

CITY OF LOUISBURG, KANSAS
Financial Statements
For the Year Ended December 31, 2016

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CITY OF LOUISBURG, KANSAS
 Financial Statements
 For the Year Ended December 31, 2016

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MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Louisburg, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Louisburg, Kansas (the City), as of and for the year ended December 31, 2016, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2016, 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, 2016, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

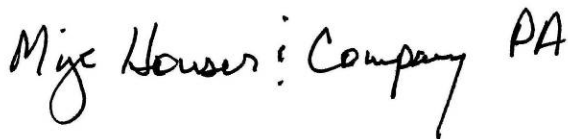
Other Matters

Report on Supplementary Information

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

Other Matter

The 2015 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 March 24, 2016. The 2015 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 <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2015 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 2015 basic financial statement. The 2015 comparative information was subjected to auditing procedures applied in the audit of the 2015 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 2015 basic financial statement or to the 2015 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 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive, somewhat slanted style.

Certified Public Accountants
Lawrence, Kansas

April 6, 2017

CITY OF LOUISBURG, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ 2,166,028	\$ 2,451,162	\$ 2,612,393	\$ 2,004,797	\$ 4,588	\$ 2,009,385
Special Purpose Funds:						
Special Street Fund	2,058,558	573,458	540,990	2,091,026	-	2,091,026
Excise Tax Fund	258,515	2,556	-	261,071	-	261,071
Cops for Kids Fund	7,009	695	873	6,831	-	6,831
Aquatic Center Operations Fund	991,951	511,123	213,326	1,289,748	-	1,289,748
Lewis Young Park Donations Fund	116,608	12,375	2,800	126,183	-	126,183
Lewis Young Park Lighting Fund	56,592	327	6,922	49,997	-	49,997
Infrastructure Improvement Fund	641,515	333,860	353,660	621,715	-	621,715
Freedom Fund	-	18,150	1,925	16,225	-	16,225
Cemetery Commission Fund	55,413	21,488	16,741	60,160	-	60,160
Fox Hall Commission Fund	39,332	8,414	7,920	39,826	-	39,826
Bond and Interest Funds:						
Bond and Interest Fund	718,672	1,122,493	1,326,219	514,946	-	514,946
Business Funds:						
Stormwater Fund	683,704	90,772	-	774,476	-	774,476
Natural Gas Fund	2,088,404	1,023,014	975,676	2,135,742	112,071	2,247,813
Natural Gas Capital Improvement Fund	315,727	56,223	126,144	245,806	-	245,806
Water Fund	284,689	1,576,426	1,383,231	477,884	11,248	489,132
Water Capital Improvement Fund	680,427	3,532	522,979	160,980	-	160,980
Water Utility Surplus Fund	752,336	4,569	-	756,905	-	756,905
Wastewater Fund	981,041	856,247	435,895	1,401,393	106	1,401,499
Wastewater Capital Improvement Fund	161,375	513	17,417	144,471	-	144,471
Water/Sewer Bond Reserve Fund	282,408	1,300	-	283,708	-	283,708
Water/Sewer Depreciation Reserve Fund	204,725	817	-	205,542	-	205,542
Total	\$ 13,545,029	\$ 8,669,514	\$ 8,545,111	\$ 13,669,432	\$ 128,013	\$ 13,797,445

COMPOSITION OF CASH:

First National Bank	
Checking	\$ 14,092
Fox Hall Savings	3,709
Fox Hall Certificates of Deposit	15,153
First Option Bank	
Checking	8,757,118
Certificates of Deposit	5,000,000
Landmark National Bank	
Fox Hall Certificates of Deposit	6,873
Peoples Bank	
Municipal Court Checking	5,925
Petty cash on hand	500
Total Cash	13,803,370
Agency Funds per Schedule 3	[5,925]
Total Reporting Entity (Excluding Agency Funds)	\$ 13,797,445

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

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year ended December 31, 2016:

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

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

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

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

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

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

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended December 31, 2016.

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

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

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

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

NOTE 2 - Deposits and Investments

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

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 2 - Deposits and Investments (Continued)

Investments. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. As of December 31, 2016, the City held no such investments.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods." The City's deposits were under secured at December 31, 2016, which is a violation of K.S.A. 9-1402.

At December 31, 2016, the City's carrying amount of deposits was \$13,803,370 and the bank balance was \$14,000,183. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$299,246 was covered by federal depository insurance and \$13,700,937 was collateralized with securities held by the pledging financial institutions' agents in the City's name

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

NOTE 3 – Retirement Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate through March 31, 2016, with a 0% moratorium until June 30, 2017, for the Death and Disability Program) and the statutory contribution rate 9.18% for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City were \$120,384 for the year ended December 31, 2016.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 3 – Retirement Plan (Continued)

Net Pension Liability. At December 31, 2016, the City's proportionate share of the collective net pension liability reported by KPERs was \$1,124,953. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. 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, 2016:

	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Subtractions from Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid by taxes					
General Obligation Bonds	\$ 5,260,000	\$ -	\$ 895,000	\$ 4,365,000	\$ 118,355
Temporary Notes	900,000	-	300,000	600,000	12,863
Capital Leases	<u>630,000</u>	<u>-</u>	<u>86,764</u>	<u>543,236</u>	<u>10,318</u>
Totals	<u>\$ 6,790,000</u>	<u>\$ -</u>	<u>\$ 1,281,764</u>	<u>\$ 5,508,236</u>	<u>\$ 141,535</u>

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

<u>Description</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Amount Outstanding at December 31, 2016</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Paid by taxes					
G.O. Bonds issued:					
Series 2008A	3.80 - 4.30%	1,600,000	\$ 370,000	11/4/2008	9/1/2018
Series 2013A	2.00 - 2.25%	5,560,000	<u>3,995,000</u>	1/10/2013	9/1/2026
			<u>\$ 4,365,000</u>		

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 4 – Long-Term Debt (Continued)

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

Year Ending <u>December 31,</u>	
2017	\$ 936,780
2018	831,020
2019	566,550
2020	461,350
2021	458,050
2022-2026	<u>1,509,150</u>
Total Principal and Interest	4,762,900
Less: Interest	<u>397,900</u>
Total Principal	<u><u>\$ 4,365,000</u></u>

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

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

Year Ending <u>December 31,</u>	
2017	\$ 310,500
2018	<u>306,000</u>
Total Principal and Interest	616,500
Less: Interest	<u>16,500</u>
Total Principal	<u><u>\$ 600,000</u></u>

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

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

Year Ending <u>December 31,</u>	
2017	\$ 97,082
2018	97,082
2019	97,082
2020	97,082
2021	97,082
2022	<u>97,082</u>
Total Principal and Interest	582,492
Less: Interest	<u>39,255</u>
Total Principal	<u><u>\$ 543,236</u></u>

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 5 – Customer Deposits

Customer deposits payable, in the amount of \$20,400 and \$12,200, are reported as outstanding encumbrances in the Natural Gas and Water Funds, respectively.

NOTE 6 – Interfund Transfers

A reconciliation of transfers by fund type for 2016 follows:

From	To	Amount	Regulatory Authority
General	Infrastructure Improvement	\$ 114,000	K.S.A. 12-1,118
General	Special Street	430,000	K.S.A. 12-1,119
Infrastructure Improvement	Bond and Interest	306,751	K.S.A. 12-825d
Aquatic Center Operations	Bond and Interest	21,000	K.S.A. 12-825d
Natural Gas	Bond and Interest	120,000	K.S.A. 12-825d
Natural Gas	General	10,000	K.S.A. 12-825d
Natural Gas	Natural Gas Capital Improvement	55,000	K.S.A. 12-825d
Wastewater	Bond and Interest	70,000	K.S.A. 12-825d
	Total	<u>\$ 1,126,751</u>	

NOTE 7 – Compensated Absences

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

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

Upon termination, an employee shall be compensated for all accumulated sick leave at their final rate of pay, up to 720 hours. The total accrued sick leave liability at December 31, 2016 was \$37,778.

Full-time employees accrue vacation leave at the rate of four hours per each full calendar month of employment, provided that the total accrued days shall not exceed twenty hours each six months. The employee shall not accumulate more than one hundred sixty hours of vacation beyond the last day of the calendar year. Upon termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay. The total accrued vacation leave liability at December 31, 2016 was \$56,403.

Full-time employees can accrue compensatory time instead of overtime pay, up to a 60 hour maximum. Upon termination, an employee shall be compensated for all earned but unused compensatory time at their final rate of pay. The total accrued compensatory leave liability at December 31, 2016 was \$4,635.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 8 – Contractual Obligations

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

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

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

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

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

<u>Year Ending</u> <u>December 31,</u>	
2017	\$ 1,706,800
2018	1,712,800
2019	1,753,200
2020	1,781,600
2021	1,813,400
2022-2026	9,671,806
2027-2031	10,651,231
2032-2036	11,833,850
2037-2041	13,698,925
2042-2043	<u>8,262,281</u>
Total Principal and Interest	62,885,894
Less: Interest	<u>28,765,894</u>
Total Principal	<u><u>\$34,120,000</u></u>

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

NOTE 9 – Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2016.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2016

NOTE 10 – Risk Management

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

NOTE 11 – Other Post-Employment Benefits

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

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

CITY OF LOUISBURG, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:					
General Funds:					
General	\$ 4,050,000	\$ -	\$ 4,050,000	\$ 2,612,393	\$ 1,437,607
Special Purpose Funds:					
Excise Tax Fund	100,000	-	100,000	-	100,000
Cops for Kids Fund	5,000	-	5,000	873	4,127
Aquatic Center Operations Fund	446,000	-	446,000	213,326	232,674
Lewis Young Park Donations Fund	80,000	-	80,000	2,800	77,200
Lewis Young Park Lighting Fund	25,000	-	25,000	6,922	18,078
Infrastructure Improvement Fund	750,000	-	750,000	353,660	396,340
Cemetery Commission Fund	40,000	-	40,000	16,741	23,259
Fox Hall Commission Fund	20,000	-	20,000	7,920	12,080
Bond and Interest Funds:					
Bond and Interest Fund	1,650,000	-	1,650,000	1,326,219	323,781
Business Funds:					
Stormwater Fund	500,000	-	500,000	-	500,000
Natural Gas Fund	1,685,000	-	1,685,000	975,676	709,324
Water Fund	1,707,459	-	1,707,459	1,383,231	324,228
Wastewater Fund	572,000	-	572,000	435,895	136,105

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes	\$ 1,044,602	\$ 1,033,813	\$ 1,162,778	\$ [128,965]
Intergovernmental	948,206	984,780	987,585	[2,805]
Licenses and permits	250,101	231,331	257,765	[26,434]
Fines and fees	87,500	55,718	-	55,718
Use of money and property	56,679	37,489	-	37,489
Miscellaneous	703,509	98,031	-	98,031
Transfer in	10,000	10,000	-	10,000
Total Receipts	<u>3,100,597</u>	<u>2,451,162</u>	<u>\$ 2,408,128</u>	<u>\$ 43,034</u>
Expenditures				
General government	337,099	306,465	\$ 545,000	\$ 238,535
Public safety	1,707,551	1,128,876	950,000	[178,876]
Building and zoning	48,639	45,486	82,000	36,514
Parks and recreation	129,522	208,338	214,000	5,662
Public works	283,324	271,296	475,000	203,704
Municipal court	49,857	54,797	65,000	10,203
Building inspection	56,889	53,135	74,000	20,865
Transfer out	624,000	544,000	774,000	230,000
Cash balance reserve	-	-	871,000	871,000
Total Expenditures	<u>3,236,881</u>	<u>2,612,393</u>	<u>\$ 4,050,000</u>	<u>\$ 1,437,607</u>
Receipts Over [Under] Expenditures	[136,284]	[161,231]		
Unencumbered Cash, Beginning	<u>2,302,312</u>	<u>2,166,028</u>		
Unencumbered Cash, Ending	<u>\$ 2,166,028</u>	<u>\$ 2,004,797</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Special Street Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Intergovernmental	\$ 293,242	\$ 114,054
Use of money and property	8,455	8,441
Reimbursed expenses	3,680	20,963
Transfer in	<u>500,000</u>	<u>430,000</u>
Total Receipts	<u>805,377</u>	<u>573,458</u>
Expenditures		
Highways and streets	<u>626,827</u>	<u>540,990</u>
Total Expenditures	<u>626,827</u>	<u>540,990</u>
Receipts Over [Under] Expenditures	178,550	32,468
Unencumbered Cash, Beginning	<u>1,880,008</u>	<u>2,058,558</u>
Unencumbered Cash, Ending	<u>\$ 2,058,558</u>	<u>\$ 2,091,026</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Excise Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 20,409	\$ -	\$ 25,000	\$ [25,000]
Use of money and property	1,083	1,081	1,000	81
Miscellaneous	3,263	1,475	-	1,475
Total Receipts	<u>24,755</u>	<u>2,556</u>	<u>\$ 26,000</u>	<u>\$ [23,444]</u>
Expenditures				
Capital outlay	-	-	\$ 100,000	\$ 100,000
Total Expenditures	-	-	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Receipts Over [Under] Expenditures	24,755	2,556		
Unencumbered Cash, Beginning	<u>233,760</u>	<u>258,515</u>		
Unencumbered Cash, Ending	<u>\$ 258,515</u>	<u>\$ 261,071</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Cops for Kids Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ -	\$ 225	\$ -	\$ 225
Donations	1,908	445	2,000	[1,555]
Use of money and property	24	25	25	-
Transfers in	-	-	4,000	[4,000]
Total Receipts	<u>1,932</u>	<u>695</u>	<u>\$ 6,025</u>	<u>\$ [5,330]</u>
Expenditures				
Public safety	<u>227</u>	<u>873</u>	<u>\$ 5,000</u>	<u>\$ 4,127</u>
Total Expenditures	<u>227</u>	<u>873</u>	<u>\$ 5,000</u>	<u>\$ 4,127</u>
Receipts Over [Under] Expenditures	1,705	[178]		
Unencumbered Cash, Beginning	<u>5,304</u>	<u>7,009</u>		
Unencumbered Cash, Ending	<u>\$ 7,009</u>	<u>\$ 6,831</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Aquatic Center Operations Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 84,554	\$ 74,332	\$ 87,000	\$ [12,668]
Intergovernmental	393,150	432,241	428,863	3,378
Miscellaneous	624	355	-	355
Use of money and property	4,201	4,195	3,500	695
Total Receipts	<u>482,529</u>	<u>511,123</u>	<u>\$ 519,363</u>	<u>\$ [8,240]</u>
Expenditures				
Culture and recreation	154,687	192,326	\$ 425,000	\$ 232,674
Transfer out	37,000	21,000	21,000	-
Total Expenditures	<u>191,687</u>	<u>213,326</u>	<u>\$ 446,000</u>	<u>\$ 232,674</u>
Receipts Over [Under] Expenditures	290,842	297,797		
Unencumbered Cash, Beginning	<u>701,109</u>	<u>991,951</u>		
Unencumbered Cash, Ending	<u>\$ 991,951</u>	<u>\$ 1,289,748</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Lewis Young Park Donations Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Donations	\$ 6,400	\$ -	\$ 500	\$ [500]
Intergovernmental	12,288	11,977	14,900	[2,923]
Use of money and property	399	398	-	398
Total Receipts	<u>19,087</u>	<u>12,375</u>	<u>\$ 15,400</u>	<u>\$ [3,025]</u>
Expenditures				
Culture and recreation	-	2,800	\$ 80,000	\$ 77,200
Total Expenditures	-	<u>2,800</u>	<u>\$ 80,000</u>	<u>\$ 77,200</u>
Receipts Over [Under] Expenditures	19,087	9,575		
Unencumbered Cash, Beginning	<u>97,521</u>	<u>116,608</u>		
Unencumbered Cash, Ending	<u>\$ 116,608</u>	<u>\$ 126,183</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Lewis Young Park Lighting Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Donations	\$ -	\$ 75	\$ 1,000	\$ [925]
Fines and fees	-	-	6,000	[6,000]
Use of money and property	<u>252</u>	<u>252</u>	-	<u>252</u>
Total Receipts	<u>252</u>	<u>327</u>	<u>\$ 7,000</u>	<u>\$ [6,673]</u>
Expenditures				
Culture and recreation	<u>305</u>	<u>6,922</u>	<u>\$ 25,000</u>	<u>\$ 18,078</u>
Total Expenditures	<u>305</u>	<u>6,922</u>	<u>\$ 25,000</u>	<u>\$ 18,078</u>
Receipts Over [Under] Expenditures	[53]	[6,595]		
Unencumbered Cash, Beginning	<u>56,645</u>	<u>56,592</u>		
Unencumbered Cash, Ending	<u>\$ 56,592</u>	<u>\$ 49,997</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Infrastructure Improvement Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 233,134	\$ 216,121	\$ 220,000	\$ [3,879]
Use of money and property	3,746	3,739	3,000	739
Temporary note proceeds	900,010	-	-	-
Transfer in	<u>124,000</u>	<u>114,000</u>	<u>124,000</u>	<u>[10,000]</u>
Total Receipts	<u>1,260,890</u>	<u>333,860</u>	<u>\$ 347,000</u>	<u>\$ [13,140]</u>
Expenditures				
Capital outlay	1,440,798	46,909	\$ 430,000	\$ 383,091
Temporary note issuance costs	9,135	-	-	-
Transfer out	<u>-</u>	<u>306,751</u>	<u>320,000</u>	<u>13,249</u>
Total Expenditures	<u>1,449,933</u>	<u>353,660</u>	<u>\$ 750,000</u>	<u>\$ 396,340</u>
Receipts Over [Under] Expenditures	[189,043]	[19,800]		
Unencumbered Cash, Beginning	<u>830,558</u>	<u>641,515</u>		
Unencumbered Cash, Ending	<u>\$ 641,515</u>	<u>\$ 621,715</u>		

See independent auditor's report on the financial statements.

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

Receipts	
Donations	\$ 18,150
Total Receipts	<u>18,150</u>
Expenditures	
Culture and recreation	<u>1,925</u>
Total Expenditures	<u>1,925</u>
Receipts Over [Under] Expenditures	16,225
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 16,225</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Cemetery Commission Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 14,000	\$ 20,850	\$ 20,000	\$ 850
Donations	600	350	1,000	[650]
Use of money and property	<u>263</u>	<u>288</u>	<u>-</u>	<u>288</u>
Total Receipts	<u>14,863</u>	<u>21,488</u>	<u>\$ 21,000</u>	<u>\$ 488</u>
Expenditures				
General government	<u>22,427</u>	<u>16,741</u>	<u>\$ 40,000</u>	<u>\$ 23,259</u>
Total Expenditures	<u>22,427</u>	<u>16,741</u>	<u>\$ 40,000</u>	<u>\$ 23,259</u>
Receipts Over [Under] Expenditures	[7,564]	4,747		
Unencumbered Cash, Beginning	<u>62,977</u>	<u>55,413</u>		
Unencumbered Cash, Ending	<u>\$ 55,413</u>	<u>\$ 60,160</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Fox Hall Commission Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Rents	\$ 7,645	\$ 7,860	\$ 9,000	\$ [1,140]
Use of money and property	221	104	150	[46]
Donations	<u>1,525</u>	<u>450</u>	<u>1,000</u>	<u>[550]</u>
Total Receipts	<u>9,391</u>	<u>8,414</u>	<u>\$ 10,150</u>	<u>\$ [1,736]</u>
Expenditures				
Culture and recreation	<u>7,755</u>	<u>7,920</u>	<u>\$ 20,000</u>	<u>\$ 12,080</u>
Total Expenditures	<u>7,755</u>	<u>7,920</u>	<u>\$ 20,000</u>	<u>\$ 12,080</u>
Receipts Over [Under] Expenditures	1,636	494		
Unencumbered Cash, Beginning	<u>37,696</u>	<u>39,332</u>		
Unencumbered Cash, Ending	<u>\$ 39,332</u>	<u>\$ 39,826</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 819,750	\$ 599,517	\$ 704,744	\$ [105,227]
Use of money and property	5,236	5,225	8,000	[2,775]
Transfer in	<u>178,605</u>	<u>517,751</u>	<u>530,020</u>	<u>[12,269]</u>
Total Receipts	<u>1,003,591</u>	<u>1,122,493</u>	<u>\$ 1,242,764</u>	<u>\$ [120,271]</u>
Expenditures				
Principal	919,505	1,195,000	\$ 1,188,000	\$ [7,000]
Interest	119,370	131,219	145,355	14,136
Cash basis reserve	-	-	316,645	316,645
Total Expenditures	<u>1,038,875</u>	<u>1,326,219</u>	<u>\$ 1,650,000</u>	<u>\$ 323,781</u>
Receipts Over [Under] Expenditures	[35,284]	[203,726]		
Unencumbered Cash, Beginning	<u>753,956</u>	<u>718,672</u>		
Unencumbered Cash, Ending	<u>\$ 718,672</u>	<u>\$ 514,946</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Stormwater Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Charges for services	\$ 85,878	\$ 87,832	\$ 85,000	\$ 2,832
Use of money and property	2,945	2,940	3,000	[60]
Total Receipts	<u>88,823</u>	<u>90,772</u>	<u>\$ 88,000</u>	<u>\$ 2,772</u>
Expenditures				
Operations	<u>33,338</u>	-	\$ 500,000	\$ 500,000
Total Expenditures	<u>33,338</u>	-	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Receipts Over [Under] Expenditures	55,485	90,772		
Unencumbered Cash, Beginning	<u>628,219</u>	<u>683,704</u>		
Unencumbered Cash, Ending	<u>\$ 683,704</u>	<u>\$ 774,476</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Natural Gas Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 1,063,140	\$ 1,013,345	\$ 1,300,000	\$ [286,655]
Use of money and property	9,687	9,669	8,300	1,369
Miscellaneous	746	-	-	-
Total Receipts	<u>1,073,573</u>	<u>1,023,014</u>	<u>\$ 1,308,300</u>	<u>\$ [285,286]</u>
Expenditures				
Operations	809,033	790,676	\$ 1,500,000	\$ 709,324
Transfer out	183,000	185,000	185,000	-
Total Expenditures	<u>992,033</u>	<u>975,676</u>	<u>\$ 1,685,000</u>	<u>\$ 709,324</u>
Receipts Over [Under] Expenditures	81,540	47,338		
Unencumbered Cash, Beginning	<u>2,006,864</u>	<u>2,088,404</u>		
Unencumbered Cash, Ending	<u>\$ 2,088,404</u>	<u>\$ 2,135,742</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Natural Gas Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers In	\$ 100,000	\$ 55,000
Use of money and property	<u>1,224</u>	<u>1,223</u>
Total Receipts	<u>101,224</u>	<u>56,223</u>
Expenditures		
Capital outlay	<u>50,000</u>	<u>126,144</u>
Total Expenditures	<u>50,000</u>	<u>126,144</u>
Receipts Over [Under] Expenditures	51,224	[69,921]
Unencumbered Cash, Beginning	<u>264,503</u>	<u>315,727</u>
Unencumbered Cash, Ending	<u>\$ 315,727</u>	<u>\$ 245,806</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 1,459,072	\$ 1,547,978	\$ 1,400,000	\$ 147,978
Transfer in	240,000	-	240,000	[240,000]
Use of money and property	1,921	27,472	-	27,472
Miscellaneous	-	976	-	976
Total Receipts	<u>1,700,993</u>	<u>1,576,426</u>	<u>\$ 1,640,000</u>	<u>\$ [63,574]</u>
Expenditures				
Administration	187,925	124,286	\$ 392,500	\$ 268,214
Operations	1,289,577	1,211,660	1,247,959	36,299
Production	7,182	23,228	22,000	[1,228]
Rebate	19,770	-	-	-
Capital outlay	14,527	24,057	45,000	20,943
Transfer out	22,113	-	-	-
Total Expenditures	<u>1,541,094</u>	<u>1,383,231</u>	<u>\$ 1,707,459</u>	<u>\$ 324,228</u>
Receipts Over [Under] Expenditures	159,899	193,195		
Unencumbered Cash, Beginning	<u>124,790</u>	<u>284,689</u>		
Unencumbered Cash, Ending	<u>\$ 284,689</u>	<u>\$ 477,884</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Water Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 3,539	\$ 3,532
Total Receipts	<u>3,539</u>	<u>3,532</u>
Expenditures		
Capital outlay	<u>86,850</u>	<u>522,979</u>
Total Expenditures	<u>86,850</u>	<u>522,979</u>
Receipts Over [Under] Expenditures	[83,311]	[519,447]
Unencumbered Cash, Beginning	<u>763,738</u>	<u>680,427</u>
Unencumbered Cash, Ending	<u>\$ 680,427</u>	<u>\$ 160,980</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Water Utility Surplus Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 4,576	\$ 4,569
Total Receipts	<u>4,576</u>	<u>4,569</u>
Expenditures		
Transfers out	<u>240,000</u>	<u>-</u>
Total Expenditures	<u>240,000</u>	<u>-</u>
Receipts Over [Under] Expenditures	[235,424]	4,569
Unencumbered Cash, Beginning	<u>987,760</u>	<u>752,336</u>
Unencumbered Cash, Ending	<u>\$ 752,336</u>	<u>\$ 756,905</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
Wastewater Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2016
(With Comparative Actual Amounts For the Year Ended December 31, 2015)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges to customers	\$ 470,063	\$ 851,441	\$ 430,000	\$ 421,441
Use of money and property	-	4,806	5,000	[194]
Miscellaneous	4,814	-	-	-
Total Receipts	<u>474,877</u>	<u>856,247</u>	<u>\$ 435,000</u>	<u>\$ 421,247</u>
Expenditures				
Operations	389,608	332,655	\$ 450,000	\$ 117,345
Capital outlay	2,530	33,240	50,000	16,760
Rebates	-	-	2,000	2,000
Transfer out	168,605	70,000	70,000	-
Total Expenditures	<u>560,743</u>	<u>435,895</u>	<u>\$ 572,000</u>	<u>\$ 136,105</u>
Receipts Over [Under] Expenditures	[85,866]	420,352		
Unencumbered Cash, Beginning	<u>1,066,907</u>	<u>981,041</u>		
Unencumbered Cash, Ending	<u>\$ 981,041</u>	<u>\$ 1,401,393</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Wastewater Capital Improvement Fund
Schedule of Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 513	\$ 513
Transfers In	<u>100,000</u>	<u>-</u>
Total Receipts	<u>100,513</u>	<u>513</u>
Expenditures		
Capital outlay	<u>50,000</u>	<u>17,417</u>
Total Expenditures	<u>50,000</u>	<u>17,417</u>
Receipts Over [Under] Expenditures	50,513	[16,904]
Unencumbered Cash, Beginning	<u>110,862</u>	<u>161,375</u>
Unencumbered Cash, Ending	<u>\$ 161,375</u>	<u>\$ 144,471</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Water/Sewer Bond Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2016 and 2015

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Miscellaneous	\$ 1,304	\$ 1,300
Total Receipts	1,304	1,300
Expenditures		
Miscellaneous	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	1,304	1,300
Unencumbered Cash, Beginning	281,104	282,408
Unencumbered Cash, Ending	\$ 282,408	\$ 283,708

* This fund is not required to be budgeted

CITY OF LOUISBURG, KANSAS
 Water/Sewer Depreciation Reserve Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2016 and 2015

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Use of money and property	\$ 815	\$ 817
Transfer in	<u>22,113</u>	<u>-</u>
Total Receipts	<u>22,928</u>	<u>817</u>
Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	22,928	817
Unencumbered Cash, Beginning	<u>181,797</u>	<u>204,725</u>
Unencumbered Cash, Ending	<u>\$ 204,725</u>	<u>\$ 205,542</u>

* This fund is not required to be budgeted

CITY OF LOUISBURG, KANSAS
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2016

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court	\$ 5,575	\$ 1,550	\$ 1,200	\$ 5,925
Freedom Fund	<u>11,681</u>	<u>-</u>	<u>11,681</u>	<u>-</u>
 Total Agency Funds	 <u>\$ 17,256</u>	 <u>\$ 1,550</u>	 <u>\$ 12,881</u>	 <u>\$ 5,925</u>