	<u>1,013,619</u>	<u>977,984</u>	<u>\$ 928,970</u>	<u>\$ 49,014</u>
Expenditures				
Personal services	282,067	271,250	\$ 319,903	\$ 48,653
Contractual services	66,080	50,364	62,800	12,436
Commodities	75,082	73,991	78,800	4,809
Capital outlay	205,402	591,503	531,000	[60,503]
Miscellaneous	-	-	5,000	5,000
Transfers out	<u>447,177</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Expenditures	<u>1,075,808</u>	<u>991,108</u>	<u>\$ 1,001,503</u>	<u>\$ 10,395</u>
Receipts Over [Under] Expenditures	[62,189]	[13,124]		
Unencumbered Cash, Beginning	<u>473,507</u>	<u>411,318</u>		
Unencumbered Cash, Ending	<u>\$ 411,318</u>	<u>\$ 398,194</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
EQUIPMENT RESERVE FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ 261,906	\$ 147,338
Reimbursements	<u>38,028</u>	<u>27,147</u>
Total Receipts	<u>299,934</u>	<u>174,485</u>
Expenditures		
Capital outlay	<u>185,213</u>	<u>135,171</u>
Total Expenditures	<u>185,213</u>	<u>135,171</u>
Receipts Over [Under] Expenditures	114,721	39,314
Unencumbered Cash, Beginning	<u>83,574</u>	<u>198,295</u>
Unencumbered Cash, Ending	<u>\$ 198,295</u>	<u>\$ 237,609</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 ALCOHOL AND DRUG SAFETY ACTION PROGRAM FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Fines and fees	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Capital outlay	-	1,695
Total Expenditures	-	1,695
Receipts Over [Under] Expenditures	-	[1,695]
Unencumbered Cash, Beginning	<u>3,160</u>	<u>3,160</u>
Unencumbered Cash, Ending	<u>\$ 3,160</u>	<u>\$ 1,465</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 ACTIVE AGING FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Intergovernmental	\$ 5,000	\$ -
Total Receipts	<u>5,000</u>	<u>-</u>
Expenditures		
Personal services	<u>5,903</u>	<u>-</u>
Total Expenditures	<u>5,903</u>	<u>-</u>
Receipts Over [Under] Expenditures	[903]	-
Unencumbered Cash, Beginning	<u>877</u>	<u>[26]</u>
Unencumbered Cash, Ending	<u>\$ [26]</u>	<u>\$ [26]</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 SPECIAL ALCOHOL & DRUG FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 4,130	\$ 4,785	\$ 6,000	\$ [1,215]
Total Receipts	<u>4,130</u>	<u>4,785</u>	<u>\$ 6,000</u>	<u>\$ [1,215]</u>
Expenditures				
Contractual services	1,190	249	\$ 5,000	\$ 4,751
Capital outlay	<u>-</u>	<u>4,751</u>	<u>-</u>	<u>[4,751]</u>
Total Expenditures	<u>1,190</u>	<u>5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	2,940	[215]		
Unencumbered Cash, Beginning	<u>28,622</u>	<u>31,562</u>		
Unencumbered Cash, Ending	<u>\$ 31,562</u>	<u>\$ 31,347</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
SPECIAL PARKS AND RECREATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 4,130	\$ 4,785	\$ 6,000	\$ [1,215]
Total Receipts	<u>4,130</u>	<u>4,785</u>	<u>\$ 6,000</u>	<u>\$ [1,215]</u>
Expenditures				
Contractual services	<u>15,000</u>	<u>-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Total Expenditures	<u>15,000</u>	<u>-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Receipts Over [Under] Expenditures	[10,870]	4,785		
Unencumbered Cash, Beginning	<u>16,025</u>	<u>5,155</u>		
Unencumbered Cash, Ending	<u>\$ 5,155</u>	<u>\$ 9,940</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
 DRUG TAX FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ -	\$ -
 Total Receipts	 -	 -
Expenditures		
Capital outlay	-	-
 Total Expenditures	 -	 -
 Receipts Over [Under] Expenditures	 -	 -
 Unencumbered Cash, Beginning	 <u>5,347</u>	 <u>5,347</u>
 Unencumbered Cash, Ending	 <u>\$ 5,347</u>	 <u>\$ 5,347</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 BUILDING EQUIPMENT RESERVE FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>119,805</u>	<u>119,805</u>
Unencumbered Cash, Ending	<u>\$ 119,805</u>	<u>\$ 119,805</u>

* - This is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 PARK BEAUTIFICATION FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ -	\$ -
 Total Receipts	-	-
 Expenditures		
Capital outlay	984	-
 Total Expenditures	984	-
 Receipts Over [Under] Expenditures	[984]	-
 Unencumbered Cash, Beginning	3,186	2,202
 Unencumbered Cash, Ending	\$ 2,202	\$ 2,202

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
D.A.R.E. FUND*
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ 647	\$ 251
Total Receipts	<u>647</u>	<u>251</u>
Expenditures		
Miscellaneous commodities	<u>4,080</u>	<u>-</u>
Total Expenditures	<u>4,080</u>	<u>-</u>
Receipts Over [Under] Expenditures	[3,433]	251
Unencumbered Cash, Beginning	<u>3,336</u>	<u>[97]</u>
Unencumbered Cash, Ending	<u>\$ [97]</u>	<u>\$ 154</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 LAW ENFORCEMENT FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Capital outlay	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>2,500</u>	<u>2,500</u>
Unencumbered Cash, Ending	<u>\$ 2,500</u>	<u>\$ 2,500</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 LAND BANK RESERVE FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

Receipts	
Transfer in	<u>\$ 20,000</u>
Total Receipts	<u>20,000</u>
Expenditures	
Contractual	<u>4,600</u>
Total Expenditures	<u>4,600</u>
Receipts Over [Under] Expenditures	15,400
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 15,400</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
 BOND AND INTEREST FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes	\$ 370,650	\$ 297,210	\$ 435,733	\$ [138,523]
Special assessment	886,694	758,761	900,000	[141,239]
Use of money and property	3,472	20	500	[480]
Bond proceeds	-	3,030,000	-	3,030,000
Bond premium	-	149,657	-	149,657
Transfer in	550,900	474,500	580,900	[106,400]
Total Receipts	<u>1,811,716</u>	<u>4,710,148</u>	<u>\$ 1,917,133</u>	<u>\$ 2,793,015</u>
Expenditures				
Principal	1,525,000	4,645,000	\$ 1,712,000	\$ [2,933,000]
Interest	466,658	629,876	628,500	[1,376]
Miscellaneous	-	-	4,000	4,000
Adjustment for qualifying budget credits	-	-	3,179,657	3,179,657
Total Expenditures	<u>1,991,658</u>	<u>5,274,876</u>	<u>\$ 5,524,157</u>	<u>\$ 249,281</u>
Receipts Over [Under] Expenditures	[179,942]	[564,728]		
Unencumbered Cash, Beginning	<u>1,218,943</u>	<u>1,039,001</u>		
Unencumbered Cash, Ending	<u>\$ 1,039,001</u>	<u>\$ 474,273</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
 CAPITAL PROJECTS FUND*
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Years Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Bond proceeds	\$ 4,731,934	\$ 2,500,000
Reimbursements	-	40,408
Interest income	20	738
Transfers in	<u>1,108,177</u>	<u>500,000</u>
 Total Receipts	 <u>5,840,131</u>	 <u>3,041,146</u>
 Expenditures		
Debt service	2,701,764	8,000
Transfer out	-	500,000
Contractual services	366,760	166,704
Capital outlay	<u>925,435</u>	<u>2,561,662</u>
 Total Expenditures	 <u>3,993,959</u>	 <u>3,236,366</u>
 Receipts Over [Under] Expenditures	 1,846,172	 [195,220]
 Unencumbered Cash, Beginning	 <u>359,027</u>	 <u>2,205,199</u>
 Unencumbered Cash, Ending	 <u>\$ 2,205,199</u>	 <u>\$ 2,009,979</u>

* - This fund is not required to be budgeted.

CITY OF VALLEY CENTER, KANSAS
WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 1,820,765	\$ 1,983,455	\$ 1,778,600	\$ 204,855
Use of money and property	-	385	-	385
Transfer in	-	500,000	-	500,000
Miscellaneous	<u>1,700</u>	<u>1,766</u>	<u>2,100</u>	<u>[334]</u>
Total Receipts	<u>1,822,465</u>	<u>2,485,606</u>	<u>\$ 1,780,700</u>	<u>\$ 704,906</u>
Expenditures				
Personnel services	291,930	277,292	\$ 358,000	\$ 80,708
Contractual	632,801	735,931	737,100	1,169
Commodities	30,903	27,301	39,500	12,199
Capital outlay	156,348	191,357	118,500	[72,857]
Transfer out	584,500	288,500	553,500	265,000
Miscellaneous	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total Expenditures	<u>1,696,482</u>	<u>1,520,381</u>	<u>\$ 1,826,600</u>	<u>\$ 306,219</u>
Receipts Over [Under] Expenditures	125,983	965,225		
Unencumbered Cash, Beginning	<u>1,418,242</u>	<u>1,544,225</u>		
Unencumbered Cash, Ending	<u>\$ 1,544,225</u>	<u>\$ 2,509,450</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges to customers	\$ 1,122,465	\$ 1,180,893	\$ 1,122,000	\$ 58,893
Miscellaneous	6,108	3,921	18,000	[14,079]
Total Receipts	<u>1,128,573</u>	<u>1,184,814</u>	<u>\$ 1,140,000</u>	<u>\$ 44,814</u>
Expenditures				
Personnel services	250,614	184,783	\$ 286,800	\$ 102,017
Contractual	429,813	351,399	401,050	49,651
Commodities	12,478	13,328	30,000	16,672
Capital outlay	85,607	145,064	116,500	[28,564]
Debt service	202,986	203,368	-	[203,368]
Miscellaneous	5,616	5,230	25,000	19,770
Transfer out	146,900	10,000	510,000	500,000
Adjustment for qualifying budget credit:				
Reserve funds not subject to budget	-	-	113,170	113,170
Total Expenditures	<u>1,134,014</u>	<u>913,172</u>	<u>\$ 1,482,520</u>	<u>\$ 569,348</u>
Receipts Over [Under] Expenditures	[5,441]	271,642		
Unencumbered Cash, Beginning	<u>829,466</u>	<u>824,025</u>		
Unencumbered Cash, Ending	<u>\$ 824,025</u>	<u>\$ 1,095,667</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
 STORMWATER FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 222,480	\$ 270,024	\$ 250,000	\$ 20,024
Total Receipts	<u>222,480</u>	<u>270,024</u>	<u>\$ 250,000</u>	<u>\$ 20,024</u>
Expenditures				
Contractual	29,097	47,372	\$ 21,400	\$ [25,972]
Commodities	3,005	6,910	5,875	[1,035]
Capital outlay	10,000	2,190	85,000	82,810
Transfer out	<u>100,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Expenditures	<u>142,102</u>	<u>256,472</u>	<u>\$ 312,275</u>	<u>\$ 55,803</u>
Receipts Over [Under] Expenditures	80,378	13,552		
Unencumbered Cash, Beginning	<u>275,720</u>	<u>356,098</u>		
Unencumbered Cash, Ending	<u>\$ 356,098</u>	<u>\$ 369,650</u>		

See independent auditor's report on the financial statements.

CITY OF VALLEY CENTER, KANSAS
SOLID WASTE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017
(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 423,521	\$ 442,833	\$ 421,400	\$ 21,433
Penalties	-	-	6,800	[6,800]
Miscellaneous	-	-	1,500	[1,500]
Total Receipts	<u>423,521</u>	<u>442,833</u>	<u>\$ 429,700</u>	<u>\$ 13,133</u>
Expenditures				
Contractual	412,462	451,205	\$ 438,000	\$ [13,205]
Capital outlay	-	-	16,000	16,000
Transfer out	<u>25,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total Expenditures	<u>437,462</u>	<u>466,205</u>	<u>\$ 469,000</u>	<u>\$ 2,795</u>
Receipts Over [Under] Expenditures	[13,941]	[23,372]		
Unencumbered Cash, Beginning	<u>168,511</u>	<u>154,570</u>		
Unencumbered Cash, Ending	<u>\$ 154,570</u>	<u>\$ 131,198</u>		

See independent auditor's report on the financial statements.

Schedule 3

CITY OF VALLEY CENTER, KANSAS
 VALLEY CENTER PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
 GENERAL FUND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2017

Receipts	
State of Kansas	\$ 2,178
NEKL Association	20,400
City appropriation	238,715
Interest	105
Donations and sales	942
Grants	9,449
Miscellaneous	<u>2,754</u>
Total Receipts	<u>274,543</u>
Expenditures	
Salary and payroll taxes	167,790
Books, periodicals and film	28,695
Supplies	12,566
Utilities	7,626
Contractual	24,826
Maintenance	6,381
Miscellaneous	<u>7,204</u>
Total Expenditures	<u>255,088</u>
Receipts Over [Under] Expenditures	19,455
Unencumbered Cash, Beginning	<u>478,385</u>
Unencumbered Cash, Ending	<u>\$ 497,840</u>

See independent auditor's report on the financial statements.