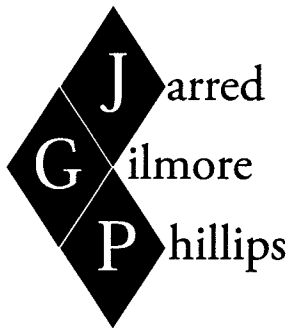


CITY OF CHANUTE, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2015



Honorable Mayor and City Commissioners
City of Chanute, Kansas

In planning and performing our audit of the financial statement of the City of Chanute, Kansas as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered City of Chanute's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of City of Chanute's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Chanute's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, City Commissioners, others within the City of Chanute, and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
June 27, 2016

Jarred, Gilmore & Phillips, PA
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CITY OF CHANUTE, KANSAS
For the Year Ended December 31, 2015
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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commissioners
City of Chanute, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Chanute, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on 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 City'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 of Chanute, 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 Chanute, Kansas as of December 31, 2015, 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 Chanute, Kansas as of December 31, 2015, 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 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, schedule 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.

The 2014 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 2015 basic financial statement upon which we rendered an unmodified opinion dated March 6, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2014 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 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 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 2014 basic financial statement or to the

2014 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 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

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 supplementary schedule of bond information (Schedule 4 as listed in the table of contents) is presented for purposes of additional analysis as required by bond agreements and is not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
June 27, 2016

CITY OF CHANUTE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Year Ended December 31, 2015

Funds	Beginning Unencumbered Cash Balances		Receipts		Expenditures		Ending Unencumbered Cash Balances		Add		Cash Balance December 31, 2015
	\$		\$		\$		\$		\$		
General Fund	\$ 719,004.78		\$ 6,781,805.83		\$ 6,677,457.91		\$ 823,352.70		\$ 237,730.14		\$ 1,061,082.84
Special Purpose Funds:											
Industrial	170,973.93		3,475.00		-		174,448.93		-		174,448.93
Library	-		404,417.05		404,417.05		-		-		-
Library Employee Benefits	-		57,074.83		57,074.83		-		-		-
City Employee Benefits	475,202.10		1,003,561.18		874,452.64		604,310.64		488.50		604,799.14
Special Liability Expense	359,217.38		1.11		10,231.44		348,987.05		2,116.27		351,103.32
Recreation Complex	120,409.86		42,000.00		56,416.86		105,993.00		3,112.95		109,105.95
Special Parks and Recreation	135,797.89		26,708.62		8,193.52		154,312.99		-		154,312.99
Special Alcohol Programs	27,219.74		25,986.01		33,974.87		19,230.88		1,375.00		20,605.88
Tourism and Convention	60,835.91		51,331.54		54,700.00		57,467.45		700.00		58,167.45
Special Highway Improvement	837,256.31		243,660.71		283,790.88		797,126.14		1,816.64		798,942.78
Capital Improvement #1	780,366.72		590,542.92		511,993.20		858,916.44		16,019.85		874,936.29
Capital Improvement #2	369,795.64		86,535.05		64,129.67		392,201.02		8,055.52		400,256.54
Equipment Reserve	54,505.41		37,500.00		23,560.02		68,445.39		-		68,445.39
Efficiency Kansas Grant	269.08		8,218.53		8,204.63		282.98		-		282.98
Grant Projects	6,256.72		180,242.97		182,987.48		3,512.21		13,461.29		16,973.50
Depot Roof Project	-		381,171.59		401,166.00		(19,994.41)		-		(19,994.41)
Bond and Interest Funds:											
General Obligation Bond and Interest	205,120.04		14,600,320.56		14,454,629.33		350,811.27		-		350,811.27
Special Obligation Bond and Interest	13,117.05		57,000.28		57,732.00		12,385.33		-		12,385.33
Business Funds:											
Electric Utility	349,889.61		25,821,921.32		25,718,628.11		453,182.82		1,295,354.37		1,748,537.19
Water Utility	230,494.97		1,502,457.72		1,490,648.55		242,304.14		27,271.58		269,575.72
Gas Utility	373,984.68		5,357,475.54		4,923,949.34		807,510.88		369,902.45		1,177,413.33
Refuse Utility	451,335.37		950,932.96		885,220.54		517,047.79		24,270.89		541,318.68
Sewer Utility	94,819.31		1,408,515.47		1,473,567.42		29,767.36		37,212.45		66,979.81
Electric, Water & Gas Bond and Interest	195,625.07		681,261.60		734,260.00		142,626.67		-		142,626.67
Electric, Water & Gas Bond											
Depreciation and Replacement	301,589.73		-		-		301,589.73		-		301,589.73
I&I Sewer Project Reserve	-		167,412.00		30,055.34		137,356.66		-		137,356.66
Vehicle Services	1,412.17		709,348.73		680,986.25		29,774.65		33,562.92		63,337.57
Utility Services	671.47		1,161,575.22		1,133,794.64		28,452.05		27,066.86		55,518.91
Public Works and Utility Complex	679.30		185,679.03		156,634.79		29,723.54		8,255.45		37,978.99
Total Reporting Entity (Excluding Agency Funds)	\$ 6,335,850.24		\$ 62,528,133.37		\$ 61,392,857.31		\$ 7,471,126.30		\$ 2,107,773.13		\$ 9,578,899.43

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

CITY OF CHANUTE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2015

	2015
Total Cash to be accounted for:	\$ 9,578,899.43
Composition of Cash:	
Cash on Hand	\$ 1,890.00
Checking Accounts:	
City Treasurer	5,639,878.65
Payroll Account	6,717.72
ISF Check Account	9,086.38
General Petty Cash	3,500.00
Security Deposit Account	257,306.36
Utility Petty Cash Account.....	1,075.00
Golf Course Petty Cash Account.....	5,000.00
Investments:	
Certificates of Deposit	6,307,305.81
UMB Escrow Accounts	0.28
Total Cash	12,231,760.20
Agency Funds Per Schedule 3	(2,652,860.77)
Total Reporting Entity (Excluding Agency Funds)	\$ 9,578,899.43

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

CITY OF CHANUTE, KANSAS

Notes to Financial Statement
For the Year Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Chanute, Kansas (the City) is incorporated as a city of the second class under the provisions of the Kansas Constitution, Article 12, Section 5 and K.S.A. 14-101 *et seq.* The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water, electric, trash and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Chanute, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principle standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The City of Chanute is a municipal corporation governed by an elected five-member commission. This financial statement presents the City of Chanute.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Chanute Public Library – The City of Chanute Library Board operates the City's public library. Acquisition or disposition of real property or bond issuances must be approved by the City. Separate audited financial statements are prepared and are available at the Chanute Public Library.

The Housing Authority – The Housing Authority of the City of Chanute, Kansas operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. Separate audited financial statements are prepared and are available at the Housing Authority of the City of Chanute, Kansas.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, revenues and expenditures. The various funds are grouped by type in the financial statements. The types of funds maintained by the City are as follows:

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 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 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.).

Basis of Accounting

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

The municipality 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 municipality to use the regulatory basis of accounting.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System or the State of Kansas Police and Fire Retirement System, both of which are multi-employer, state-wide pension plans. The City's policy is to fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State of Kansas.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2015, the City amended the Recreation Complex Fund, Special Alcohol Programs Fund, Tourism and Convention Fund, Special Highway Improvement Fund, Sewer Utility Fund, and the Electric, Water, and Gas Bond and Interest Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

- Capital Improvement # 1 Fund
- Capital Improvement # 2 Fund
- Equipment Reserve Fund
- Efficiency Kansas Grant Fund
- Grant Projects Fund
- Depot Roof Project 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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Bond Ordinances

The City is required, under ordinances on general obligation utility bond issues and on revenue bond issues, to maintain in its Business Funds certain restricted accounts. The ordinances provide that the following reserve accounts be set up in amounts as described below:

Electric Light and Gas Bond Reserves

The City has outstanding general obligation utility bonds segregated and defined as follows:

General Obligation Utility Bonds:	
Series 2014-A	Subordinate Lien Bonds
Series 2014-B	Subordinate Lien Bonds
Series 2014-C	Subordinate Lien Bonds
Series 2015-A	Subordinate Lien Bonds
Series 2015-B	Subordinate Lien Bonds

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

<u>Debt Service Reserves</u>	<u>REQUIRED RESERVEVES</u>	<u>ACTUAL</u>
Electric Light and Gas Utility Systems refunding bonds \$530,000 general obligation bond issue, Series 2014-C, requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	\$ 1,943.33	
Electric Light and Gas Utility Systems refunding bonds \$5,320,000 general obligation bond issue, Series 2015-A, requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	29,562.77	
Electric Light and Gas Utility Systems refunding bonds \$5,060,000 general obligation bond issue, Series 2015-B, requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	<u>275,363.43</u>	
Total	<u>306,869.53</u>	<u>\$ 350,811.27</u>
General Obligation Bonds:		
Electric Light and Gas Utility Systems refunding bonds \$6,990,000 general obligation bond issue, Series 2014-A, requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	77,093.33	
Taxable Electric Light and Gas Utility Systems refunding bonds \$835,000 general obligation bond issue, Series 2014-B, requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	<u>44,200.00</u>	
Total	<u>121,293.33</u>	<u>142,626.67</u>
Depreciation and Replacement Reserve	<u>300,000.00</u>	<u>301,589.73</u>
Total Electric Light and Gas Debt Service Reserves	<u>\$ 728,162.86</u>	<u>\$ 795,027.67</u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

The City agrees to fix, establish, maintain and collect such rates, fees or charges for service furnished by or through the Electric System and Gas System which will be sufficient to enable the City to produce, in each fiscal year, Net Receipts in an amount that will be not less than 100% of the 2016 Annual Debt Service (as defined in the Indenture) of all Subordinate Lien Bonds (2014-A, 2014-B, 2014-C, 2015-A, and 2015-B) of the City at the time outstanding. Net revenues are defined as gross operating revenues of the systems less operation and maintenance expenses, excluding items such as capital purchases, principal and interest payments, transfers, and administrative expenses not related to the operation of the system. Compliance is calculated as follows:

	<u>Electric Utility</u>	<u>Gas Utility</u>	<u>Total</u>
Receipts Over (Under)			
Expenditures	\$ 103,293.21	\$ 433,526.20	\$ 536,819.41
Add:			
Administrative Expenses:			
Administration and General	1,462,436.39	373,138.24	1,835,574.63
Debt Service	--	--	--
Transfers Out	5,128,228.90	661,084.00	5,789,312.90
Capital Outlays	<u>66,268.84</u>	<u>--</u>	<u>66,268.84</u>
Net Revenues as defined in the Indenture	<u>\$ 6,760,227.34</u>	<u>\$ 1,467,748.44</u>	<u>\$ 8,227,975.78</u>
Required Net Revenue as Defined in the Indenture			<u>\$ 2,522,607.34</u>

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation with K.S.A. 10-1113, as the City has obligated expenditures in excess of available monies in the Depot Roof Project Fund, however, K.S.A 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of Kansas. The Depot Roof Project Fund met the criteria under the statutes and therefore, is not deemed to be in violation of the Kansas cash basis laws. As shown in Schedule 1, the City was in compliance with the budget laws of Kansas.

3. DEPOSITS AND INVESTMENTS

As of year end, the City has the following investments.

<u>Investment Type</u>	<u>Cost</u>	<u>Rating</u>
Security Bank Kansas City – Fidelity Treasury	\$ 0.28	N/A

This investment is reflected at cost in these regulatory basis financial statements of the City of Chanute, Kansas.

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 branch 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 bank 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.

3. DEPOSITS AND INVESTMENTS (Continued)

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.

Concentration of credit risk. State statutes place no limit on the amount the Government 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. All deposits were legally secured at December 31, 2015.

Deposits: At year-end, the City's carrying amount of deposits was \$12,229,869.92 and the bank balance was \$12,229,517.28. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$1,018,065.13 was covered by FDIC insurance, \$11,211,452.15 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name.

4. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended December 31, 2015, were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Tax Levies:									
Series 2009A	1.15-5.00%	March 23, 2009	\$ 5,765,000.00	November 1, 2029	\$ 4,220,000.00	\$ -	\$ (215,000.00)	\$ 4,005,000.00	\$ 177,335.00
Paid by Tax Levies and Utility Receipts:									
Series 2012A	0.4-2.2%	September 27, 2012	4,940,000.00	November 1, 2024	4,065,000.00	-	(440,000.00)	3,625,000.00	56,732.50
Paid by Sales Tax Collections:									
Series 2014D	2.00%	December 1, 2014	2,010,000.00	September 1, 2019	2,010,000.00	-	(390,000.00)	1,620,000.00	30,150.00
Paid by Utility Receipts:									
Series 2010A	2.4-2.8%	September 20, 2010	5,335,000.00	November 1, 2020	5,335,000.00	-	(5,335,000.00)	-	140,730.00
Series 2010B	1.0-3.7%	September 20, 2010	13,635,000.00	November 1, 2018	7,335,000.00	-	(7,335,000.00)	-	213,357.50
Series 2014A	2.0-2.15%	March 11, 2014	6,990,000.00	November 1, 2022	6,990,000.00	-	-	6,990,000.00	142,560.00
Series 2014B	2.00%	March 11, 2014	835,000.00	November 1, 2016	835,000.00	-	(575,000.00)	260,000.00	16,700.00
Series 2014C	2.20%	December 1, 2014	530,000.00	November 1, 2022	530,000.00	-	-	530,000.00	10,688.33
Series 2015A	2.40-2.50%	August 26, 2015	5,320,000.00	November 1, 2023	-	5,320,000.00	-	5,320,000.00	-
Series 2015B	2.50%	August 26, 2015	5,060,000.00	November 1, 2019	-	5,060,000.00	-	5,060,000.00	-
Special Obligation Bonds									
Paid by Tax Levies:									
Tax Incentive Fund Series 2006	4.80%	September 27, 2006	703,000.00	September 1, 2026	522,000.00	-	(32,000.00)	490,000.00	24,672.00
Revolving Loans									
Kansas Water Pollution Control 1930	2.42%	January 23, 2012	1,267,362.00	September 1, 2033	217,555.28	69,976.77	(16,768.67)	270,763.38	6,071.07
Kansas Public Water Supply 2722	4.01%	October 30, 2012	112,638.60	August 1, 2032	57,378.41	-	(2,227.10)	55,151.31	2,278.76
Kansas Public Water Supply 2837	2.74%	September 3, 2013	424,000.00	August 1, 2035	-	214,495.00	-	214,495.00	342.98
Capital Lease									
Street Paver	2.43%	March 21, 2014	325,000.00	March 21, 2020	286,916.08	-	(51,869.21)	235,046.87	6,396.91
Smart Board - City Manager's Office	11.52%	April 23, 2014	4,679.00	April 23, 2018	4,040.28	-	(1,054.46)	2,985.82	410.98
Smart Board - Police Department	11.52%	March 7, 2014	4,333.00	March 7, 2018	3,664.35	-	(985.86)	2,678.49	371.22
Savin Copier - Water Treatment Plant	11.52%	May 12, 2014	2,060.00	April 12, 2018	1,778.82	-	(464.21)	1,314.61	181.03
Fireman's Relief									
Ambulance	4.00%	July 20, 2009	6,000.00	June 10, 2015	556.17	-	(556.17)	-	11.12
Radios	4.00%	March 4, 2013	12,000.00	June 4, 2018	8,646.05	-	(2,349.26)	6,296.79	322.58
Radios	4.00%	November 7, 2014	9,788.15	November 7, 2019	9,788.15	-	(1,805.72)	7,982.43	373.64
Total Contractual Indebtedness					\$ 32,432,323.59	\$ 10,664,471.77	\$ (14,400,080.66)	\$ 28,696,714.70	\$ 829,685.62

4. LONG-TERM DEBT (Continued)

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

Issue	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2033	Less:		Total
									Proceeds	Not Drawndown	
Principal											
General Obligation Bonds											
Paid by Tax Levies:											
Series 2009A	\$ 220,000.00	\$ 225,000.00	\$ 235,000.00	\$ 245,000.00	\$ 255,000.00	\$ 1,430,000.00	\$ 1,395,000.00	\$ -	\$ -	\$ -	\$ 4,005,000.00
Paid by Tax Levies and Utility Receipts:											
Series 2012A	440,000.00	445,000.00	445,000.00	455,000.00	460,000.00	1,380,000.00	-	-	-	-	3,625,000.00
Series 2014D	390,000.00	400,000.00	415,000.00	415,000.00	-	-	-	-	-	-	1,620,000.00
Paid by Utility Receipts:											
Series 2014A	320,000.00	985,000.00	960,000.00	985,000.00	1,000,000.00	2,740,000.00	-	-	-	-	6,990,000.00
Series 2014B	260,000.00	-	-	-	-	-	-	-	-	-	260,000.00
Series 2014C	-	-	-	-	-	530,000.00	-	-	-	-	530,000.00
Series 2015A	-	-	-	105,000.00	1,305,000.00	3,910,000.00	-	-	-	-	5,320,000.00
Series 2015B	1,480,000.00	1,170,000.00	1,245,000.00	1,165,000.00	-	-	-	-	-	-	5,060,000.00
Special Obligation Bonds											
Paid by Tax Levies:											
Tax Incentive Fund Series 2006	36,000.00	36,000.00	38,000.00	40,000.00	42,000.00	242,000.00	56,000.00	-	-	-	490,000.00
Revolving Loans											
Kansas Water Pollution Control 1930	55,362.18	56,710.06	58,090.73	59,505.04	60,953.78	327,764.89	369,655.06	244,099.84	(961,378.20)	-	270,763.38
Kansas Public Water Supply 2722	2,317.29	2,411.15	2,508.80	2,610.41	2,716.14	15,322.71	18,687.46	8,577.35	-	-	55,151.31
Kansas Public Water Supply 2837	16,170.45	16,616.57	17,074.97	17,546.04	18,030.08	97,891.77	112,160.68	128,509.44	(209,505.00)	-	214,495.00
Capital Lease											
Street Paver	53,143.78	54,449.65	55,787.62	57,158.46	14,507.36	-	-	-	-	-	235,046.87
Smart Board - City Manager's Office	1,182.59	1,326.27	476.96	-	-	-	-	-	-	-	2,985.82
Smart Board - Police Department	1,105.65	1,239.99	332.85	-	-	-	-	-	-	-	2,678.49
Savin Copier - Water Treatment Plant	520.65	583.93	210.03	-	-	-	-	-	-	-	1,314.61
Fireman's Relief											
Radios	2,444.16	2,542.91	1,309.72	-	-	-	-	-	-	-	6,296.79
Radios	1,878.66	1,954.57	2,033.53	2,115.67	-	-	-	-	-	-	7,982.43
Total Principal Payments	3,280,125.41	3,398,835.10	3,475,825.21	3,548,935.62	3,158,207.36	10,672,979.37	1,951,503.20	381,186.63	(1,170,883.20)	-	28,696,714.70

4. LONG-TERM DEBT (Continued)

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

Issue	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2033	Total
Interest									
General Obligation Bonds									
Paid by Tax Levies:									
Series 2009A	\$ 171,100.00	\$ 164,170.00	\$ 156,632.50	\$ 148,172.50	\$ 138,985.00	\$ 530,395.00	\$ 174,597.50	\$ -	\$ 1,484,052.50
Paid by Tax Levies and Utility Receipts:									
Series 2012A	53,872.50	50,352.50	46,125.00	41,007.50	34,865.00	64,575.00	-	-	290,797.50
Series 2014D	32,400.00	24,600.00	16,600.00	8,300.00	-	-	-	-	81,900.00
Paid by Utility Receipts:									
Series 2014A	142,560.00	136,160.00	116,460.00	97,260.00	77,560.00	97,120.00	-	-	667,120.00
Series 2014B	5,200.00	-	-	-	-	-	-	-	5,200.00
Series 2014C	11,660.00	11,660.00	11,660.00	11,660.00	11,660.00	23,320.00	-	-	81,620.00
Series 2015A	153,847.06	130,317.50	130,317.50	130,317.50	127,692.50	215,362.50	-	-	887,854.56
Series 2015B	149,340.28	89,500.00	60,250.00	29,125.00	-	-	-	-	328,215.28
Special Obligation Bonds									
Paid by Tax Levies:									
Tax Incentive Fund Series 2006	23,088.00	21,360.00	19,632.00	17,760.00	15,840.00	46,464.00	2,016.00	-	146,160.00
Revolving Loans									
Kansas Water Pollution Control 1930	29,484.90	28,137.02	26,756.35	25,342.04	23,893.30	96,470.51	54,580.34	10,441.40	295,105.86
Kansas Public Water Supply 2722	2,188.57	2,094.71	1,997.06	1,895.45	1,789.72	7,206.59	3,841.84	434.37	21,448.31
Kansas Public Water Supply 2837	11,507.59	11,061.47	10,603.07	10,132.00	9,647.96	40,498.43	26,229.52	9,880.76	129,560.80
Capital Lease									
Street Paver	5,122.34	3,816.47	2,478.50	1,107.66	58.82	-	-	-	12,583.79
Smart Board - City Manager's Office	282.85	139.17	11.52	-	-	-	-	-	433.54
Smart Board - Police Department	251.43	117.09	6.42	-	-	-	-	-	374.94
Savin Copter - Water Treatment Plant	124.59	61.31	5.05	-	-	-	-	-	190.95
Fireman's Relief									
Radios	227.68	128.93	26.19	-	-	-	-	-	382.80
Radios	300.70	224.80	145.83	63.69	-	-	-	-	735.02
Total Interest Payments	792,558.49	673,900.97	599,706.99	522,143.34	441,992.30	1,121,412.03	261,265.20	20,756.53	4,433,735.85
Total Principal and Interest	\$ 4,072,683.90	\$ 4,072,736.07	\$ 4,075,532.20	\$ 4,071,078.96	\$ 3,600,199.66	\$ 11,794,391.40	\$ 2,212,768.40	\$ 401,943.16	\$ 33,130,450.55

5. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to finance the acquisition of a Truck Mounted Paver. Payments are made monthly, including interest at 2.430%. Final maturity of the lease is March 21, 2020. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2016	\$ 58,266.12
2017	58,266.12
2018	58,266.12
2019	58,266.12
2020	<u>14,566.18</u>
	247,630.66
Less imputed interest	<u>(12,583.79)</u>
Net Present Value of Minimum	
Lease Payments	235,046.87
Less: Current Maturities	<u>(53,143.78)</u>
Long-Term Capital Lease Obligations	<u>\$ 181,903.09</u>

The City has entered into a capital lease agreement in order to finance the acquisition of an Aquos Board Interactive Display System for the City Manager's Office. Payments are made monthly, including interest at 11.522%. Final maturity of the lease is April 23, 2018. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2016	\$ 1,465.44
2017	1,465.44
2018	<u>488.48</u>
	3,419.36
Less imputed interest	<u>(433.54)</u>
Net Present Value of Minimum	
Lease Payments	2,985.82
Less: Current Maturities	<u>(1,182.59)</u>
Long-Term Capital Lease Obligations	<u>\$ 1,803.23</u>

The City has entered into a capital lease agreement in order to finance the acquisition of an Aquos Board Interactive Display System for the Police Department. Payments are made monthly, including interest at 11.522%. Final maturity of the lease is March 7, 2018. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2016	\$ 1,357.08
2017	1,357.08
2018	<u>339.27</u>
	3,053.43
Less imputed interest	<u>(374.94)</u>
Net Present Value of Minimum	
Lease Payments	2,678.49
Less: Current Maturities	<u>(1,105.65)</u>
Long-Term Capital Lease Obligations	<u>\$ 1,572.84</u>

5. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of a Savin Copier for the Water Treatment Plant. Payments are made monthly, including interest at 11.522%. Final maturity of the lease is April 12, 2018. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2016	\$ 645.24
2017	645.24
2018	<u>215.08</u>
	1,505.56
Less imputed interest	<u>(190.95)</u>
Net Present Value of Minimum Lease Payments	1,314.61
Less: Current Maturities	<u>(520.65)</u>
Long-Term Capital Lease Obligations	<u>\$ 793.96</u>

6. INDUSTRIAL REVENUE BONDS

The City has entered into various agreements to induce businesses to locate or expand operations in Chanute, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's) which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2015, there were seven industrial revenue bond issues with principal balances due totaling \$40,847,988.05.

7. OPERATING LEASES

As of December 31, 2015 the City has entered into four operating leases for copiers. The City has also entered into numerous month to month lease agreements for the use of a bobcat, fuel tanks, and an ice machine. Rent expense for the year ended December 31, 2015, was \$14,237.48. Under the current lease agreements, the future minimum rental payments are as follows:

2016	\$	6,383.46
2017		5,759.16
2018		2,378.28
2019		792.76

As of December 31, 2015 the City has entered an operating lease for a five acre tract of land for monitoring wells, renewable annually. Rent expense for the year ended December 31, 2015, was \$3,500.00.

8. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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 0.85% contribution rate for Death and Disability Program, which increased to 1.00% as of July 1, 2015) and the statutory contribution rate was 9.48% for KPERS and 21.36% for KP&F for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City were \$649,341.42 for KPERS and \$363,387.03 for KP&F for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the (non-school municipality)'s proportionate share of the collective net pension liability reported by KPERS was \$4,855,742.00 and \$2,615,454.00 for KP&F. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

9. NOTES RECEIVABLE AND LOANS RECEIVABLE

The City has established an Economic Development Revolving Loan Fund. The Fund is the recipient of money paid back to the City by Chanute industries which received Community Development Block Grants in earlier years. As repayment is made by these industries, the City makes loans to other qualifying industries. The loans due to the City at December 31, 2015, through the Economic Development Revolving Loan Fund are as follows:

Magna Tech, Inc.	\$ 203,311.53
Tioga Suites, LLC	135,469.32
Mel's	130,187.02
Soma	18,333.22
Inertia	79,038.31
Get Lit #1	13,136.89
Get Lit #2	11,913.40
Get Lit #3	18,478.77
Consignment	21,108.11
LaRue #1	60,512.76
LaRue #2	15,295.43
Renewable Concepts	55,169.20
Slidewayz Productions, LLC	14,127.83
Threadworks, LLC	<u>41,709.48</u>
 TOTAL NOTES RECEIVABLE	 <u>\$ 817,791.27</u>

These notes receivable and loans are not reflected in the regulatory basis financial statement of the City of Chanute, Kansas.

10. ECONOMIC DEPENDENCY

During 2015, the City collected 50.41% of its electric utility revenues and provided 62.58% of its kilowatt hours produced to Ash Grove Cement Company.

11. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences:

All full-time employees of the City with one year of employment are eligible for vacation benefits in varying annual amounts. Vacation must be used by each anniversary date. In the event of termination, unused accrued vacation time is paid.

Sick leave accrues to all full-time employees at the rate of one day per month and is limited to 120 days. Employees who terminate by other than retirement or death will not be paid for accumulated sick leave. An employee shall be paid for accumulated sick leave up to 120 days upon termination by death or retirement.

The City accrues a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has an unfunded liability for vacation benefits at December 31, 2015 of \$215,259.51, and has not estimated a liability for sick pay which has been earned, but not taken by City employees, in as much as the amount cannot be reasonably estimated.

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 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 financial statements.

Under the consolidated Omnibus Budget Reconciliation Act (COBRA), the City 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 City under this program.

Early Retirement Incentive:

The City offered an early retirement incentive program to certain eligible employees. The early retirement incentive was a 2011 budget action in order to reduce general fund expenditures by approximately \$300,000. The incentive included union and non-union personnel for a limited period in late 2010 and early 2011, but may also be offered at the discretion of the city manager. The incentive provides for health insurance to individuals until the age of 65 is obtained or a onetime KPERS service credit payment. Individuals are limited on the maximum amount used to reduce the health insurance costs. The amount is determined annually. At December 31, 2015 there are 9 employees that have elected to take the early retirement incentive and have an unused balance of \$25,830.42.

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in the Kansas Eastern Region Insurance Trust (KERIT). The City participates in the decision making of KERIT through trustee representation. KERIT files its annual audited financial statements with the Kansas Insurance Commissioner. The City pays annual premium to KERIT for its workers' compensation insurance coverage. The agreement to participate provides that KERIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERIT management.

The City has established a Special Liability Fund. The purpose of this fund is to provide the cost for an investigation of, a defense to and the payment of any claim which the City is legally obligated to pay pursuant to the Kansas Tort Claims Act, to the extent that any such claim may be uninsured by the City. The Special Liability Fund is funded by charges to other funds.

The City has established a Health Insurance Fund. The purpose of this fund is to provide for an employee welfare benefit plan for health insurance. Contributions from eligible employees and the City are deposited in the name of the plan, subject to withdrawal for purposes of paying approved claims and expenses. The City has contracted with Blue Cross Blue Shield of Kansas to be the claims supervisor. The supervisor reviews all claims for allowability and issues monthly reports to the City. The City has a stop-gap policy which pays any aggregate claims over \$60,000.00.

13. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST CLOSURE CARE

The City operates a municipal solid waste landfill which is regulated by state and federal agencies, including the State of Kansas Department of Health and Environment and the United States Environmental Protection Agency. The City's permitted landfill area is presently 80 acres with 10 acres currently open. Regulations require the City to properly close each cell upon reaching maximum capacity and to monitor the landfill for 30 years after closure. The cost of closure and post-closure care will be paid when due from funds accumulated for the purpose in restricted cash accounts, from allocation of ad valorem tax collections, from the proceeds of debt, or a combination of these. The City has not accrued or funded a liability for these estimated costs of landfill closure and post-closure.

14. COMMITMENTS AND CONTINGENCIES

The City has entered into multi year agreements with the various unions representing policemen, firemen, and electrical and public works employees, and other utility workers.

The City has entered into an agreement with Kansas City Power and Light to be able to receive 45 megawatts of scheduled load effective until December 31, 2016.

The City has entered into a ten year agreement with Municipal Energy Resource Corporation for the purchase of natural gas effective until December 31, 2023.

14. COMMITMENTS AND CONTINGENCIES (Continued)

The City has entered into an eight year agreement with Southern Star Central Gas Pipeline, Inc. for natural gas transportation and storage effective until October 1, 2017.

The City has entered into a fifteen year agreement with Kansas Municipal Energy Agency for peak power purchasing and selling of electricity effective until December 31, 2018.

The City has entered into a ten year agreement with Cunningham Sandblasting & Painting Co., Inc. for the maintenance of the water tower located in the industrial park effective until August 21, 2021.

A major taxpayer filed an appeal pertaining to their tax valuation. During the year ended December 31, 2015, the appeal was settled. The City will be required to have future tax payments reduced over the next four years to pay back an estimated \$1,389,869.68, which is comprised of the following funds:

General Fund	\$ 722,385.36
Library Fund	204,854.52
Library Employee Benefits	25,265.40
Bond and Interest	164,225.04
City Employee Benefits	<u>273,139.36</u>
	<u>\$ 1,389,869.68</u>

15. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Capital Improvement #2	K.S.A. 12-1,118	\$ 7,164.00
General	Special Obligation		
	Bond and Interest	K.S.A. 12-197	57,000.00
General	General Obligation		
	Bond and Interest	K.S.A. 12-1,118	446,541.73
Electric Utility	General	K.S.A. 12-825d	1,419,083.00
Electric Utility	Capital Improvement #2	K.S.A. 12-1,118	10,097.00
Electric Utility	General Obligation		
	Bond and Interest	K.S.A. 12-825d	3,005,287.30
Electric Utility	Equipment Reserve	K.S.A. 12-1,118	12,500.00
Electric Utility	Electric, Water, and Gas		
	Bond and Interest	K.S.A. 12-197	681,261.60
Water Utility	General	K.S.A. 12-825d	74,075.00
Water Utility	General Obligation		
	Bond and Interest	K.S.A. 12-825d	110,000.00
Sewer Utility	General	K.S.A. 12-825d	63,650.00
Sewer Utility	Capital Improvement #1	K.S.A. 12-825d	156,071.15
Sewer Utility	General Obligation		
	Bond and Interest	K.S.A. 12-825d	37,477.00
Sewer Utility	I&I Sewer Project Reserve	K.S.A. 12-631o	167,412.00
Refuse Utility	General	K.S.A. 12-825d	45,333.78

15. INTERFUND TRANSFERS (Continued)

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Gas Utility	General	K.S.A. 12-825d	\$ 323,580.00
Gas Utility	Capital Improvement #1	K.S.A. 12-825d	150,000.00
Gas Utility	Equipment Reserve	K.S.A. 12-1,117	25,000.00
Gas Utility	Capital Improvement #2	K.S.A. 12-1,118	37,500.00
Gas Utility	General Obligation Bond and Interest	K.S.A 12-825d	125,004.00
Grant Projects	General	K.S.A. 79-2934	0.15
Grant Projects	Capital Improvement #2	K.S.A. 79-2934	24,274.05

16. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

CITY OF CHANUTE, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 (Budgeted Funds Only)
 For the Year Ended December 31, 2015

Funds	Certified Budget	Adjustments for		Total Budget for Comparison	Expenditures Charged to Current Year Budget		Variance - Over (Under)
		Qualifying Budget Credits	Budget Credits		Current Year Budget	Over (Under)	
General Fund	\$ 7,705,797.00	\$ 33,506.19	\$ 7,739,303.19	\$ 6,677,457.91	\$ (1,061,845.28)		
Special Purpose Funds:							
Library	542,436.00	-	542,436.00	404,417.05	(138,018.95)		
Library Employee Benefit	75,258.00	-	75,258.00	57,074.83	(18,183.17)		
City Employee Benefit	1,962,756.00	2,196.26	1,964,952.26	874,452.64	(1,090,499.62)		
Special Liability Expense	25,000.00	-	25,000.00	10,231.44	(14,768.56)		
Recreation Complex	58,000.00	-	58,000.00	56,416.86	(1,583.14)		
Special Parks & Recreation	23,000.00	-	23,000.00	8,193.52	(14,806.48)		
Special Alcohol Programs	35,150.00	-	35,150.00	33,974.87	(1,175.13)		
Tourism and Convention	56,000.00	-	56,000.00	54,700.00	(1,300.00)		
Special Highway Improvement	297,728.67	-	297,728.67	283,790.88	(13,937.79)		
Bond and Interest Funds:							
General Obligation Bond and Interest	4,491,238.00	10,541,280.35	15,032,518.35	14,454,629.33	(577,889.02)		
Special Obligation Bond and Interest	57,772.00	-	57,772.00	57,732.00	(40.00)		
Business Funds:							
Electric Utility	25,797,453.00	-	25,797,453.00	25,718,628.11	(78,824.89)		
Water Utility	1,715,580.00	-	1,715,580.00	1,490,648.55	(224,931.45)		
Gas Utility	5,634,988.00	-	5,634,988.00	4,923,949.34	(711,038.66)		
Refuse Utility	1,165,586.00	-	1,165,586.00	885,220.54	(280,365.46)		
Sewer Utility	1,511,384.00	-	1,511,384.00	1,473,567.42	(37,816.58)		
Electric, Water & Gas Bond and Interest	814,260.00	-	814,260.00	734,260.00	(80,000.00)		

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 1,044,296.06	\$ 813,656.24	\$ 1,140,272.00	\$ (326,615.76)
Delinquent Tax	31,167.73	22,801.88	20,000.00	2,801.88
Motor Vehicle Tax	128,534.72	102,263.76	91,992.00	10,271.76
Commercial Vehicle Tax	13,036.37	12,165.81	-	12,165.81
Rental Motor Vehicle Tax	122.07	157.27	100.00	57.27
Recreational Vehicle Tax	994.16	700.07	731.00	(30.93)
16M-20M Truck Tax	527.49	638.62	718.00	(79.38)
Watercraft Taxes	-	653.46	-	653.46
Sales Tax	2,746,703.44	2,729,183.58	2,710,000.00	19,183.58
Franchise Taxes	362,251.10	376,920.53	356,000.00	20,920.53
Special Assessments	9,957.42	8,160.76	10,000.00	(1,839.24)
Intergovernmental				
Federal Grants - Police	2,298.71	-	-	-
Highway Connecting Links	16,710.01	16,710.01	16,000.00	710.01
Local Alcoholic Liquor Tax	23,767.36	20,986.03	23,142.00	(2,155.97)
Licenses and Permits				
Business Licenses, Permits & Fees	13,390.00	12,126.00	12,100.00	26.00
Non-Business Licenses, Permits & Fees	26,066.00	36,124.40	28,300.00	7,824.40
Charges for Services				
General Government Services	3,372.53	1,755.62	8,100.00	(6,344.38)
Public Safety Services	69,484.57	72,050.09	70,380.00	1,670.09
Public Works Services	-	-	500.00	(500.00)
Health Services	7,654.69	6,629.00	8,500.00	(1,871.00)
Swimming Pool Fees	38,857.50	37,091.23	52,400.00	(15,308.77)
Golf Course Fees	166,316.97	170,421.89	159,500.00	10,921.89
Culture and Recreation Services	18,450.93	20,340.50	20,700.00	(359.50)
Fines, Forfeitures and Penalties				
Fines	235,278.64	167,430.13	225,100.00	(57,669.87)
Use of Money and Property				
Interest Income	19,884.43	19,847.66	9,642.00	10,205.66
Rents & Royalties	56,606.12	51,539.58	40,000.00	11,539.58
Sale of Equipment and Property	137,763.98	114,456.03	122,000.00	(7,543.97)
Other Receipts				
Miscellaneous	7,334.02	7,767.56	39,000.00	(31,232.44)
Reimbursed Expense	33,189.42	33,506.19	45,000.00	(11,493.81)
Donations	800.00	-	-	-

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts (Continued)				
Operating Transfers from:				
Electric Utility Fund	\$ 1,079,565.21	\$ 1,419,083.00	\$ 1,419,083.00	\$ -
Water Utility Fund	79,545.77	74,075.00	74,075.00	-
Sewer Utility Fund	67,512.97	63,650.00	63,650.00	-
Refuse Utility Fund	52,472.30	45,333.78	50,022.00	(4,688.22)
Gas Utility Fund	305,716.12	323,580.00	323,580.00	-
Grant Projects Fund	0.03	0.15	-	0.15
Total Receipts	6,799,628.84	6,781,805.83	\$ 7,140,587.00	\$ (358,781.17)
Expenditures				
City Commission				
Personal Services	18,755.00	25,875.00	\$ 18,600.00	\$ 7,275.00
Contractual Services	15,215.60	12,769.33	5,700.00	7,069.33
Commodities	240.82	19.60	350.00	(330.40)
Outside Appropriations	113,499.92	77,750.00	66,148.00	11,602.00
Municipal Court				
Personal Services	85,549.21	78,758.64	78,235.00	523.64
Contractual Services	60,232.50	58,498.84	55,300.00	3,198.84
Commodities	256.50	551.56	750.00	(198.44)
City Manager's Office				
Personal Services	289,618.61	97,024.71	70,861.00	26,163.71
Contractual Services	44,937.35	42,073.56	43,700.00	(1,626.44)
Commodities	13,739.20	6,592.85	6,500.00	92.85
Capital Outlay	13,430.31	843.89	6,000.00	(5,156.11)
Debt Service	976.96	1,465.44	-	1,465.44
General Administrative Services				
Contractual Services	244,883.62	220,748.58	231,582.00	(10,833.42)
Human Resource Services				
Personal Services	-	18,439.19	21,188.00	(2,748.81)
Contractual Services	-	4,554.94	17,660.00	(13,105.06)
Commodities	-	5,378.03	5,000.00	378.03
Capital Outlay	-	-	2,000.00	(2,000.00)
Community Development				
Personal Services	219,498.07	263,921.93	305,420.00	(41,498.07)
Contractual Services	52,110.64	125,112.86	89,414.00	35,698.86
Commodities	1,592.84	1,724.70	2,850.00	(1,125.30)
Capital Outlay	4,574.69	16.19	10,000.00	(9,983.81)
Legal Services				
Personal Services	91,820.48	89,280.30	83,900.00	5,380.30
Contractual Services	43,924.46	42,917.63	52,500.00	(9,582.37)
Commodities	227.52	880.90	500.00	380.90

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Public Buildings & Grounds				
Personal Services	\$ -	\$ 13,751.55	\$ -	\$ 13,751.55
Contractual Services	328,235.42	339,431.04	350,912.00	(11,480.96)
Commodities	30,677.74	19,466.23	25,800.00	(6,333.77)
Special Projects				
Contractual Services	8,307.57	8,269.05	9,062.00	(792.95)
Police Department				
Personal Services	1,110,819.54	1,135,638.55	1,139,693.00	(4,054.45)
Contractual Services	285,085.08	306,924.27	337,929.00	(31,004.73)
Commodities	22,979.64	13,075.00	34,500.00	(21,425.00)
Capital Outlay	1,149.03	-	7,500.00	(7,500.00)
Debt Service	1,017.81	1,357.08	-	1,357.08
Fire Department				
Personal Services	958,162.91	994,134.78	906,805.00	87,329.78
Contractual Services	69,111.37	59,955.72	72,939.00	(12,983.28)
Commodities	39,302.62	41,290.56	43,400.00	(2,109.44)
Capital Outlay	-	653.26	1,500.00	(846.74)
Debt Service	4,982.76	5,418.52	-	5,418.52
Animal Control				
Personal Services	61,507.91	61,253.56	60,020.00	1,233.56
Contractual Services	8,967.40	8,757.27	12,035.00	(3,277.73)
Commodities	1,855.84	3,114.90	6,500.00	(3,385.10)
Capital Outlay	-	-	500.00	(500.00)
Civil Defense				
Contractual Services	2,419.74	585.28	-	585.28
Commodities	-	-	11,000.00	(11,000.00)
Capital Outlay	6,371.00	12,160.00	10,000.00	2,160.00
Streets and Roads				
Personal Services	545,237.89	534,063.48	543,907.00	(9,843.52)
Contractual Services	282,023.04	129,230.38	125,066.00	4,164.38
Commodities	38,173.07	22,983.89	61,382.00	(38,398.11)
Cemetery				
Personal Services	150,236.53	130,356.40	164,001.00	(33,644.60)
Contractual Services	21,299.82	23,805.30	22,226.00	1,579.30
Commodities	4,182.67	1,560.54	9,700.00	(8,139.46)
Airport				
Personal Services	91,919.89	90,438.55	85,728.00	4,710.55
Contractual Services	37,328.07	66,154.39	66,797.00	(642.61)
Commodities	117,846.36	90,892.32	138,350.00	(47,457.68)

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Parks				
Personal Services	\$ 188,999.41	\$ 193,407.42	\$ 233,767.00	\$ (40,359.58)
Contractual Services	77,867.31	65,028.81	78,409.00	(13,380.19)
Commodities	28,499.68	25,662.29	55,350.00	(29,687.71)
Capital Outlay	585.00	300.00	-	300.00
Swimming Pool				
Personal Services	-	-	80,000.00	(80,000.00)
Contractual Services	98,405.57	96,398.33	47,135.00	49,263.33
Commodities	19,604.98	60,271.78	36,300.00	23,971.78
Golf Course				
Personal Services	80,299.08	85,140.61	116,380.00	(31,239.39)
Contractual Services	59,758.72	35,165.47	64,775.00	(29,609.53)
Commodities	55,859.58	74,352.33	74,000.00	352.33
Capital Outlay	-	26,336.00	-	26,336.00
Tree Program				
Contractual Services	-	1,000.00	1,000.00	-
Auditorium Management Services				
Personal Services	23,007.34	23,636.81	23,931.00	(294.19)
Contractual Services	5,700.67	8,878.39	7,600.00	1,278.39
Commodities	6,190.25	36,071.30	34,675.00	1,396.30
Capital Outlay	467.99	24,900.00	29,500.00	(4,600.00)
Economic Development				
Contractual Services	120,580.83	120,282.10	90,000.00	30,282.10
Operating Transfers to:				
Capital Improvement #2 Fund	8,334.69	7,164.00	253,500.00	(246,336.00)
General Obligation				
Bond and Interest Fund	454,497.04	446,541.73	450,000.00	(3,458.27)
Special Obligation Bond and Interest Fund	59,268.00	57,000.00	57,000.00	-
Other Expenditures				
Ash Grove Reserves	-	-	551,065.00	(551,065.00)
Total Certified Budget			7,705,797.00	(1,028,339.09)
Adjustments for Qualifying				
Budget Credits			33,506.19	(33,506.19)
Total Expenditures	6,832,211.16	6,677,457.91	\$ 7,739,303.19	\$ (1,061,845.28)
Receipts Over(Under) Expenditures	(32,582.32)	104,347.92		
Unencumbered Cash, Beginning	751,587.10	719,004.78		
Unencumbered Cash, Ending	\$ 719,004.78	\$ 823,352.70		

CITY OF CHANUTE, KANSAS
INDUSTRIAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Landfill Fees - Tires	\$ 3,429.00	\$ 3,475.00	\$ 3,500.00	\$ (25.00)
Use of Money and Property				
Revolving Loan Principal	12,576.78	-	10,000.00	(10,000.00)
Revolving Loan Interest	43.01	-	-	-
Total Receipts	<u>16,048.79</u>	<u>3,475.00</u>	<u>\$ 13,500.00</u>	<u>\$ (10,025.00)</u>
Expenditures				
General Government				
Contractual Services	-	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	16,048.79	3,475.00		
Unencumbered Cash, Beginning	<u>154,925.14</u>	<u>170,973.93</u>		
Unencumbered Cash, Ending	<u>\$ 170,973.93</u>	<u>\$ 174,448.93</u>		

CITY OF CHANUTE, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 478,195.14	\$ 347,406.51	\$ 486,846.00	\$ (139,439.49)
Delinquent Tax	11,909.00	9,288.36	12,808.00	(3,519.64)
Motor Vehicle Tax	40,265.12	41,504.50	42,118.00	(613.50)
Commercial Vehicle Tax	3,696.87	5,398.12	-	5,398.12
Rental Motor Vehicle Tax	45.43	52.03	-	52.03
Recreational Vehicle Tax	308.45	287.24	335.00	(47.76)
16M-20M Truck Tax	263.77	181.10	329.00	(147.90)
Watercraft Taxes	-	299.19	-	299.19
Total Receipts	534,683.78	404,417.05	\$ 542,436.00	\$ (138,018.95)
Expenditures				
Culture and Recreation				
Library Appropriations	534,683.78	404,417.05	\$ 542,436.00	\$ (138,018.95)
Total Expenditures	534,683.78	404,417.05	\$ 542,436.00	\$ (138,018.95)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

CITY OF CHANUTE, KANSAS
LIBRARY EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 63,265.64	\$ 49,639.07	\$ 69,596.00	\$ (19,956.93)
Delinquent Tax	1,573.97	1,205.04	-	1,205.04
Motor Vehicle Tax	4,832.68	5,413.10	5,574.00	(160.90)
Commercial Vehicle Tax	455.94	711.60	-	711.60
Rental Motor Vehicle Tax	5.22	6.59	-	6.59
Recreational Vehicle Tax	37.11	37.51	44.00	(6.49)
16M-20M Truck Tax	28.54	22.34	44.00	(21.66)
Watercraft Taxes	-	39.58	-	39.58
Total Receipts	70,199.10	57,074.83	\$ 75,258.00	\$ (18,183.17)
Expenditures				
Culture and Recreation				
Library Appropriations	70,199.10	57,074.83	\$ 75,258.00	(18,183.17)
Total Expenditures	70,199.10	57,074.83	\$ 75,258.00	\$ (18,183.17)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

CITY OF CHANUTE, KANSAS
CITY EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 1,275,572.68	\$ 868,418.72	\$ 1,217,114.00	\$ (348,695.28)
Delinquent Tax	18,856.91	17,956.07	15,000.00	2,956.07
Motor Vehicle Tax	53,710.67	99,140.22	112,315.00	(13,174.78)
Commercial Vehicle Tax	4,929.15	14,021.44	-	14,021.44
Rental Motor Vehicle Tax	60.64	95.42	-	95.42
Recreational Vehicle Tax	411.44	693.75	892.00	(198.25)
16M-20M Truck Tax	352.40	241.48	878.00	(636.52)
Watercraft Taxes	-	797.82	-	797.82
Other Receipts				
Reimbursed Expense	44,845.88	2,196.26	10,000.00	(7,803.74)
Total Receipts	<u>1,398,739.77</u>	<u>1,003,561.18</u>	<u>\$ 1,356,199.00</u>	<u>\$ (352,637.82)</u>
Expenditures				
General Government				
Employee Benefits	1,025,622.65	874,452.64	\$ 1,002,587.00	(128,134.36)
Other				
Ash Grove Reserves	-	-	624,015.00	(624,015.00)
Cash Basis Reserve	-	-	336,154.00	(336,154.00)
Total Certified Budget			<u>1,962,756.00</u>	<u>(1,088,303.36)</u>
Adjustments for Qualifying Budget Credits			2,196.26	(2,196.26)
Total Expenditures	<u>1,025,622.65</u>	<u>874,452.64</u>	<u>\$ 1,964,952.26</u>	<u>\$ (1,090,499.62)</u>
Receipts Over(Under) Expenditures	373,117.12	129,108.54		
Unencumbered Cash, Beginning	<u>102,084.98</u>	<u>475,202.10</u>		
Unencumbered Cash, Ending	<u>\$ 475,202.10</u>	<u>\$ 604,310.64</u>		

CITY OF CHANUTE, KANSAS
SPECIAL LIABILITY EXPENSE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Delinquent Tax	\$ 10.71	\$ 1.11	\$ -	\$ 1.11
Total Receipts	10.71	1.11	\$ -	\$ 1.11
Expenditures				
General Government				
Contractual Services	43,450.85	10,231.44	\$ 25,000.00	\$ (14,768.56)
Total Expenditures	43,450.85	10,231.44	\$ 25,000.00	\$ (14,768.56)
Receipts Over(Under) Expenditures	(43,440.14)	(10,230.33)		
Unencumbered Cash, Beginning	402,657.52	359,217.38		
Unencumbered Cash, Ending	\$ 359,217.38	\$ 348,987.05		

CITY OF CHANUTE, KANSAS
RECREATION COMPLEX FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Rents & Royalties	\$ 42,000.00	\$ 42,000.00	\$ 42,000.00	\$ -
Other Receipts				
Miscellaneous	9.27	-	-	-
Total Receipts	42,009.27	42,000.00	\$ 42,000.00	\$ -
Expenditures				
General Government				
Contractual Services	86,643.97	56,416.86	\$ 58,000.00	(1,583.14)
Total Expenditures	86,643.97	56,416.86	\$ 58,000.00	\$ (1,583.14)
Receipts Over(Under) Expenditures	(44,634.70)	(14,416.86)		
Unencumbered Cash, Beginning	165,044.56	120,409.86		
Unencumbered Cash, Ending	<u>\$ 120,409.86</u>	<u>\$ 105,993.00</u>		

CITY OF CHANUTE, KANSAS
SPECIAL PARKS AND RECREATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Local Alcoholic Liquor Tax	\$ 23,767.35	\$ 20,986.02	\$ 23,142.00	\$ (2,155.98)
Intergovernmental				
State Grants - Fisheries	2,492.60	2,492.60	-	2,492.60
Fines, Forfeitures and Penalties				
Fines - Court Fees	-	3,230.00	-	3,230.00
Total Receipts	<u>26,259.95</u>	<u>26,708.62</u>	<u>\$ 23,142.00</u>	<u>\$ 3,566.62</u>
Expenditures				
Culture and Recreation				
Capital Outlay	12,201.45	8,193.52	\$ 23,000.00	(14,806.48)
Total Expenditures	<u>12,201.45</u>	<u>8,193.52</u>	<u>\$ 23,000.00</u>	<u>\$ (14,806.48)</u>
Receipts Over(Under) Expenditures	14,058.50	18,515.10		
Unencumbered Cash, Beginning	<u>121,739.39</u>	<u>135,797.89</u>		
Unencumbered Cash, Ending	<u>\$ 135,797.89</u>	<u>\$ 154,312.99</u>		

CITY OF CHANUTE, KANSAS
SPECIAL ALCOHOL PROGRAMS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Local Alcoholic Liquor Tax	\$ 23,767.34	\$ 20,986.01	\$ 22,570.00	\$ (1,583.99)
Other Receipts				
Donations	-	5,000.00	-	5,000.00
Total Receipts	<u>23,767.34</u>	<u>25,986.01</u>	<u>\$ 22,570.00</u>	<u>\$ 3,416.01</u>
Expenditures				
Culture and Recreation				
Alcohol Programs	27,534.92	33,974.87	\$ 35,150.00	\$ (1,175.13)
Total Expenditures	<u>27,534.92</u>	<u>33,974.87</u>	<u>\$ 35,150.00</u>	<u>\$ (1,175.13)</u>
Receipts Over(Under) Expenditures	(3,767.58)	(7,988.86)		
Unencumbered Cash, Beginning	<u>30,987.32</u>	<u>27,219.74</u>		
Unencumbered Cash, Ending	<u>\$ 27,219.74</u>	<u>\$ 19,230.88</u>		

CITY OF CHANUTE, KANSAS
TOURISM AND CONVENTION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Transient Guest Tax	\$ 61,157.24	\$ 51,331.54	\$ 51,332.00	\$ (0.46)
Total Receipts	61,157.24	51,331.54	\$ 51,332.00	\$ (0.46)
Expenditures				
General Government				
Contractual Services	20,000.00	54,700.00	\$ 56,000.00	\$ (1,300.00)
Total Expenditures	20,000.00	54,700.00	\$ 56,000.00	\$ (1,300.00)
Receipts Over(Under) Expenditures	41,157.24	(3,368.46)		
Unencumbered Cash, Beginning	19,678.67	60,835.91		
Unencumbered Cash, Ending	\$ 60,835.91	\$ 57,467.45		

CITY OF CHANUTE, KANSAS
SPECIAL HIGHWAY IMPROVEMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Motor Fuel Tax	\$ 237,410.18	\$ 243,660.71	\$ 235,590.00	\$ 8,070.71
Use of Money and Property Loan Proceeds	325,000.00	-	10,000.00	(10,000.00)
Total Receipts	562,410.18	243,660.71	\$ 245,590.00	\$ (1,929.29)
Expenditures				
General Government				
Personal Services	60,216.09	66,842.49	\$ 71,618.00	(4,775.51)
Commodities	21,894.90	34,752.67	34,752.67	-
Capital Outlay	377,606.29	123,929.60	133,080.00	(9,150.40)
Debt Service				
Principal	38,083.92	51,869.21	58,278.00	(6,408.79)
Interest	5,615.67	6,396.91	-	6,396.91
Total Expenditures	503,416.87	283,790.88	\$ 297,728.67	\$ (13,937.79)
Receipts Over(Under) Expenditures	58,993.31	(40,130.17)		
Unencumbered Cash, Beginning	778,263.00	837,256.31		
Unencumbered Cash, Ending	\$ 837,256.31	\$ 797,126.14		

CITY OF CHANUTE, KANSAS
CAPITAL IMPROVEMENT #1 FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Public Water Supply Loan Proceeds	\$ -	\$ 214,495.00
Water Pollution Control Revolving Loan Proceeds	103,051.80	69,976.77
Operating Transfers from:		
Gas Utility Fund	-	150,000.00
Sewer Utility Fund	159,930.54	156,071.15
Total Receipts	262,982.34	590,542.92
Expenditures		
Capital Projects		
Capital Outlay	439,565.02	510,933.20
Debt Service		
Cost of Issuance	-	1,060.00
Total Expenditures	439,565.02	511,993.20
Receipts Over(Under) Expenditures	(176,582.68)	78,549.72
Unencumbered Cash, Beginning	956,949.40	780,366.72
Unencumbered Cash, Ending	\$ 780,366.72	\$ 858,916.44

CITY OF CHANUTE, KANSAS
CAPITAL IMPROVEMENT #2 FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Property and Materials	\$ 83,000.00	\$ 7,500.00
Operating Transfers from:		
General Fund	8,334.69	7,164.00
Electric Utility Fund	248,984.82	10,097.00
Water Utility Fund	30,735.51	-
Gas Utility Fund	96,960.60	37,500.00
Refuse Utility Fund	17,424.40	-
Sewer Utility Fund	25,923.18	-
Grant Projects Fund	27,850.06	24,274.05
Total Receipts	<u>539,213.26</u>	<u>86,535.05</u>
Expenditures		
Capital Projects		
Capital Outlay	<u>602,940.81</u>	<u>64,129.67</u>
Total Expenditures	<u>602,940.81</u>	<u>64,129.67</u>
Receipts Over(Under) Expenditures	(63,727.55)	22,405.38
Unencumbered Cash, Beginning	<u>433,523.19</u>	<u>369,795.64</u>
Unencumbered Cash, Ending	<u><u>\$ 369,795.64</u></u>	<u><u>\$ 392,201.02</u></u>

CITY OF CHANUTE, KANSAS
EQUIPMENT RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Federal Grants - Firefighters	\$ 3,719.62	\$ -
Loan Proceeds	9,788.15	-
Operating Transfers from:		
Electric Utility Fund	199,187.83	12,500.00
Gas Utility Fund	77,568.46	25,000.00
Sewer Utility Fund	20,738.53	-
Water Utility Fund	24,588.38	-
Refuse Utility Fund	13,939.49	-
Total Receipts	349,530.46	37,500.00
Expenditures		
Equipment and Machinery		
Capital Outlay	731,720.05	23,560.02
Total Expenditures	731,720.05	23,560.02
Receipts Over(Under) Expenditures	(382,189.59)	13,939.98
Unencumbered Cash, Beginning	436,695.00	54,505.41
Unencumbered Cash, Ending	<u>\$ 54,505.41</u>	<u>\$ 68,445.39</u>

CITY OF CHANUTE, KANSAS
EFFICIENCY KANSAS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Utility Collections	\$ 21,750.99	\$ 7,930.53
Service Fees	298.00	288.00
Total Receipts	22,048.99	8,218.53
Expenditures		
Special Projects		
Contractual Services	22,123.01	8,204.63
Total Expenditures	22,123.01	8,204.63
Receipts Over(Under) Expenditures	(74.02)	13.90
Unencumbered Cash, Beginning	343.10	269.08
Unencumbered Cash, Ending	\$ 269.08	\$ 282.98

CITY OF CHANUTE, KANSAS
GRANT PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Federal Grants - CDBG - Rehab	\$ 247,650.00	\$ -
Federal Grants - ESG	40,157.48	49,531.98
Federal Grants - FAA	93,048.00	10,797.00
Federal Grants - Firefighters	-	0.15
State Grants - Judicial Center	71,226.80	-
State Grants - E Rate	81,036.00	94,101.29
State Grants - FAA	-	25,715.05
Other Receipts		
Donations	3,714.62	97.50
Total Receipts	536,832.90	180,242.97
Expenditures		
Special Projects		
Capital Outlay	262,091.65	158,713.28
Operating Transfers to:		
General Fund	0.03	0.15
Capital Improvement #2 Fund	27,850.06	24,274.05
Total Expenditures	289,941.74	182,987.48
Receipts Over(Under) Expenditures	246,891.16	(2,744.51)
Unencumbered Cash, Beginning	(240,634.44)	6,256.72
Unencumbered Cash, Ending	<u>\$ 6,256.72</u>	<u>\$ 3,512.21</u>

CITY OF CHANUTE, KANSAS
DEPOT ROOF PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Federal Grants - KDOT	\$ -	\$ 320,932.80
Other Receipts		
Reimbursed Expense - Library	-	53,488.79
Reimbursed Expense - Museum	-	6,750.00
Total Receipts	-	381,171.59
Expenditures		
Capital Improvements		
Capital Outlay	-	401,166.00
Total Expenditures	-	401,166.00
Receipts Over(Under) Expenditures	-	(19,994.41)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (19,994.41)

CITY OF CHANUTE, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 383,027.01	\$ 278,494.59	\$ 390,208.00	\$ (111,713.41)
Delinquent Tax	18,949.52	12,123.50	7,908.00	4,215.50
Motor Vehicle Tax	45,496.89	33,269.47	33,765.00	(495.53)
Commercial Vehicle Tax	2,963.65	4,326.98	-	4,326.98
Rental Motor Vehicle Tax	73.85	41.71	-	41.71
Recreational Vehicle Tax	339.19	230.26	268.00	(37.74)
16M-20M Truck Tax	607.03	145.18	264.00	(118.82)
Watercraft Taxes	-	239.81	-	239.81
Special Assessments	6,925.04	5,858.68	9,000.00	(3,141.32)
Use of Money and Property				
Interest Income	4,593.89	-	-	-
Bond Proceeds	3,064,706.00	10,541,280.35	-	10,541,280.35
Bond Subsidy	33,040.26	-	34,000.00	(34,000.00)
Operating Transfers from:				
General Fund	454,497.04	446,541.73	450,000.00	(3,458.27)
Electric Utility Fund	2,689,350.00	3,005,287.30	2,834,156.00	171,131.30
Water Utility Fund	174,463.00	110,000.00	110,000.00	-
Gas Utility Fund	-	125,004.00	125,000.00	4.00
Sewer Utility Fund	60,308.00	37,477.00	37,468.00	9.00
Total Receipts	6,939,340.37	14,600,320.56	\$ 4,032,037.00	\$ 10,568,283.56
Expenditures				
Debt Service				
Bond Principal	6,491,094.54	13,715,000.00	\$ 3,242,905.00	10,472,095.00
Bond Interest	877,125.23	628,993.33	780,777.00	(151,783.67)
Bond Issuance Costs	21,444.50	110,636.00	-	110,636.00
Other Expenditures				
Cash Basis Reserve	-	-	237,710.00	(237,710.00)
Ash Grove Reserve	-	-	229,846.00	(229,846.00)
Total Certified Budget			4,491,238.00	9,963,391.33
Adjustments for Qualifying				
Budget Credits			10,541,280.35	(10,541,280.35)
Total Expenditures	7,389,664.27	14,454,629.33	\$ 15,032,518.35	\$ (577,889.02)
Receipts Over(Under) Expenditures	(450,323.90)	145,691.23		
Unencumbered Cash, Beginning	655,443.94	205,120.04		
Unencumbered Cash, Ending	\$ 205,120.04	\$ 350,811.27		

CITY OF CHANUTE, KANSAS
SPECIAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 0.85	\$ 0.28	\$ 57,000.00	\$ (56,999.72)
Operating Transfers from General Fund	59,268.00	57,000.00	-	57,000.00
Total Receipts	59,268.85	57,000.28	\$ 57,000.00	\$ 0.28
Expenditures				
Debt Service				
Bond Principal	32,000.00	32,000.00	\$ 32,000.00	-
Bond Interest	26,208.00	24,672.00	24,672.00	-
Debt Service Cost	1,060.00	1,060.00	1,100.00	(40.00)
Total Expenditures	59,268.00	57,732.00	\$ 57,772.00	\$ (40.00)
Receipts Over(Under) Expenditures	0.85	(731.72)		
Unencumbered Cash, Beginning	13,116.20	13,117.05		
Unencumbered Cash, Ending	\$ 13,117.05	\$ 12,385.33		

CITY OF CHANUTE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Electric Sales	\$ 23,650,527.24	\$ 24,012,148.10	\$ 25,052,510.00	\$ (1,040,361.90)
Service Fees	557,399.36	556,116.71	725,000.00	(168,883.29)
Franchise Fees	498,918.30	299,111.62	-	299,111.62
Use of Money and Property				
Sale of Property and Materials	206.57	-	10,000.00	(10,000.00)
Other Receipts				
Claims	14,956.16	5,277.59	-	5,277.59
Recovery of Bad Debts	1,817.11	(3,857.02)	8,000.00	(11,857.02)
Miscellaneous	7,479.00	7,479.00	-	7,479.00
Refunds & Reimbursements	85,139.44	13,917.33	6,000.00	7,917.33
Security Deposit Returned	-	529,656.26	-	529,656.26
Generation Reimbursement	-	402,071.73	-	402,071.73
Total Receipts	24,816,443.18	25,821,921.32	\$ 25,801,510.00	\$ 20,411.32
Expenditures				
Production				
Personal Services	1,354,849.90	1,529,280.31	\$ 1,377,663.00	151,617.31
Contractual Services	15,142,753.31	14,602,483.17	14,596,900.00	5,583.17
Commodities	540,088.18	693,572.69	754,500.00	(60,927.31)
Capital Outlay	-	10,953.90	25,000.00	(14,046.10)
Distribution				
Personal Services	1,020,891.77	1,184,627.54	1,123,040.00	61,587.54
Contractual Services	20,181.63	25,903.50	40,550.00	(14,646.50)
Commodities	152,463.66	208,631.68	268,500.00	(59,868.32)
Fiber Communications				
Contractual Services	898,304.81	687,566.82	650,000.00	37,566.82
Commodities	10,270.06	2,271.91	30,000.00	(27,728.09)
Capital Outlay	136,637.09	55,314.94	80,000.00	(24,685.06)
Administration and General				
Personal Services	-	77,229.67	113,703.00	(36,473.33)
Contractual Services	1,123,353.84	1,385,206.72	1,114,792.00	270,414.72
Street & Special Lighting				
Contractual Services	-	127,356.36	150,000.00	(22,643.64)
Commodities	-	-	10,000.00	(10,000.00)
Operating Transfers to:				
General Fund	1,079,565.21	1,419,083.00	1,419,083.00	-
Capital Improvement #1 Fund	-	-	450,000.00	(450,000.00)

CITY OF CHANUTE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Capital Improvement #2 Fund	\$ 248,984.82	\$ 10,097.00	\$ 70,194.00	\$ (60,097.00)
General Obligation Bond and Interest Fund	2,689,350.00	3,005,287.30	2,834,156.00	171,131.30
Equipment Reserve Fund	199,187.83	12,500.00	25,000.00	(12,500.00)
Electric, Water, and Gas Bond and Interest Fund	434,930.00	681,261.60	664,372.00	16,889.60
Total Expenditures	<u>25,051,812.11</u>	<u>25,718,628.11</u>	<u>\$ 25,797,453.00</u>	<u>\$ (78,824.89)</u>
Receipts Over(Under) Expenditures	(235,368.93)	103,293.21		
Unencumbered Cash, Beginning	<u>585,258.54</u>	<u>349,889.61</u>		
Unencumbered Cash, Ending	<u>\$ 349,889.61</u>	<u>\$ 453,182.82</u>		

CITY OF CHANUTE, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Water Sales	\$ 1,458,120.12	\$ 1,489,796.68	\$ 1,569,224.00	\$ (79,427.32)
Franchise Fees	61,424.20	-	-	-
Use of Money and Property				
Sale of Property and Materials	688.54	132.60	76.00	56.60
Other Receipts				
Recovery of Bad Debts	(601.06)	186.44	-	186.44
Claims	1,549.00	-	-	-
Refunds & Reimbursements	12,108.25	12,342.00	11,200.00	1,142.00
Operating Transfer from Gas Utility Fund	200,000.00	-	-	-
Total Receipts	1,733,289.05	1,502,457.72	\$ 1,580,500.00	\$ (78,042.28)
Expenditures				
Source of Supply				
Contractual Services	19,988.64	11,563.34	16,500.00	(4,936.66)
Treatment Plant				
Personal Services	413,777.40	405,539.53	461,050.00	(55,510.47)
Contractual Services	105,200.36	98,761.57	120,730.00	(21,968.43)
Commodities	183,107.47	173,208.23	208,850.00	(35,641.77)
Capital Outlay	-	-	600.00	(600.00)
Debt Service	-	645.24	-	645.24
Transmission and Distribution				
Personal Services	334,024.04	318,943.43	307,110.00	11,833.43
Contractual Services	25,218.96	38,126.12	34,400.00	3,726.12
Commodities	31,808.41	37,401.92	48,300.00	(10,898.08)
Administration and General				
Personal Services	25,737.10	59,839.93	71,853.00	(12,013.07)
Contractual Services	139,306.75	157,695.40	162,534.00	(4,838.60)
Debt Service - Revolving Loan				
Principal	2,140.41	2,227.10	4,506.00	(2,278.90)
Interest	2,365.45	2,621.74	-	2,621.74
Refund of Utility Franchise Fees	-	-	95,072.00	(95,072.00)

CITY OF CHANUTE, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 79,545.77	\$ 74,075.00	\$ 74,075.00	\$ -
Capital Improvement #2 Fund	30,735.51	-	-	-
Equipment Reserve Fund	24,588.38	-	-	-
General Obligation Bond and Interest Fund	174,463.00	110,000.00	110,000.00	-
Total Expenditures	<u>1,592,007.65</u>	<u>1,490,648.55</u>	<u>\$ 1,715,580.00</u>	<u>\$ (224,931.45)</u>
Receipts Over(Under) Expenditures	141,281.40	11,809.17		
Unencumbered Cash, Beginning	89,213.57	230,494.97		
Unencumbered Cash, Ending	<u>\$ 230,494.97</u>	<u>\$ 242,304.14</u>		

CITY OF CHANUTE, KANSAS
GAS UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Gas Sales	\$ 6,135,664.72	\$ 5,341,447.94	\$ 5,390,001.00	\$ (48,553.06)
Service Fees	13,975.94	2,314.95	-	2,314.95
Franchise Fees	193,921.14	-	-	-
Use of Money and Property				
Sale of Property and Materials	3,421.34	4,259.44	3,000.00	1,259.44
Other Receipts				
Claims	327.90	1,144.14	-	1,144.14
Recovery of Bad Debts	337.53	6,043.07	-	6,043.07
Miscellaneous	1,200.00	2,090.00	-	2,090.00
Refunds & Reimbursements	32,368.03	176.00	-	176.00
Total Receipts	6,381,216.60	5,357,475.54	\$ 5,393,001.00	\$ (35,525.46)
Expenditures				
Gas Supply				
Contractual Services	729,305.96	744,757.41	\$ 1,325,000.00	(580,242.59)
Commodities	3,886,732.59	2,438,485.03	2,250,000.00	188,485.03
Distribution				
Personal Services	587,721.74	604,598.17	612,851.00	(8,252.83)
Contractual Services	52,325.90	52,594.35	76,150.00	(23,555.65)
Commodities	69,705.33	49,292.14	79,820.00	(30,527.86)
Administration and General				
Personal Services	12,993.90	52,253.31	48,703.00	3,550.31
Contractual Services	272,159.13	320,884.93	316,036.00	4,848.93
Refund of Utility Franchise Fees	-	-	252,848.00	(252,848.00)
Operating Transfers to:				
General Fund	305,716.12	323,580.00	323,580.00	-
General Obligation Bond and Interest Fund	-	125,004.00	125,000.00	4.00
Capital Improvement #1 Fund	-	150,000.00	150,000.00	-
Capital Improvement #2 Fund	96,960.60	37,500.00	25,000.00	12,500.00
Equipment Reserve Fund	77,568.46	25,000.00	50,000.00	(25,000.00)
Water Utility Fund	200,000.00	-	-	-
Total Expenditures	6,291,189.73	4,923,949.34	\$ 5,634,988.00	\$ (711,038.66)
Receipts Over(Under) Expenditures	90,026.87	433,526.20		
Unencumbered Cash, Beginning	283,957.81	373,984.68		
Unencumbered Cash, Ending	\$ 373,984.68	\$ 807,510.88		

CITY OF CHANUTE, KANSAS
REFUSE UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Utility Collections	\$ 838,542.97	\$ 819,801.09	\$ 839,458.00	\$ (19,656.91)
Landfill Fees	140,844.30	130,375.49	160,000.00	(29,624.51)
Franchise Fees	34,848.75	-	-	-
Use of Money and Property				
Sale of Property or Materials	-	5.75	-	5.75
Other Receipts				
Recovery of Bad Debts	14.04	400.63	-	400.63
Refuse Licenses & Permits	625.00	350.00	1,000.00	(650.00)
Total Receipts	1,014,875.06	950,932.96	\$ 1,000,458.00	\$ (49,525.04)
Expenditures				
Collections				
Personal Services	351,629.94	306,550.14	\$ 361,029.00	\$ (54,478.86)
Contractual Services	3,796.55	5,273.19	7,850.00	(2,576.81)
Commodities	12,604.83	16,637.60	21,650.00	(5,012.40)
Refuse Landfill				
Personal Services	220,616.61	192,994.43	221,092.00	(28,097.57)
Contractual Services	36,248.77	26,658.41	121,300.00	(94,641.59)
Commodities	47,309.43	44,824.07	113,400.00	(68,575.93)
Capital Outlay	1,282.50	-	3,500.00	(3,500.00)
Administration and General				
Personal Services	22,814.77	57,962.97	75,347.00	(17,384.03)
Contractual Services	174,229.09	188,985.95	136,167.00	52,818.95
Refund of Utility Franchise Fees	-	-	54,229.00	(54,229.00)
Operating Transfers to:				
General Fund	52,472.30	45,333.78	50,022.00	(4,688.22)
Capital Improvement #2 Fund	17,424.40	-	-	-
Equipment Reserve Fund	13,939.49	-	-	-
Total Expenditures	954,368.68	885,220.54	\$ 1,165,586.00	\$ (280,365.46)
Receipts Over(Under) Expenditures	60,506.38	65,712.42		
Unencumbered Cash, Beginning	390,828.99	451,335.37		
Unencumbered Cash, Ending	\$ 451,335.37	\$ 517,047.79		

CITY OF CHANUTE, KANSAS
SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Sewer Sales	\$ 1,248,308.49	\$ 1,402,726.86	\$ 1,397,656.00	\$ 5,070.86
Service Fees	400.00	500.00	-	500.00
Franchise Fees	51,846.32	-	-	-
Other Receipts				
Refunds & Reimbursements	-	21.40	-	21.40
Recovery of Bad Debts	264.15	94.51	1,383.00	(1,288.49)
Miscellaneous	3,266.22	5,172.70	4,673.00	499.70
Total Receipts	1,304,085.18	1,408,515.47	\$ 1,403,712.00	\$ 4,803.47
Expenditures				
Collections				
Personal Services	244,177.22	229,173.99	263,358.00	(34,184.01)
Contractual Services	8,036.59	3,331.67	3,342.00	(10.33)
Commodities	14,594.86	7,178.98	11,631.00	(4,452.02)
Pumping				
Contractual Services	7,759.88	7,980.36	7,579.00	401.36
Commodities	2,239.22	-	-	-
Treatment and Disposal				
Personal Services	443,861.35	398,884.32	432,559.00	(33,674.68)
Contractual Services	136,745.53	119,888.67	109,936.00	9,952.67
Commodities	32,744.29	48,784.93	50,738.00	(1,953.07)
Storm Drainage				
Contractual Services	-	345.82	-	345.82
Commodities	-	38,903.98	-	38,903.98
Administration and General				
Personal Services	9,860.00	49,785.88	56,883.00	(7,097.12)
Contractual Services	103,489.92	121,858.93	144,872.00	(23,013.07)
Debt Service - Revolving Loan				
Principal	18,451.75	16,768.67	27,408.00	(10,639.33)
Interest	4,387.99	6,071.07	-	6,071.07
Refund of Utility Franchise Fees	-	-	-	-
Operating Transfers to:				
General Fund	67,512.97	63,650.00	63,650.00	-
Equipment Reserve Fund	20,738.53	-	-	-
Capital Improvement #1 Fund	159,930.54	156,071.15	-	156,071.15
I&I Sewer Project Reserve Fund	-	167,412.00	183,196.00	(15,784.00)

CITY OF CHANUTE, KANSAS
SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Capital Improvement #2 Fund	\$ 25,923.18	\$ -	\$ 156,232.00	\$ (156,232.00)
General Obligation Bond and Interest Fund	60,308.00	37,477.00	-	37,477.00
Total Expenditures	1,360,761.82	1,473,567.42	\$ 1,511,384.00	\$ (37,816.58)
Receipts Over(Under) Expenditures	(56,676.64)	(65,051.95)		
Unencumbered Cash, Beginning	151,495.95	94,819.31		
Unencumbered Cash, Ending	\$ 94,819.31	\$ 29,767.36		

CITY OF CHANUTE, KANSAS
ELECTRIC, WATER, AND GAS BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Bond Proceeds	\$ 7,400,914.00	\$ -	\$ -	\$ -
Operating Transfers from:				
Gas Utility Fund	-	-	50,000.00	(50,000.00)
Electric Utility Fund	434,930.00	681,261.60	764,372.00	(83,110.40)
Total Receipts	7,835,844.00	681,261.60	\$ 814,372.00	\$ (133,110.40)
Expenditures				
Debt Service				
Bond Principal	7,512,905.46	575,000.00	\$ 575,000.00	\$ -
Bond Interest	437,084.85	159,260.00	239,260.00	(80,000.00)
Bond Issuance Costs	72,952.00	-	-	-
Total Expenditures	8,022,942.31	734,260.00	\$ 814,260.00	\$ (80,000.00)
Receipts Over(Under) Expenditures	(187,098.31)	(52,998.40)		
Unencumbered Cash, Beginning	382,723.38	195,625.07		
Unencumbered Cash, Ending	\$ 195,625.07	\$ 142,626.67		

CITY OF CHANUTE, KANSAS
ELECTRIC, WATER, AND GAS BOND
DEPRECIATION AND REPLACEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Interest Income	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Debt Service		
Bond Principal	611,000.00	-
Total Expenditures	611,000.00	-
Receipts Over(Under) Expenditures	(611,000.00)	-
Unencumbered Cash, Beginning	912,589.73	301,589.73
Unencumbered Cash, Ending	\$ 301,589.73	\$ 301,589.73

CITY OF CHANUTE, KANSAS
I&I SEWER PROJECT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2015
(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Sewer Utility Fund	\$ -	\$ 167,412.00
Total Receipts	-	167,412.00
Expenditures		
Capital Improvements		
Personal Services	-	9,466.88
Contractual Services	-	371.20
Commodities	-	20,217.26
Total Expenditures	-	20,217.26
Receipts Over(Under) Expenditures	-	137,356.66
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 137,356.66

CITY OF CHANUTE, KANSAS
VEHICLE SERVICES FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Internal Vehicle Service Charges	\$ 561,612.26	\$ 703,033.05
Use of Money and Property		
Sale of Property and Materials	4,514.92	1,577.05
Other Receipts		
Miscellaneous	4,333.54	4,738.63
Total Receipts	<u>570,460.72</u>	<u>709,348.73</u>
Expenditures		
Vehicle Service Shop		
Personal Services	156,387.81	170,551.13
Contractual Services	47,421.35	173,172.87
Commodities	362,379.39	332,116.91
Capital Outlay	2,860.00	5,145.34
Total Expenditures	<u>569,048.55</u>	<u>680,986.25</u>
Receipts Over(Under) Expenditures	1,412.17	28,362.48
Unencumbered Cash, Beginning	-	1,412.17
Unencumbered Cash, Ending	<u>\$ 1,412.17</u>	<u>\$ 29,774.65</u>

CITY OF CHANUTE, KANSAS
UTILITY SERVICES FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Utility Internal Service Charges	\$ 1,041,543.60	\$ 1,064,358.41
Utility Service Initiation Fee	21,899.54	20,949.32
Utility Service Reconnection Fee	3,970.00	4,030.00
Utility Late Payment Fees	73,590.09	68,380.18
Efficiency Service Charges	-	144.00
Bad Check Charges	2,460.00	2,715.00
Other Receipts		
Recovery of Bad Debts	(449.23)	516.53
Miscellaneous	1,003.18	481.78
Total Receipts	1,144,017.18	1,161,575.22
Expenditures		
Utility Business Office		
Personal Services	208,963.38	224,098.50
Contractual Services	52,934.14	108,812.87
Commodities	11,371.66	3,813.60
Capital Outlay	1,654.55	1,590.01
Utility Administrative		
Personal Services	216,087.07	171,814.51
Contractual Services	87,716.08	43,158.93
Commodities	3,637.88	12,028.59
Capital Outlay	-	2,259.51
Data Processing		
Personal Services	285,538.45	276,703.75
Contractual Services	61,923.80	63,967.15
Commodities	13,063.49	13,969.66
Capital Outlay	7,239.19	3,228.84
Meter Reading		
Personal Services	156,883.94	188,457.00
Contractual Services	12,287.68	8,089.23
Commodities	56.70	63.90
Information Service		
Personal Services	8,095.34	-
Contractual Services	15,801.80	11,738.59
Commodities	90.56	-
Total Expenditures	1,143,345.71	1,133,794.64
Receipts Over(Under) Expenditures	671.47	27,780.58
Unencumbered Cash, Beginning	-	671.47
Unencumbered Cash, Ending	\$ 671.47	\$ 28,452.05

CITY OF CHANUTE, KANSAS
PUBLIC WORKS AND UTILITY COMPLEX FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

(With Comparative Actual Totals for the Prior Year Ended December 31, 2014)

	Prior Year Actual	Actual
Receipts		
Taxes and Shared Receipts		
Public Works Internal Charges	\$ 161,584.98	\$ 185,668.10
Other Receipts		
Miscellaneous	134.26	10.93
Total Receipts	161,719.24	185,679.03
Expenditures		
Public Works and Utility Complex		
Personal Services	88,665.87	96,329.92
Contractual Services	64,412.48	55,465.17
Commodities	7,961.59	4,839.70
Total Expenditures	161,039.94	156,634.79
Receipts Over(Under) Expenditures	679.30	29,044.24
Unencumbered Cash, Beginning	-	679.30
Unencumbered Cash, Ending	\$ 679.30	\$ 29,723.54

CITY OF CHANUTE, KANSAS
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2015

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing	\$ 141,121.77	\$ 1,801,160.09	\$ 1,796,848.40	\$ 145,433.46
Health Insurance Fund	453,145.64	1,753,352.00	1,558,252.53	648,245.11
Sales Tax Collections	(22,355.92)	510,982.05	513,107.24	(24,481.11)
State Water Fees	2,203.54	8,448.12	8,415.94	2,235.72
Kansas Solid Waste Fees	22,268.30	11,214.66	7,973.53	25,509.43
Southwind Energy Group	720,971.77	12,977,925.01	12,640,360.37	1,058,536.41
Utility Security Deposit	355,241.89	142,899.48	108,092.36	390,049.01
Utility Security Deposit Interest	63,349.50	429.45	6,521.60	57,257.35
Alliance of Churches Utility Aid	382.74	362.96	382.74	362.96
Law Enforcement Drug Funds	10,572.65	23,156.25	7,895.02	25,833.88
Donations/Contributions	-	9,960.00	792.49	9,167.51
Franchise Fee Refund Fund	537,362.41	12,039.68	549,350.74	51.35
City Revolving Loan	370,879.08	90,237.90	152,274.32	308,842.66
Fire Insurance Proceeds	2,388.67	8,161.59	5,386.59	5,163.67
City Events	653.36	-	-	653.36
	<u>\$ 2,658,185.40</u>	<u>\$ 17,350,329.24</u>	<u>\$ 17,355,653.87</u>	<u>\$ 2,652,860.77</u>

CITY OF CHANUTE, KANSAS
 Schedule of Required Bond Information
 December 31, 2015

	<u>Date Expires</u>	<u>Amount</u>
Travelers Indemnity Company:		
Coverages:		
Buildings and Contents	12/31/2015	\$ 76,989,717.00
Liability		2,000,000.00
Deductible:		1,000.00
Premium:		306,912.00
Total electric and gas users for the beginning and end of the fiscal year 2015 were as follows:		
	<u>12/31/2015</u>	<u>1/1/2015</u>
Electric	5,690	5,694
Gas	4,273	4,277