

CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS

Year Ended December 31, 2017

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CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2017

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MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Baldwin City, Kansas

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City 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.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the regulatory basis receipts and expenditures-actual for the 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.

Other Matter

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Baldwin City, Kansas, as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated June 12, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2017 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note 1.

Mize Houser & Company PA

Certified Public Accountants

Lawrence, Kansas

March 30, 2018

CITY OF BALDWIN CITY, KANSAS

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

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add: Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ 729,609	\$ -	\$ 2,731,102	\$ 2,521,622	\$ 939,089	\$ 25,487	\$ 964,576
Special Purpose Funds:							
Library Fund	-	-	135,775	135,775	-	-	-
Special Parks and Recreation Fund	72,538	-	17,241	-	89,779	-	89,779
Special Highway Fund	124,296	-	136,517	15,394	245,419	-	245,419
Swimming Pool Sales Tax Revenue Fund	95,166	-	798	8,500	87,464	-	87,464
General Reserve Fund	293,116	-	49,324	65,985	276,455	845	277,300
Cemetery Reserve Fund	123,657	-	11,086	2,952	131,791	-	131,791
Cemetery Fund	17,203	-	76,926	79,461	14,668	877	15,545
Bond and Interest Funds:							
Bond and Interest Fund	1,232	-	512,368	511,258	2,342	-	2,342
Capital Project Funds:							
Capital Project Fund	99,156	-	101,111	83,876	116,391	-	116,391
Quality of Life Sales Tax Fund	146,758	-	110,429	39,325	217,862	-	217,862
Capital Improvement Sales Tax Fund	106,555	-	218,594	210,000	115,149	-	115,149
Public Utility Building Fund	5,957	-	2,918,773	1,159,264	1,765,466	168,503	1,933,969
Business Funds:							
Electric System Fund	1,655,479	-	4,306,498	4,114,989	1,846,988	110,336	1,957,324
Electric Project Fund	168,369	-	1,195	55,043	114,521	-	114,521
Water System Fund	727,598	-	1,513,233	1,586,188	654,643	29,324	683,967
Water Project Fund	133,715	-	609,104	838,890	[96,071]	147,808	51,737
Sewer Project Fund	2,909,958	-	37,777	55,033	2,892,702	-	2,892,702
Wastewater Utility Fund	123,259	-	1,121,544	1,114,808	129,995	4,376	134,371
Refuse Utility Fund	28,257	-	251,840	233,998	46,099	154	46,253
Total Primary Government	<u>7,561,878</u>	<u>-</u>	<u>14,861,235</u>	<u>12,832,361</u>	<u>9,590,752</u>	<u>487,710</u>	<u>10,078,462</u>
Related Municipal Entity:							
Baldwin City Library	<u>337,123</u>	<u>-</u>	<u>77,864</u>	<u>53,880</u>	<u>361,107</u>	<u>-</u>	<u>361,107</u>
Total Related Municipal Entity	<u>337,123</u>	<u>-</u>	<u>77,864</u>	<u>53,880</u>	<u>361,107</u>	<u>-</u>	<u>361,107</u>
Total Reporting Entity	<u>\$ 7,899,001</u>	<u>\$ -</u>	<u>\$ 14,939,099</u>	<u>\$ 12,886,241</u>	<u>\$ 9,951,859</u>	<u>\$ 487,710</u>	<u>\$ 10,439,569</u>

Composition of Cash:

Baldwin State Bank	
Checking	\$ 9,077,962
Checking - Baldwin City Library	73,056
Certificates of Deposit - Baldwin City Library	132,000
Douglas County Community Foundation - Baldwin City Library	121,681
Mid America Bank - Certificates of Deposit	1,000,000
Bank of America stocks - Baldwin City Library	34,370
Petty Cash	500
Total	<u>\$ 10,439,569</u>

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Baldwin City, Kansas, (the City) is a municipal corporation governed by a mayor and a five-member council. These financial statements present the City and its related municipal entity for which the City is considered to be financially accountable.

Related Municipal Entity. The Baldwin City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Acquisition or disposition of real property by the Library must be approved by the City. Bond issuances must also be approved by the City. The Library is presented as a governmental fund type. Complete financial statements are not available for the Library for the year ended December 31, 2017.

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:

The General Fund is the chief operating fund is used to account for all resources except those required to be accounted for in another fund.

The Special Purpose Funds are 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.

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

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

The Business Funds are 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 BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
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. 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 the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 2017 budget was not amended.

The statutes permit management to transfer 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. In the financial statements, budget comparisons 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. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Reclassification of Account Balances

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

NOTE 2 – Deposits and Investments

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

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 – Deposits and Investments (Continued)

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

K.S.A. 12-1225(h) authorizes Library boards to invest or reinvest gifts and donations and any dividends, interest, rent or income derived from the gifts in the manner the board deems will best serve the interest of the Library. At December 31, 2017, the Baldwin City Library held Bank of America stocks with a fair value of \$34,370.

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."

At December 31, 2017, the City's carrying amount of deposits was \$10,078,462 and the bank balance was \$10,297,309. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, \$750,000 was secured by letters of credit in the City's name, \$9,047,309 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2017, the Library's carrying amount of deposits was \$326,737 and the bank balance was \$327,067. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$205,387 was covered by federal depository insurance and the balance of \$121,680 was unsecured at December 31, 2017, which is a violation of K.S.A. 9-1042.

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

NOTE 3 - Retirement Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - Retirement Plan (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate with a 0% moratorium from the period of January 1, 2017, through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate 8.46% for KPERS and 19.03% for KP&F for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$148,827 for KPERS and \$113,661 for KP&F 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 \$1,434,594 and \$1,130,112 for KP&F. 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 publicly available on the KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - Capital Projects

Capital project authorizations, with approved change orders, compared with expenditures from inception, are as follows:

	Project Authorization	Expenditures to Date
Public Utility Building	\$ 3,200,000	\$ 1,183,310
Boring Project	981,092	745,572
	<u>\$ 4,181,092</u>	<u>\$ 1,928,882</u>

NOTE 5 - 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; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss, including related lost regulatory receipts. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

NOTE 6 - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation earned but unused at termination is paid to the employees at their current rate of pay up to a maximum of 30 days. Employees who resign in good standing are entitled to ten percent of their unused sick leave and employees who retire in good standing are entitled to twenty percent of their sick leave. The sick leave is calculated at the maximum entitlement even though not all employees are eligible for retirement in the coming year. The liability for compensated absences at December 31, 2017 is \$190,876.

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 - Long-Term Debt

During the year ended December 31, 2017, the following changes occurred in long term liabilities:

<u>Type of Issue</u>	Restated Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
Paid by taxes					
General obligation bonds	\$ 4,695,000	\$ -	\$ 345,000	\$ 4,350,000	\$ 114,175
General obligation temporary notes	-	2,900,000	-	2,900,000	16,582
Capital leases	122,862	42,000	50,341	114,522	1,924
Paid by utility revenues					
General obligation bonds	11,735,000	-	1,105,000	10,630,000	283,258
Revolving loans	-	602,318	-	602,318	2,708
Capital leases	207,128	-	102,660	104,468	3,359
Total	<u>\$ 16,759,990</u>	<u>\$ 3,544,318</u>	<u>\$ 1,603,001</u>	<u>\$ 18,701,308</u>	<u>\$ 422,006</u>

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 regulatory receipts. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
Paid by taxes					
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	\$ 3,829,693	\$ 3,210,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	1,455,000	1,140,000
Paid by utility revenues					
Refunding, Series 2012	06/15/12	08/01/24	0.50 - 2.20%	1,125,000	680,000
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	3,335,308	2,175,000
Refunding, Series 2014	08/01/14	11/01/26	2.00 - 2.75%	5,890,000	4,285,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	645,000	600,000
Improvement, Series 2015-B	12/10/15	09/01/35	2.50 - 3.50%	3,155,000	<u>2,890,000</u>
Total General Obligation Bonds					<u>\$ 14,980,000</u>

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 - Long-Term Debt (Continued)

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

<u>Year Ending</u> <u>December 31,</u>	<u>Paid By</u> <u>Taxes</u>	<u>Paid By</u> <u>Utility Revenue</u>	<u>Total</u>
2018	\$ 462,275	\$ 1,430,768	\$ 1,893,043
2019	470,175	1,441,928	1,912,103
2020	477,775	1,362,003	1,839,778
2021	470,075	1,343,178	1,813,253
2022	387,375	1,200,973	1,588,348
2023 - 2027	1,876,325	3,526,895	5,403,220
2028 - 2032	913,150	1,407,150	2,320,300
2033 - 2035	<u>155,250</u>	<u>759,750</u>	<u>915,000</u>
Total principal and interest	5,212,400	12,472,645	17,685,045
Less: interest	<u>862,400</u>	<u>1,842,645</u>	<u>2,705,045</u>
Total principal	<u>\$ 4,350,000</u>	<u>\$ 10,630,000</u>	<u>\$ 14,980,000</u>

General Obligation Temporary Notes. On February 10, 2017, the City issued General Obligation Temporary Notes, Series 2017-A, in the amount of \$2,900,000. The notes mature on March 1, 2019, and bear an interest rate of 1.15%. Proceeds of the notes will be used for the purpose of paying the cost of public utility building improvements.

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ -	\$ 33,350
2019	<u>2,900,000</u>	<u>33,350</u>
Total	<u>\$ 2,900,000</u>	<u>\$ 66,700</u>

Capital Leases. The City has entered into lease agreements for the acquisition of equipment in the current and prior years. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term).

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 7 - Long-Term Debt (Continued)

The future minimum lease obligations as of December 31, 2017 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Paid By</u> <u>Taxes</u>	<u>Paid By</u> <u>Utility Revenue</u>	<u>Total</u>
2018	\$ 56,419	\$ 106,161	\$ 162,580
2019	14,634	-	14,634
2020	10,928	-	10,928
2021	10,928	-	10,928
2022	4,649	-	4,649
2023 - 2027	<u>23,244</u>	<u>-</u>	<u>23,244</u>
Total principal and interest	120,802	106,161	226,963
Less: interest	<u>6,280</u>	<u>1,693</u>	<u>7,973</u>
Total principal	<u>\$ 114,522</u>	<u>\$ 104,468</u>	<u>\$ 218,990</u>

Revolving Loan. On August 25, 2016, the City entered into a loan agreement with the Kansas Department of Health and Environment for a Public Water Supply Loan up to the amount of \$1,577,930 with an interest rate of 1.47% and service fee rate of 0.35%. As of December 31, 2017, the City has drawn \$602,318 on the loan. An amortization schedule for the loan is not yet available since the loan has not been finalized. The purpose of the loan is to fund the replacement of approximately 8,700 linear feet of water mains throughout the City.

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 assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

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</u> <u>Authority</u>
Cemetery	General	\$ 3,654	City ordinance
Electric System	General	375,211	K.S.A. 12-825d
Water System	General	129,345	K.S.A. 12-825d
Wastewater Utility	General	79,474	K.S.A. 12-825d
Refuse Utility	General	22,459	K.S.A. 12-825d
General	Bond and Interest	55,000	Bond ordinance
Quality of Life Sales Tax	Bond and Interest	39,325	Bond ordinance
Special Highway	Bond and Interest	15,394	Bond ordinance
Capital Improvement Sales Tax	Bond and Interest	210,000	Bond ordinance
Sewer Project	Wastewater Utility	50,000	K.S.A. 12-825d
General	Capital Project	100,000	K.S.A. 12-1,118
General	General Reserve	47,000	K.S.A. 12-1,117
Cemetery	Cemetery Reserve	<u>10,000</u>	K.S.A. 12-1,117
		<u>\$ 1,136,862</u>	

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 – Deferred Compensation Retirement Plan

The City administers a 401(a) pension plan. Employees are eligible to participate in the plan after six months of continuous service. Plan compensation is determined by W-2 wages. The City matches employee contributions up to 4% of wages. All employee contributions are fully vested.

Employer matching contributions are subject to the following vesting schedule:

<u>Years of Employment</u>	<u>Vested Percentage</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Forfeitures may first be used to reduce fees. Remaining forfeitures will be used to reduce City contributions. For the year ended December 31, 2017, the City recognized pension expense of \$63,094. There were no plan forfeitures for the year ended December 31, 2017.

NOTE 10 – Subsequent Events

On January 30, 2018, the City entered into a lease agreement to purchase a street sweeper in the amount of \$75,000. The lease has an interest rate of 1.89% and calls for annual lease payments of \$8,302. The lease matures on January 30, 2028.

CITY OF BALDWIN CITY, 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 Positive [Negative]</u>
General Funds:					
General	\$ 3,010,029	\$ -	\$ 3,010,029	\$ 2,521,622	\$ 488,407
Special Purpose Funds:					
Library Fund	140,897	-	140,897	135,775	5,122
Special Parks and Recreation Fund	81,473	-	81,473	-	81,473
Special Highway Fund	205,249	-	205,249	15,394	189,855
Swimming Pool Sales Tax Revenue Fund	95,269	-	95,269	8,500	86,769
General Reserve Fund	351,793	-	351,793	65,985	285,808
Cemetery Reserve Fund	125,171	-	125,171	2,952	122,219
Cemetery Fund	94,861	-	94,861	79,461	15,400
Bond and Interest Funds:					
Bond and Interest Fund	512,478	-	512,478	511,258	1,220
Capital Project Funds:					
Quality of Life Sales Tax Fund	244,474	-	244,474	39,325	205,149
Capital Improvement Sales Tax Fund	337,168	-	337,168	210,000	127,168
Business Funds:					
Electric System Fund	5,926,854	-	5,926,854	4,114,989	1,811,865
Water System Fund	2,469,530	-	2,469,530	1,586,188	883,342
Wastewater Utility Fund	1,321,680	-	1,321,680	1,114,808	206,872
Refuse Utility Fund	284,623	-	284,623	233,998	50,625

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

CITY OF BALDWIN CITY, 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 Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Taxes	\$ 1,011,768	\$ 1,094,222	\$ 1,112,923	\$ [18,701]
Intergovernmental	740,465	764,869	766,682	[1,813]
Franchise fees	55,540	56,192	76,909	[20,717]
Licenses, permits and fees	27,155	61,104	17,207	43,897
Fines, forfeitures and penalties	47,101	49,974	41,689	8,285
Use of money and property	1,928	8,957	1,078	7,879
Transfer in	694,226	610,143	610,144	[1]
Miscellaneous	42,297	85,641	14,566	71,075
Total Receipts	<u>2,620,480</u>	<u>2,731,102</u>	<u>\$ 2,641,198</u>	<u>\$ 89,904</u>
Expenditures				
General administration				
Personal services	103,712	149,041	\$ 115,973	\$ [33,068]
Contractual services	140,727	106,392	155,669	49,277
Commodities	17,156	15,874	27,204	11,330
Capital outlay	6,005	1,099	46,238	45,139
	<u>267,600</u>	<u>272,406</u>	<u>345,084</u>	<u>72,678</u>
Planning				
Personal services	107,950	96,497	151,027	54,530
Contractual services	13,052	20,682	38,783	18,101
Commodities	1,433	2,664	3,732	1,068
Capital outlay	467	-	1,523	1,523
	<u>122,902</u>	<u>119,843</u>	<u>195,065</u>	<u>75,222</u>
Public works				
Personal services	232,303	226,643	194,925	[31,718]
Contractual services	42,965	41,206	56,228	15,022
Commodities	72,699	54,870	110,493	55,623
Capital outlay	8,468	64,992	46,000	[18,992]
	<u>356,435</u>	<u>387,711</u>	<u>407,646</u>	<u>19,935</u>
Culture and recreation				
Personal services	51,974	60,238	67,048	6,810
Contractual services	7,651	9,624	9,956	332
Commodities	13,154	7,251	30,499	23,248
Capital outlay	27,551	1,762	14,000	12,238
	<u>100,330</u>	<u>78,875</u>	<u>121,503</u>	<u>42,628</u>

CITY OF BALDWIN CITY, KANSAS

General Fund, (continued)
 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)

Expenditures (Continued)	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Fire Department				
Personal services	\$ 39,915	\$ 27,239	\$ 51,504	\$ 24,265
Contractual services	37,224	43,266	39,929	[3,337]
Commodities	7,653	4,571	13,774	9,203
Capital outlay	7,487	13,953	15,000	1,047
	<u>92,279</u>	<u>89,029</u>	<u>120,207</u>	<u>31,178</u>
Police Department				
Personal services	911,914	948,502	1,082,132	133,630
Contractual services	89,061	81,827	108,016	26,189
Commodities	47,552	44,996	57,401	12,405
Capital outlay	9,266	7,646	11,000	3,354
	<u>1,057,793</u>	<u>1,082,971</u>	<u>1,258,549</u>	<u>175,578</u>
Municipal Court				
Personal services	50,578	32,345	32,233	[112]
Contractual services	28,144	32,726	29,083	[3,643]
Commodities	222	769	758	[11]
	<u>78,944</u>	<u>65,840</u>	<u>62,074</u>	<u>[3,766]</u>
Economic Development				
Personal services	217	91	-	[91]
Contractual services	48,172	52,420	55,000	2,580
Capital outlay	19,618	27,316	100,000	72,684
	<u>68,007</u>	<u>79,827</u>	<u>155,000</u>	<u>75,173</u>
Pool				
Contractual services	70,768	96,598	73,836	[22,762]
Commodities	7,963	6,090	13,205	7,115
Capital outlay	1,410	-	-	-
	<u>80,141</u>	<u>102,688</u>	<u>87,041</u>	<u>[15,647]</u>
Information Technology				
Contractual services	527	1,416	36,860	35,444
Commodities	273	-	15,500	15,500
Capital outlay	34,030	39,016	-	[39,016]
	<u>34,830</u>	<u>40,432</u>	<u>52,360</u>	<u>11,928</u>
Miscellaneous	-	-	8,500	8,500
Transfer out	236,426	202,000	197,000	[5,000]
	<u>236,426</u>	<u>202,000</u>	<u>205,500</u>	<u>3,500</u>
Total Expenditures	<u>2,495,687</u>	<u>2,521,622</u>	<u>\$ 3,010,029</u>	<u>\$ 488,407</u>
Receipts Over [Under] Expenditures	124,793	209,480		
Unencumbered Cash, Beginning	<u>604,816</u>	<u>729,609</u>		
Unencumbered Cash, Ending	<u>\$ 729,609</u>	<u>\$ 939,089</u>		

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

CITY OF BALDWIN CITY, 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)

		Current Year		
	Prior Year	Actual	Budget	Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Taxes	\$ 132,350	\$ 135,436	\$ 140,865	\$ [5,429]
Use of money and property	<u>50</u>	<u>339</u>	<u>32</u>	<u>307</u>
Total Receipts	<u>132,400</u>	<u>135,775</u>	<u>\$ 140,897</u>	<u>\$ [5,122]</u>
Expenditures				
Culture and Recreation:				
Personal services	104,100	99,389	\$ 112,193	\$ 12,804
Contractual services	9,054	5,477	28,704	23,227
Appropriation To Library Board	<u>19,246</u>	<u>30,909</u>	<u>-</u>	<u>[30,909]</u>
Total Expenditures	<u>132,400</u>	<u>135,775</u>	<u>\$ 140,897</u>	<u>\$ 5,122</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

CITY OF BALDWIN CITY, 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 Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 15,348	\$ 14,605	\$ 14,806	\$ [201]
Use of money and property	147	711	76	635
Park fees	<u>1,050</u>	<u>1,925</u>	<u>500</u>	<u>1,425</u>
Total Receipts	<u>16,545</u>	<u>17,241</u>	<u>\$ 15,382</u>	<u>\$ 1,859</u>
Expenditures				
Culture and Recreation:				
Contractual services	<u>-</u>	<u>-</u>	<u>\$ 81,473</u>	<u>\$ 81,473</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 81,473</u>	<u>\$ 81,473</u>
Receipts Over [Under] Expenditures	16,545	17,241		
Unencumbered Cash, Beginning	<u>55,993</u>	<u>72,538</u>		
Unencumbered Cash, Ending	<u>\$ 72,538</u>	<u>\$ 89,779</u>		

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

SCHEDULE 2 - 4

CITY OF BALDWIN CITY, 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 Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 133,837	\$ 134,743	\$ 128,410	\$ 6,333
Use of money and property	508	1,774	288	1,486
Total Receipts	<u>134,345</u>	<u>136,517</u>	<u>\$ 128,698</u>	<u>\$ 7,819</u>
Expenditures				
Public works				
Contractual services	145,213	-	\$ 175,055	\$ 175,055
Commodities	-	-	14,800	14,800
Transfer out	<u>78,903</u>	<u>15,394</u>	<u>15,394</u>	<u>-</u>
Total Expenditures	<u>224,116</u>	<u>15,394</u>	<u>\$ 205,249</u>	<u>\$ 189,855</u>
Receipts Over [Under] Expenditures	[89,771]	121,123		
Unencumbered Cash, Beginning	<u>214,067</u>	<u>124,296</u>		
Unencumbered Cash, Ending	<u>\$ 124,296</u>	<u>\$ 245,419</u>		

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

CITY OF BALDWIN CITY, KANSAS

Swimming Pool Sales Tax Revenue 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Use of money and property	\$ 214	\$ 798	\$ 124	\$ 674
Total Receipts	<u>214</u>	<u>798</u>	<u>124</u>	<u>674</u>
Expenditures				
Culture and Recreation:				
Contractual services	-	8,500	\$ 95,269	\$ 86,769
Total Expenditures	<u>-</u>	<u>8,500</u>	<u>\$ 95,269</u>	<u>\$ 86,769</u>
Receipts Over [Under] Expenditures	214	[7,702]		
Unencumbered Cash, Beginning	<u>94,952</u>	<u>95,166</u>		
Unencumbered Cash, Ending	<u>\$ 95,166</u>	<u>\$ 87,464</u>		

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

CITY OF BALDWIN CITY, KANSAS

General Reserve 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 56,426	\$ 47,000	\$ 47,000	\$ -
Use of money and property	<u>628</u>	<u>2,324</u>	<u>344</u>	<u>1,980</u>
Total Receipts	<u>57,054</u>	<u>49,324</u>	<u>\$ 47,344</u>	<u>\$ 1,980</u>
Expenditures				
Contractual services	-	-	\$ 52,000	\$ 52,000
Capital outlay	<u>58,880</u>	<u>65,985</u>	<u>299,793</u>	<u>233,808</u>
Total Expenditures	<u>58,880</u>	<u>65,985</u>	<u>\$ 351,793</u>	<u>\$ 285,808</u>
Receipts Over [Under] Expenditures	[1,826]	[16,661]		
Unencumbered Cash, Beginning	<u>294,942</u>	<u>293,116</u>		
Unencumbered Cash, Ending	<u>\$ 293,116</u>	<u>\$ 276,455</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery Reserve 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Use of money and property	<u>292</u>	<u>1,086</u>	<u>171</u>	<u>915</u>
Total Receipts	<u>10,292</u>	<u>11,086</u>	<u>\$ 10,171</u>	<u>\$ 915</u>
Expenditures				
Contractual services	5,375	-	\$ 10,000	\$ 10,000
Capital outlay	<u>16,919</u>	<u>2,952</u>	<u>115,171</u>	<u>112,219</u>
Total Expenditures	<u>22,294</u>	<u>2,952</u>	<u>\$ 125,171</u>	<u>\$ 122,219</u>
Receipts Over [Under] Expenditures	[12,002]	8,134		
Unencumbered Cash, Beginning	<u>135,659</u>	<u>123,657</u>		
Unencumbered Cash, Ending	<u>\$ 123,657</u>	<u>\$ 131,791</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 68,324	\$ 65,042	\$ 65,578	\$ [536]
Use of money and property	52	222	40	182
Miscellaneous	<u>12,962</u>	<u>11,662</u>	<u>14,312</u>	<u>[2,650]</u>
Total Receipts	<u>81,338</u>	<u>76,926</u>	<u>\$ 79,930</u>	<u>\$ [3,004]</u>
Expenditures				
Personal services	54,749	55,839	\$ 58,180	\$ 2,341
Contractual services	3,692	7,303	20,123	12,820
Commodities	1,261	1,017	1,643	626
Capital outlay	1,850	1,648	761	[887]
Miscellaneous	-	-	500	500
Transfer out	<u>22,936</u>	<u>13,654</u>	<u>13,654</u>	<u>-</u>
Total Expenditures	<u>84,488</u>	<u>79,461</u>	<u>\$ 94,861</u>	<u>\$ 15,400</u>
Receipts Over [Under] Expenditures	[3,150]	[2,535]		
Unencumbered Cash, Beginning	<u>20,353</u>	<u>17,203</u>		
Unencumbered Cash, Ending	<u>\$ 17,203</u>	<u>\$ 14,668</u>		

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

CITY OF BALDWIN CITY, KANSAS

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

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 180,222	\$ 192,142	\$ 193,681	\$ [1,539]
Use of money and property	94	507	114	393
Transfer in	<u>328,828</u>	<u>319,719</u>	<u>314,719</u>	<u>5,000</u>
Total Receipts	<u>509,144</u>	<u>512,368</u>	<u>\$ 508,514</u>	<u>\$ 3,854</u>
Expenditures				
Debt service:				
Principal	383,726	395,127	\$ 396,797	\$ 1,670
Interest	<u>129,419</u>	<u>116,131</u>	<u>115,681</u>	<u>[450]</u>
Total Expenditures	<u>513,145</u>	<u>511,258</u>	<u>\$ 512,478</u>	<u>\$ 1,220</u>
Receipts Over [Under] Expenditures	[4,001]	1,110		
Unencumbered Cash, Beginning	<u>5,233</u>	<u>1,232</u>		
Unencumbered Cash, Ending	<u>\$ 1,232</u>	<u>\$ 2,342</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 100,000	\$ 100,000
Miscellaneous	24,000	-
Use of money and property	<u>191</u>	<u>1,111</u>
Total Receipts	<u>124,191</u>	<u>101,111</u>
Expenditures		
Public works		
Contractual services	<u>31,428</u>	<u>83,876</u>
Total Expenditures	<u>31,428</u>	<u>83,876</u>
Receipts Over [Under] Expenditures	92,763	17,235
Unencumbered Cash, Beginning	<u>6,393</u>	<u>99,156</u>
Unencumbered Cash, Ending	<u>\$ 99,156</u>	<u>\$ 116,391</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Quality of Life Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017
 (With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 101,492	\$ 108,818	\$ 109,911	\$ [1,093]
Use of money and property	298	1,611	243	1,368
Total Receipts	<u>101,790</u>	<u>110,429</u>	<u>\$ 110,154</u>	<u>\$ 275</u>
Expenditures				
Capital outlay	86,814	-	\$ 205,149	\$ 205,149
Transfers out	<u>39,925</u>	<u>39,325</u>	<u>39,325</u>	-
Total Expenditures	<u>126,739</u>	<u>39,325</u>	<u>\$ 244,474</u>	<u>\$ 205,149</u>
Receipts Over [Under] Expenditures	[24,949]	71,104		
Unencumbered Cash, Beginning	<u>171,707</u>	<u>146,758</u>		
Unencumbered Cash, Ending	<u>\$ 146,758</u>	<u>\$ 217,862</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Improvement Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Amounts for the Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 202,984	\$ 217,637	\$ 219,823	\$ [2,186]
Use of money and property	<u>296</u>	<u>957</u>	<u>254</u>	<u>703</u>
Total Receipts	<u>203,280</u>	<u>218,594</u>	<u>\$ 220,077</u>	<u>\$ [1,483]</u>
Expenditures				
Capital outlay	20,000	-	\$ 127,168	\$ 127,168
Transfers out	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>	<u>-</u>
Total Expenditures	<u>230,000</u>	<u>210,000</u>	<u>\$ 337,168</u>	<u>\$ 127,168</u>
Receipts Over [Under] Expenditures	[26,720]	8,594		
Unencumbered Cash, Beginning	<u>133,275</u>	<u>106,555</u>		
Unencumbered Cash, Ending	<u>\$ 106,555</u>	<u>\$ 115,149</u>		

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

CITY OF BALDWIN CITY, KANSAS

Public Utility Building Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 4	\$ 18,773
Bond proceeds	-	2,900,000
Transfers in	<u>30,000</u>	<u>-</u>
Total Receipts	<u>30,004</u>	<u>2,918,773</u>
Expenditures		
Contractual services	24,047	1,122,889
Commodities	<u>-</u>	<u>36,375</u>
Total Expenditures	<u>24,047</u>	<u>1,159,264</u>
Receipts Over [Under] Expenditures	5,957	1,759,509
Unencumbered Cash, Beginning	<u>-</u>	<u>5,957</u>
Unencumbered Cash, Ending	<u>\$ 5,957</u>	<u>\$ 1,765,466</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Electric System 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 4,056,275	\$ 4,115,350	\$ 4,611,245	\$ [495,895]
Reimbursed expenses	43,344	5,031	-	5,031
Franchise fees	32,441	168,269	225,830	[57,561]
Use of money and property	4,154	17,848	2,386	15,462
Total Receipts	<u>4,136,214</u>	<u>4,306,498</u>	<u>\$ 4,839,461</u>	<u>\$ [532,963]</u>
Expenditures				
Personal services	721,349	805,251	\$ 793,474	\$ [11,777]
Contractual services	1,804,633	1,874,181	2,808,695	934,514
Commodities	60,614	45,232	261,304	216,072
Capital outlay	293,407	228,010	1,539,189	1,311,179
Debt service:				
Principal	641,079	652,088	130,755	[521,333]
Interest	147,007	130,803	14,226	[116,577]
Miscellaneous	17,193	4,213	4,000	[213]
Transfers out	381,631	375,211	375,211	-
Total Expenditures	<u>4,066,913</u>	<u>4,114,989</u>	<u>\$ 5,926,854</u>	<u>\$ 1,811,865</u>
Receipts Over [Under] Expenditures	<u>69,301</u>	<u>191,509</u>		
Unencumbered Cash, Beginning	1,672,880	1,655,479		
Prior Period Adjustment	<u>[86,702]</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>1,586,178</u>	<u>1,655,479</u>		
Unencumbered Cash, Ending	<u>\$ 1,655,479</u>	<u>\$ 1,846,988</u>		

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

CITY OF BALDWIN CITY, KANSAS

Electric Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 1,051	\$ 1,195
Total Receipts	<u>1,051</u>	<u>1,195</u>
Expenditures		
Capital outlay	<u>693,467</u>	<u>55,043</u>
Total Expenditures	<u>693,467</u>	<u>55,043</u>
Receipts Over [Under] Expenditures	[692,416]	[53,848]
Unencumbered Cash, Beginning	<u>860,785</u>	<u>168,369</u>
Unencumbered Cash, Ending	<u>\$ 168,369</u>	<u>\$ 114,521</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Water System 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 1,414,636	\$ 1,456,791	\$ 1,578,590	\$ [121,799]
Franchise fees	9,820	48,766	63,250	[14,484]
Miscellaneous	20,270	527	508	19
Use of money and property	<u>2,084</u>	<u>7,149</u>	<u>1,302</u>	<u>5,847</u>
Total Receipts	<u>1,446,810</u>	<u>1,513,233</u>	<u>\$ 1,643,650</u>	<u>\$ [130,417]</u>
Expenditures				
Personal services	534,911	542,419	\$ 527,525	\$ [14,894]
Contractual services	669,982	717,852	720,849	2,997
Commodities	25,904	24,012	128,412	104,400
Capital outlay	138,169	27,579	816,418	788,839
Debt service:				
Principal	130,232	130,755	130,755	-
Interest	15,480	14,226	14,226	-
Miscellaneous	24,192	-	2,000	2,000
Transfers out	<u>151,255</u>	<u>129,345</u>	<u>129,345</u>	<u>-</u>
Total Expenditures	<u>1,690,125</u>	<u>1,586,188</u>	<u>\$ 2,469,530</u>	<u>\$ 883,342</u>
Receipts Over [Under] Expenditures	<u>[243,315]</u>	<u>[72,955]</u>		
Unencumbered Cash, Beginning	998,198	727,598		
Prior Period Adjustment	<u>[27,285]</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>970,913</u>	<u>727,598</u>		
Unencumbered Cash, Ending	<u>\$ 727,598</u>	<u>\$ 654,643</u>		

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

CITY OF BALDWIN CITY, KANSAS

Water Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 3,849	\$ 6,050
Use of money and property	408	736
Loan proceeds	-	602,318
Reimbursements	<u>16,500</u>	<u>-</u>
Total Receipts	<u>20,757</u>	<u>609,104</u>
Expenditures		
Capital projects	<u>100,237</u>	<u>838,890</u>
Total Expenditures	<u>100,237</u>	<u>838,890</u>
Receipts Over [Under] Expenditures	[79,480]	[229,786]
Unencumbered Cash, Beginning	<u>213,195</u>	<u>133,715</u>
Unencumbered Cash, Ending	<u>\$ 133,715</u>	<u>\$ [96,071]</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Sewer Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2017 and 2016

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 5,500	\$ 12,902
Use of money and property	<u>6,795</u>	<u>24,875</u>
Total Receipts	<u>12,295</u>	<u>37,777</u>
Expenditures		
Capital outlay	173,184	5,033
Transfers out	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>173,184</u>	<u>55,033</u>
Receipts Over [Under] Expenditures	[160,889]	[17,256]
Unencumbered Cash, Beginning	<u>3,070,847</u>	<u>2,909,958</u>
Unencumbered Cash, Ending	<u>\$ 2,909,958</u>	<u>\$ 2,892,702</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Wastewater Utility 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 Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 905,335	\$ 1,021,421	\$ 1,109,452	\$ [88,031]
Franchise fees	7,288	45,391	54,350	[8,959]
Miscellaneous	12,891	3,054	1,015	2,039
Transfer in	-	50,000	-	50,000
Use of money and property	423	1,678	336	1,342
Total Receipts	<u>925,937</u>	<u>1,121,544</u>	<u>\$ 1,165,153</u>	<u>\$ [43,609]</u>
Expenditures				
Personal services	329,440	316,838	\$ 343,467	\$ 26,629
Contractual services	132,082	131,790	180,526	48,736
Commodities	20,694	13,579	23,333	9,754
Capital outlay	16,337	6,540	128,293	121,753
Debt service:				
Principal	372,639	425,000	425,000	-
Interest	59,506	141,587	141,587	-
Transfers out	76,561	79,474	79,474	-
Total Expenditures	<u>1,007,259</u>	<u>1,114,808</u>	<u>\$ 1,321,680</u>	<u>\$ 206,872</u>
Receipts Over [Under] Expenditures	[81,322]	6,736		
Unencumbered Cash, Beginning	<u>204,581</u>	<u>123,259</u>		
Unencumbered Cash, Ending	<u>\$ 123,259</u>	<u>\$ 129,995</u>		

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

CITY OF BALDWIN CITY, KANSAS

Refuse Utility 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	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Receipts				
Sales to consumers	\$ 243,420	\$ 242,003	\$ 247,152	\$ [5,149]
Franchise fees	1,739	9,354	12,150	[2,796]
Use of money and property	<u>91</u>	<u>483</u>	<u>52</u>	<u>431</u>
Total Receipts	<u>245,250</u>	<u>251,840</u>	<u>\$ 259,354</u>	<u>\$ [7,514]</u>
Expenditures				
Personal services	8,014	9,269	\$ 12,839	\$ 3,570
Contractual services	221,021	201,431	215,266	13,835
Capital outlay	808	839	34,059	33,220
Transfers out	<u>21,843</u>	<u>22,459</u>	<u>22,459</u>	<u>-</u>
Total Expenditures	<u>251,686</u>	<u>233,998</u>	<u>\$ 284,623</u>	<u>\$ 50,625</u>
Receipts Over [Under] Expenditures	[6,436]	17,842		
Unencumbered Cash, Beginning	<u>34,693</u>	<u>28,257</u>		
Unencumbered Cash, Ending	<u>\$ 28,257</u>	<u>\$ 46,099</u>		

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

CITY OF BALDWIN CITY, KANSAS

Schedule of Receipts and Expenditures - Actual
Regulatory Basis
Related Municipal Entity - Baldwin City Library
For the Year Ended December 31, 2017

Receipts	
City appropriations	\$ 30,909
Charges for services	7,225
Grants and donations	23,077
Use of money and property	<u>16,653</u>
Total Receipts	<u>77,864</u>
Expenditures	
Culture and recreation	<u>53,880</u>
Total Expenditures	<u>53,880</u>
Receipts Over [Under] Expenditures	23,984
Unencumbered Cash, Beginning	<u>337,123</u>
Unencumbered Cash, Ending	<u>\$ 361,107</u>

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