



**Karlin & Long, LLC**  
*Certified Public Accountants*

July 7, 2018

To the City Council

City of Overbrook, Kansas

We have audited the financial statement of the City of Overbrook, Kansas of the governmental activities and the business-type activities and presented component units of the City of Overbrook, Kansas for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Overbrook are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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Lawrence, Kansas 66044  
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### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 7, 2018.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We were engaged to report on the supplementary information (i.e. Summary of expenditures and individual fund statements), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Overbrook and is not intended to be, and should not be, used by anyone other than these specified parties.

Cordially,



Karlin & Long, LLC  
Certified Public Accountants

**CITY OF OVERBROOK, KANSAS**

**REGULATORY BASIS FINANCIAL STATEMENTS**  
For the year ended December 31, 2017

And

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

...*KL*...

***Karlin & Long, LLC***  
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# CITY OF OVERBROOK, KANSAS

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**Karlin & Long, LLC**  
*Certified Public Accountants*

The Honorable Mayor and City Council  
P.O. Box 325  
Overbrook, Kansas 66524

**INDEPENDENT AUDITOR’S REPORT ON FINANCIAL STATEMENTS**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Overbrook, Kansas (“Municipal Financial Reporting Entity”) as of and for the year ended December 31, 2017, and the related notes to the financial statements.

***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 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 that 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 the 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 statements.

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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 of Overbrook, 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 of Overbrook, Kansas 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 of Overbrook, Kansas 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***

***Supplementary Information***

Our audit was conducted for the purpose of forming 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 and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional 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.

*Karlin & Long, LLC*

Karlin & Long, LLC  
Certified Public Accountants

Lenexa, KS  
July 7, 2018

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 180,175	\$ 0	\$ 389,187	\$ 332,455	\$ 236,907	\$ 0	\$ 236,907
Special Purpose Funds							
Public Safety	17,341	0	167,965	140,836	44,470	0	44,470
Street maintenance	26,138	0	27,765	27,258	26,645	0	26,645
Library	3,165	0	79,141	82,306	0	0	0
Parks and Recreation	16,426	0	43,985	33,185	27,226	0	27,226
Special highway	171,113	0	27,302	14,505	183,910	0	183,910
Water/Sewer reserve	109,657	0	33,000	10,454	132,203	0	132,203
Equipment reserve	16,834	0	10,008	765	26,077	0	26,077
Employee benefit reserve	23,521	0	0	0	23,521	0	23,521
Bond and Interest Fund:							
Bond & Interest	0	0	95,461	88,838	6,623	0	6,623
Business Funds:							
Water and Sewer Utility	15,770	0	464,609	448,394	31,985	0	31,985
Pool	25,690	0	51,416	57,531	19,575	0	19,575
Capital projects							
Park/Lake Fund	376	0	20,467	20,843	0	0	0
Water/Sewer Debt Reserve	13,198	0	85,056	83,200	15,054	0	15,054
Subtotal	619,404	0	1,495,362	1,340,570	774,196	0	774,196
Component Unit:							
Library	28,740	0	130,619	116,509	42,850	0	42,850
Total Reporting Entity	\$ 648,144	\$ 0	\$ 1,625,981	\$ 1,457,079	\$ 817,046	\$ 0	\$ 817,046
Composition of Cash							
			Checking Accounts		\$ 581,843		
			Savings Accounts				
			Petty Cash				
			Municipal Investment Pool				192,353
			Certificates of Deposit				42,850
			Total Component Unit				\$ 817,046
			Total Reporting Entity				\$ 817,046

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



# CITY OF OVERBROOK, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Summary of Significant Accounting Policies

#### Financial Reporting Entity

The City of Overbrook, Kansas is a municipal corporation governed by an elected seven member council. This financial statement presents the City of Overbrook (the municipality) and its related municipal entities. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and/or its constituents.

#### Overbrook Community Library

The Overbrook Community Library operates the City's public library. Acquisition or disposition of real property by the board must be approved by the city. Bond issuances must also be approved by the city.

#### Overbrook Recreation Commission

The Overbrook Recreation Commission over sees recreation activities. The City council appoints members to the commission. The recreation commission operates as a separate governing body but the city levies taxes for the recreation commission and the recreation commissions has only the powers granted by statute K.S.A. 12-1928

#### Regulatory Basis Fund Types

**General Fund** – The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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

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

**Business Funds** – funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, sewer fund, etc.)

# CITY OF OVERBROOK, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### 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.

#### Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

#### 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 1<sup>st</sup>.

# CITY OF OVERBROOK, KANSAS

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Summary of Significant Accounting Policies (Continued)

#### Budgetary Information (continued)

2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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. There were budget amendments, in the Library and Parks and Recreation Funds for this year.

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

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

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

- 1) Capital Improvement Fund,
- 2) Equipment Reserve Fund.

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

## CITY OF OVERBROOK, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 2 – Stewardship, Compliance and Accountability

##### Compliance with Kansas Statutes

We noted no violations of Kansas Statutes for the period under audit.

#### NOTE 3 – Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality 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 Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Municipality'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 Municipality has no investment policy that would further limit its investment choices.

##### Concentration of Credit Risk

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

##### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality'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%. All deposits were legally secured at December 31, 2017.

**CITY OF OVERBROOK, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – Deposits and Investments (Continued)**

**Custodial Credit Risk – Deposits**

At December 31, 2017, the Municipality's carrying amount of deposits was \$ 817,046 and the bank balance was \$ 820,756. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank, \$ 436,301 was covered by federal depository insurance and \$ 384,455 was collateralized with securities held by the pledging financial institutions' agents in the Municipality'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 Municipality 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 4 – Defined Benefit Pension Plan**

**Plan Description** – The City of Overbrook, Kansas 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 Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions** – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates depending on whether the employee is KPERS 1, KPERS2, 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 of 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to provisions Section 414(h) of the Internal Revenue Code.

## CITY OF OVERBROOK, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 4 – Defined Benefit Pension 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% contribution rate with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for KPERS and 19.03% for KP&F for the fiscal year ended December 31, 2017. Contributions to the pension plan from (non-school municipality) were \$12,795 for KPERS and \$8,455 for KP&F for the year ended December 31, 2016.

#### **Net Pension Liability**

At December 31, 2016, The City of Overbrook, Kansas proportionate share of the collective net pension liability reported by KPERS was \$139,137 and \$11,638 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 (non-school municipality)'s proportion of the net pension liability was based on the ratio of the (non-school municipality)'s contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actual 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 website [www.KPERS.org](http://www.KPERS.org) or can be obtained as described above.

#### **NOTE 5 – Other Long Term Obligations from Operations**

#### **Other Post Employment Benefits**

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

## CITY OF OVERBROOK, KANSAS

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 5 – Other Long Term Obligations from Operations (continued)**

##### **Other Post Employment Benefits (continued)**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the city makes health care 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.

##### **Compensated Absences**

City employees receive vacation and sick leave benefits. Vacations benefits accrue on a monthly basis and an annual carryover caps the number of days transferred from year to year. Upon termination, employees are compensated for any unused vacation leave. Sick leave accrues on a monthly basis up to a maximum. Upon termination, employees are not compensated for any unused sick leave. This amount has not been recorded in the financial statements.

#### **NOTE 6 – Claims and Judgments**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of June 17, 2017, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2015 to 2016 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

**CITY OF OVERBROOK, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Pool Fund	K.S.A. 79-2526	\$ 30,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	10,008
General Fund	Water/Sewer Reserve	K.S.A. 12-1,117	24,036
General Fund	Lake/Park	K.S.A. 79-2526	17,274
Water/Sewer Fund	Water/Sewer Debt	K.S.A. 12-825d	85,056
Water/Sewer Fund	Water/Sewer Reserve	K.S.A. 12-825d	8,964

**NOTE 8 – Subsequent Events Review**

Subsequent events for management’s review have been evaluated through July 7, 2018. The date in the prior sentence is the date the financial statements were available to be issued.



CITY OF OVERBROOK, KANSAS

NOTES TO FINANCIAL STATEMENTS

**Note 9 - Long Term Debt**

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds Refunding and improvement	1.50-4.25%	9/1/10	775,000	9/1/25	\$ 390,000	\$	\$ 75,000	\$ (75,000)	\$ 315,000	\$ 13,837
<b>KDHE Loan:</b>										
Kansas Department of Health and Environment(Waterline)	4.15%	2/1/03	160,000	2/1/24	69,526		8,752	(8,752)	60,774	2,560
Kansas Department of Health and Environment(Wastewater)	3.56%	10/22/04	1,060,660	10/22/24	535,458		56,321	(56,321)	479,137	14,028
<b>Total Long Term Debt</b>					<b>\$ 994,984</b>	<b>\$ 0</b>	<b>\$ 140,073</b>	<b>\$ (140,073)</b>	<b>\$ 854,911</b>	<b>\$ 30,425</b>

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

	2018	2019	2020	2021	2022	2023-2025	Total
<b>Principal</b>							
General Obligation Bonds	\$ 80,000	\$ 80,000	\$ 80,000	\$ 15,000	\$ 15,000	\$ 45,000	315,000
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases							0
Revenue Bonds	68,447	70,137	72,485	74,595	76,768	177,479	539,911
KDHE Loans							0
Temporary Notes							0
<b>Total Principal</b>	<b>148,447</b>	<b>150,137</b>	<b>152,485</b>	<b>89,595</b>	<b>91,768</b>	<b>222,479</b>	<b>854,911</b>
<b>Interest</b>							
General Obligation Bonds	11,587	8,988	6,187	3,187	2,550	3,825	36,324
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases							0
Revenue Bonds	14,751	12,761	12,363	10,298	8,171	11,817	70,161
KDHE Loans							0
Temporary Notes							0
<b>Total Interest</b>	<b>26,338</b>	<b>21,749</b>	<b>18,550</b>	<b>13,485</b>	<b>10,721</b>	<b>15,642</b>	<b>106,485</b>
<b>Total Principal and Interest</b>	<b>\$ 174,785</b>	<b>\$ 171,886</b>	<b>\$ 171,035</b>	<b>\$ 103,080</b>	<b>\$ 102,489</b>	<b>\$ 238,121</b>	<b>\$ 961,396</b>

**City of Overbrook, Kansas**

**Regulatory-Required**

**Supplementary Information**

**For the year ended December 31, 2017**

CITY OF OVERBROOK, KANSAS  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2017

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 477,888	\$ 0	\$ 0	\$ 477,888	\$ 332,455	\$ (145,433)
Special Purpose Funds:						
Public safety	169,525	0	0	169,525	140,836	(28,689)
Street maintenance	66,735	0	0	66,735	27,258	(39,477)
Library	84,909	0	0	84,909	82,306	(2,603)
Parks and Recreation	36,500	0	0	36,500	33,185	(3,315)
Special highway	190,900	0	0	190,900	14,505	(176,395)
	548,569	0	0	548,569	298,090	(250,479)
Business Funds:						
Water and Sewer utility	604,755	0	0	604,755	448,394	(156,361)
Pool	96,946	0	0	96,946	57,531	(39,415)
	701,701	0	0	701,701	505,925	(195,776)
Bond and Interest Fund:						
Bond and Interest	92,667	0	0	92,667	88,838	(3,829)

CITY OF OVERBROOK, KANSAS  
GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 83,743	\$ 84,614	\$ (871)
Delinquent tax	13,598		13,598
Motor vehicle tax	9,620	9,089	531
RV tax	113	70	43
16/20M vehicle tax		62	(62)
Commercial Vehicle tax		129	(129)
Watercraft tax			0
Total taxes	<u>107,074</u>	<u>93,964</u>	<u>13,110</u>
Franchise fees	63,917	55,000	8,917
Intergovernmental revenues	2,434	6,500	(4,066)
Sales tax	169,314	165,000	4,314
Licenses, rent, permits	2,895	2,000	895
Municipal court	23,888	20,000	3,888
Interest income	1,897	1,000	897
Miscellaneous revenues	17,768	12,000	5,768
Operating transfers			0
Total Cash Receipts	<u>389,187</u>	<u>355,464</u>	<u>33,723</u>
<b>EXPENDITURES</b>			
General government			
Personnel services	94,825	110,000	(15,175)
Commodities	65,240	62,000	3,240
Contractual	54,614	75,000	(20,386)
Public safety	21,422	30,000	(8,578)
Highways and streets	2,697	40,000	(37,303)
Recreation and culture	12,339	15,000	(2,661)
Capital outlay		62,880	(62,880)
Operating transfers	81,318	83,008	(1,690)
Adjustment for qualifying budget credits			0
Total Expenditures	<u>332,455</u>	<u>\$ 477,888</u>	<u>\$ (145,433)</u>
Receipts Over (Under) Expenditures	56,732		
Unencumbered Cash, Beginning	180,175		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 236,907</u>		

## CITY OF OVERBROOK, KANSAS

SPECIAL PURPOSE FUND

## LAW FUND

## SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 127,733	\$ 129,058	\$ (1,325)
Delinquent tax	23,241	8,000	15,241
Motor vehicle tax	16,032	15,147	885
RV tax	192	117	75
16/20M vehicle tax		105	(105)
Commercial Vehicle tax		214	(214)
Watercraft tax			0
Intergovernmental revenue			0
Interest income			0
Miscellaneous revenues	767		767
Operating transfers			0
	<u>167,965</u>	<u>152,641</u>	<u>15,324</u>
<b>EXPENDITURES</b>			
General administration			0
Public safety			
Personnel services	102,928	132,500	(29,572)
Commodities	13,983	22,500	(8,517)
Contractual	4,567	14,525	(9,958)
Capital outlay	19,358		19,358
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>140,836</u>	<u>\$ 169,525</u>	<u>\$ (28,689)</u>
Receipts Over (Under) Expenditures	27,129		
Unencumbered Cash, Beginning	17,341		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 44,470</u>		

CITY OF OVERBROOK, KANSAS  
SPECIAL PURPOSE FUND  
 STREET MAINTENANCE FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 22,364	\$ 22,598	\$ (234)
Delinquent tax	3,263	1,400	1,863
Motor vehicle tax	2,113	1,997	116
RV tax	25	15	10
16/20M vehicle tax		14	(14)
Commercial Vehicle tax		28	(28)
Watercraft tax			0
Fuel tax			0
Sales tax			0
Bond proceeds			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>27,765</u>	<u>26,052</u>	<u>1,713</u>
<b>EXPENDITURES</b>			
Street project			0
Streets	27,258	66,735	(39,477)
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>27,258</u>	<u>\$ 66,735</u>	<u>\$ (39,477)</u>
Receipts Over (Under) Expenditures	507		
Unencumbered Cash, Beginning	26,138		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 26,645</u>		

CITY OF OVERBROOK, KANSAS  
SPECIAL PURPOSE FUND  
 LIBRARY FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 62,207	\$ 62,852	\$ (645)
Delinquent tax	9,615	3,000	6,615
Motor vehicle tax	7,232	6,834	398
RV tax	87	53	34
16/20M vehicle tax		47	(47)
Commercial Vehicle tax		96	(96)
Watercraft tax			0
Federal grants			0
State aid/grants			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>79,141</u>	<u>72,882</u>	<u>6,259</u>
<b>EXPENDITURES</b>			
General government	82,306	84,909	(2,603)
Capital outlay			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>82,306</u>	<u>\$ 84,909</u>	<u>\$ (2,603)</u>
Receipts Over (Under) Expenditures	(3,165)		
Unencumbered Cash, Beginning	3,165		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

CITY OF OVERBROOK, KANSAS  
SPECIAL PURPOSE FUND  
 PARKS AND RECREATION FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 17,749	\$ 17,934	\$ (185)
Delinquent tax	1,181	500	681
Motor vehicle tax	760	718	42
RV tax	10	6	4
16/20M vehicle tax		5	(5)
Commercial Vehicle tax		10	(10)
Watercraft tax			0
Federal grants			0
State aid/grants	2,434		2,434
Charges for services	20,947		20,947
Miscellaneous revenues	904		904
Operating transfers			0
	<u>43,985</u>	<u>19,173</u>	<u>24,812</u>
<b>EXPENDITURES</b>			
General government	33,185	36,500	(3,315)
Capital outlay			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>33,185</u>	<u>\$ 36,500</u>	<u>\$ (3,315)</u>
Receipts Over (Under) Expenditures	10,800		
Unencumbered Cash, Beginning	16,426		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 27,226</u>		



CITY OF OVERBROOK, KANSAS  
SPECIAL PURPOSE FUND  
SPECIAL HIGHWAY FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Intergovernmental revenues	\$ 27,302	\$ 26,710	\$ 592
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	27,302	26,710	592
<b>EXPENDITURES</b>			
General government			0
Highways and streets			0
Personnel services			0
Commodities			0
Contractual	14,505	190,900	(176,395)
Capital outlay			0
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	14,505	\$ 190,900	\$ (176,395)
Receipts Over (Under) Expenditures	12,797		
Unencumbered Cash, Beginning	171,113		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	\$ 183,910		

CITY OF OVERBROOK, KANSAS  
BUSINESS FUND  
 WATER AND SEWER UTILITY FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Charges for services	\$ 464,609	\$ 500,000	\$ (35,391)
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>464,609</u>	<u>500,000</u>	<u>(35,391)</u>
<b>EXPENDITURES</b>			
Production			
Personnel services	128,328	130,000	(1,672)
Commodities	71,818	85,000	(13,182)
Contractual	29,851	65,000	(35,149)
Refuse collection	124,377	130,000	(5,623)
Capital outlay		100,735	(100,735)
Debt service			0
Operating transfers	94,020	94,020	0
Adjustment for qualifying budget credits			0
	<u>448,394</u>	<u>\$ 604,755</u>	<u>\$ (156,361)</u>
Receipts Over (Under) Expenditures	16,215		
Unencumbered Cash, Beginning	15,770		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 31,985</u>		

CITY OF OVERBROOK, KANSAS  
BUSINESS FUND  
 POOL FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	Variance- Over <u>(Under)</u>
<b>CASH RECEIPTS</b>			
Charges for services	\$ 21,416	\$ 27,500	\$ (6,084)
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>30,000</u>	<u>30,000</u>	<u>0</u>
 Total Cash Receipts	 <u>51,416</u>	 <u>57,500</u>	 <u>(6,084)</u>
<b>EXPENDITURES</b>			
Operations			
Personnel services	41,038	55,000	(13,962)
Commodities	11,951	25,000	(13,049)
Contractual	4,542	16,946	(12,404)
Capital outlay			0
Debt service			0
Operating transfers			0
Adjustment for qualifying budget credits			<u>0</u>
 Total Expenditures	 <u>57,531</u>	 <u>\$ 96,946</u>	 <u>\$ (39,415)</u>
 Receipts Over (Under) Expenditures	 (6,115)		
Unencumbered Cash, Beginning	25,690		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 19,575</u>		

CITY OF OVERBROOK, KANSAS  
BOND AND INTEREST FUND  
BOND AND INTEREST FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 60,289	\$ 60,920	\$ (631)
Delinquent tax	12,332	2,500	9,832
Motor vehicle tax	7,747	7,320	427
RV tax	93	57	36
16/20M vehicle tax		51	(51)
Commercial Vehicle tax		103	(103)
Watercraft tax			0
Intergovernmental revenues	15,000	21,750	(6,750)
Miscellaneous revenues			0
Operating transfers			0
	<u>95,461</u>	<u>92,701</u>	<u>2,760</u>
<b>EXPENDITURES</b>			
General administration			0
Debt service	88,838	92,667	(3,829)
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>88,838</u>	<u>\$ 92,667</u>	<u>\$ (3,829)</u>
Receipts Over (Under) Expenditures	6,623		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,623</u>		

CITY OF OVERBROOK, KANSAS  
 ANY NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Lake Fund</u>	<u>Water/Sewer Reserve</u>
<b>CASH RECEIPTS</b>		
Federal grants	\$	\$
State aid/grants		
City appropriation		
Charges for services	3,193	
Interest income		
Miscellaneous revenues		
Operating transfers	<u>17,274</u>	<u>33,000</u>
Total Cash Receipts	<u>20,467</u>	<u>33,000</u>
<b>EXPENDITURES</b>		
Operations		
Personnel services	1,272	
Commodities	2,267	
Contractual	17,304	
Capital outlay		10,454
Debt service		
Operating transfers		
Adjustment for qualifying budget credits	<u>          </u>	<u>          </u>
Total Expenditures	<u>20,843</u>	<u>10,454</u>
Receipts Over (Under) Expenditures	(376)	22,546
Unencumbered Cash, Beginning	376	109,657
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 132,203</u>

CITY OF OVERBROOK, KANSAS  
 ANY NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended December 31, 2017

	<u>Employee Benefit Reserve</u>	<u>Water Sewer Debt Reserve</u>	<u>Equipment Reserve</u>
<b>CASH RECEIPTS</b>			
Federal grants	\$	\$	\$
State aid/grants			
City appropriation			
Charges for services			
Interest income			
Miscellaneous revenues			
Operating transfers		85,056	10,008
	<u>0</u>	<u>85,056</u>	<u>10,008</u>
<b>Total Cash Receipts</b>			
<b>EXPENDITURES</b>			
Operations			
Personnel services			
Commodities			
Contractual			
Capital outlay			765
Debt service		83,200	
Operating transfers			
Adjustment for qualifying budget credits			
	<u>0</u>	<u>83,200</u>	<u>765</u>
<b>Total Expenditures</b>			
Receipts Over (Under) Expenditures	0	1,856	9,243
Unencumbered Cash, Beginning	23,521	13,198	16,834
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Unencumbered Cash, Ending</b>	<u>\$ 23,521</u>	<u>\$ 15,054</u>	<u>\$ 26,077</u>