

CITY OF CHANUTE, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2020

CITY OF CHANUTE, KANSAS
For the Year Ended December 31, 2020
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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, 2020 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 City'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 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 as of December 31, 2020, 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 as of December 31, 2020, 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Chanute as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated April 21, 2020, which contained an unmodified opinion the regulatory basis of accounting on the basic financial statement. The 2019 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>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note 1.

Other 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2021, on our consideration of the City of Chanute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Chanute's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Chanute's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 28, 2021
Chanute, Kansas

CITY OF CHANUTE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2020
General Fund	\$ 638,211.63	\$ 8,144,251.44	\$ 7,852,278.90	\$ 930,184.17	\$ 173,845.14	\$ 1,104,029.31
Special Purpose Funds:						
Industrial	193,752.93	3,725.20	-	197,478.13	-	197,478.13
Library	(4.82)	406,781.91	406,777.09	-	-	-
Library Employee Benefits	-	77,407.12	77,407.12	-	-	-
City Employee Benefits	315,279.82	839,956.54	1,128,339.96	26,896.40	327.25	27,223.65
Special Liability Expense	344,691.01	4,692.31	9,806.23	339,577.09	-	339,577.09
Recreation Complex	104,102.53	42,000.00	25,430.83	120,671.70	1,673.19	122,344.89
Special Parks and Recreation	36,117.39	31,860.27	13,284.74	54,692.92	-	54,692.92
Special Alcohol Programs	62,877.69	24,177.62	15,979.91	71,075.40	-	71,075.40
Tourism and Convention	250,881.13	158,070.81	75,597.00	333,354.94	-	333,354.94
Special Highway Improvement	638,103.98	234,909.44	425,356.48	447,656.94	901.76	448,558.70
City Infrastructure	619,067.25	171,503.59	-	790,570.84	-	790,570.84
.25% Sales Tax CRDA/City	184,390.31	510,492.07	273,150.03	421,732.35	21,193.00	442,925.35
Emergency Telephone	-	15,000.00	-	15,000.00	-	15,000.00
Capital Improvement #1	338,969.68	406,437.88	158,552.02	586,855.54	-	586,855.54
Capital Improvement #2	109,608.70	526,607.22	635,929.97	285.95	16,426.52	16,712.47
Equipment Reserve	(978,184.85)	2,280,000.00	758,939.66	542,875.49	-	542,875.49
Efficiency Kansas Grant	414.05	7,409.88	7,691.60	132.33	504.53	636.86
Grant Projects	(9,856.59)	1,252,941.00	2,034,434.77	(791,350.36)	43,147.09	(748,203.27)
Capital Projects Funds:						
Orizon Project	399.00	4,389.00	4,788.00	-	-	-
I&I Project	(13,091.00)	1,815,726.14	1,802,635.14	-	-	-
CDBG Sewer Project	(514,917.05)	698,000.00	183,082.95	-	-	-
Bond and Interest Funds:						
General Obligation Bond and Interest	678,014.00	1,928,349.86	1,103,785.84	1,502,578.02	-	1,502,578.02
Special Obligation Bond and Interest	12,570.84	58,906.90	58,900.00	12,577.74	-	12,577.74
Business Funds:						
Electric Utility	4,381,776.23	25,442,333.14	22,622,119.48	7,201,989.89	1,123,658.55	8,325,648.44
Water Utility	288,863.85	1,832,368.76	1,838,498.50	282,734.11	18,259.13	300,993.24
Gas Utility	1,679,303.53	5,121,864.72	5,528,898.37	1,272,269.88	467,173.58	1,739,443.46

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, 2020

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2020
Refuse Utility	\$ 78,130.46	\$ 1,176,725.25	\$ 1,205,792.15	\$ 49,063.56	\$ 20,642.38	\$ 69,705.94
Sewer Utility	128,849.91	2,164,159.32	2,196,366.22	96,643.01	22,536.96	119,179.97
Fiber/Communication Utility	355,036.37	534,668.00	764,614.04	125,090.33	9,100.34	134,190.67
Electric, Water & Gas Bond and Interest	269,935.85	2,219,763.00	2,298,104.90	191,593.95	-	191,593.95
Electric, Water & Gas Bond						
Depreciation and Replacement	301,589.73	-	-	301,589.73	-	301,589.73
I&I Sewer Project Reserve	1,664,791.93	622,266.77	70,810.50	2,216,248.20	-	2,216,248.20
Electrical Maintenance Substation	1,215,932.37	778,707.08	945.24	1,993,694.21	-	1,993,694.21
Landfill Closing Reserve	30,000.00	10,000.00	-	40,000.00	-	40,000.00
Landfill Bond and Interest	312,922.60	96,671.70	-	409,594.30	-	409,594.30
Vehicle Services	47,228.50	783,389.77	822,051.37	8,566.90	13,166.34	21,733.24
Utility Services	101,376.96	1,408,939.27	1,486,903.02	23,413.21	20,920.84	44,334.05
Public Works and Utility Complex	49,544.11	232,000.01	191,123.47	90,420.65	6,052.36	96,473.01
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 13,916,680.03</u>	<u>\$ 62,067,452.99</u>	<u>\$ 56,078,375.50</u>	<u>\$ 19,905,757.52</u>	<u>\$ 1,959,528.96</u>	<u>\$ 21,865,286.48</u>

Composition of Cash:

Cash on Hand	\$ 3,920.00
Checking Accounts:	
City Treasurer	16,927,148.30
Payroll Account	10,148.62
ISF Check Account	9,527.96
General Petty Cash	3,500.00
Security Deposit Account	283,058.30
Utility Petty Cash Account.....	1,075.00
Golf Course Petty Cash Account.....	5,000.00
Investments:	
Certificates of Deposit	6,453,297.00
UMB Escrow Accounts	0.18

Total Cash	23,696,675.36
Agency Funds Per Schedule 3	(1,831,388.88)
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 21,865,286.48</u>

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, 2020

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.

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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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.

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

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, 2020, the City amended the General Fund, Water Utility Fund, Gas Utility Fund, and the Electric/Water/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

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-C	Subordinate Lien Bonds
Series 2019-A	Subordinate Lien Bonds

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

<u>Debt Service Reserves</u>	<u>REQUIRED RESERVEES</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 2/6 of next maturing interest and 2/12 of next maturing principal.	\$ 1,943.33	
Electric Light and Gas Utility Systems refunding bonds \$4,990,000 general obligation bond issue, Series 2019-A, requires transfers monthly of 2/6 of next maturing interest and 2/12 of next maturing principal.	24,950.00	
Electric Light and Gas Utility Systems refunding taxable bonds \$4,525,000 general obligation bond issue, Series 2019-A, requires transfers monthly of 2/6 of next maturing interest and 2/12 of next maturing principal.	<u>218,512.50</u>	
Total	<u>245,405.83</u>	<u>\$ 1,548,472.88</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 2/6 of next maturing interest and 2/12 of next maturing principal.	<u>159,593.33</u>	<u>191,593.95</u>
Depreciation and Replacement Reserve	<u>300,000.00</u>	<u>301,589.73</u>
Total Electric Light and Gas Debt Service Reserves	<u>\$ 704,999.17</u>	<u>\$ 2,041,656.56</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 2020 Annual Debt Service (as defined in the Indenture) of all Subordinate Lien Bonds (2014-A, 2014-C, and 2020-A) 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	\$ 2,820,213.66	\$ (407,033.65)	\$ 2,413,180.01
Add:			
Administrative Expenses:			
Administration and General	1,598,196.81	359,891.45	1,958,088.26
Debt Service	--	--	--
Transfers Out	7,038,909.00	484,996.00	7,523,905.00
Capital Outlays	<u>30,939.80</u>	<u>156,163.52</u>	<u>187,103.32</u>
Net Revenues as defined in the Indenture	<u>\$ 11,488,259.27</u>	<u>\$ 594,017.32</u>	<u>\$ 12,082,276.59</u>
Required Net Revenue as Defined in the Indenture			<u>\$ 2,429,995.00</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 Grant Projects 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 Grant Projects Fund met the criteria under the statutes and therefore, are 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	\$ 0.18	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, 2020.

Deposits: At year-end, the City's carrying amount of deposits was \$23,692,755.18 and the bank balance was \$25,062,207.96. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$1,250,000.00 was covered by FDIC insurance and \$23,812,207.96 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name.

4. CAPITAL PROJECTS

At year end, capital projects authorizations, with approved change orders, compared with expenditures from inception are as follows:

<u>PROJECT NAME</u>	<u>EXPENDITURES TO DATE</u>	<u>PROJECT AUTHORIZATION</u>	<u>COMPLETION DATE</u>
Orizon Project Sewer Collection System Improvements Project	\$ 3,646,276.88	\$ 5,100,000.00	Complete
	4,502,515.97	5,303,866.00	Complete

5. 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, 2020, there were seven industrial revenue bond issues with principal balances due totaling \$54,997,330.09

6. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended December 31, 2020, 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 2016B	2.45%	October 27, 2016	\$ 1,500,000.00	November 1, 2031	\$ 1,500,000.00	-	-	\$ 1,500,000.00	\$ 36,750.00
Series 2017A	2.0-3.0%	June 28, 2017	3,785,000.00	November 1, 2029	3,140,000.00	-	(310,000.00)	2,830,000.00	80,435.00
Paid by Tax Levies and Utility Receipts:									
Series 2012A	0.4-2.2%	September 27, 2012	4,940,000.00	November 1, 2024	1,840,000.00	-	(460,000.00)	1,380,000.00	34,865.00
Paid by Utility Receipts:									
Series 2014A	2.0-2.15%	March 11, 2014	6,990,000.00	November 1, 2022	3,740,000.00	-	(1,000,000.00)	2,740,000.00	77,560.00
Series 2014C	2.20%	December 1, 2014	530,000.00	November 1, 2022	530,000.00	-	-	530,000.00	11,660.00
Series 2016A	2.30%	July 15, 2016	1,325,000.00	November 1, 2031	1,325,000.00	-	-	1,325,000.00	30,475.00
Series 2019A	3.00%	September 12, 2019	4,990,000.00	November 1, 2030	4,990,000.00	-	-	4,990,000.00	170,075.84
Series 2019A - Taxable	2.30-2.40%	September 12, 2019	4,525,000.00	November 1, 2023	4,525,000.00	-	(1,070,000.00)	3,455,000.00	120,069.90
Special Obligation Bonds									
Paid by Tax Levies:									
Tax Incentive Fund Series 2006	4.80%	September 27, 2006	703,000.00	September 1, 2026	340,000.00	-	(42,000.00)	298,000.00	15,840.00
Revolving Loans									
Kansas Water Pollution Control 1930	2.42%	January 23, 2012	1,267,362.00	September 1, 2033	644,360.06	-	(39,179.25)	605,180.81	15,357.91
Kansas Water Pollution Control 2045	2.15%	March 14, 2018	947,228.70	September 1, 2039	1,340,820.18	1,801,667.82	(155,543.95)	2,986,944.05	38,606.03
Kansas Public Water Supply 2722	4.01%	October 30, 2012	112,638.60	August 1, 2032	45,303.66	-	(2,716.14)	42,587.52	1,789.72
Kansas Public Water Supply 2837	2.74%	September 3, 2013	424,000.00	August 1, 2035	353,183.42	-	(17,857.75)	335,325.67	9,555.73
Kansas Public Water Supply 2931	2.13%	July 1, 2019	870,000.00	August 1, 2039	616,026.00	149,159.00	(43,616.12)	721,568.88	10,033.04
Capital Lease									
Street Paver	2.43%	March 21, 2014	325,000.00	March 21, 2020	14,507.36	-	(14,507.36)	-	58.79
Street Sweeper	1.83%	January 1, 2017	218,000.00	November 1, 2022	133,150.81	-	(43,567.39)	89,583.42	2,456.52
Complex Copier	11.60%	April 6, 2019	5,495.00	May 6, 2024	4,931.72	-	(930.21)	4,001.51	521.79
Police Department Copier	24.35%	May 20, 2019	8,637.00	May 23, 2023	5,729.88	-	(1,511.66)	4,218.22	1,395.46
2020 Aerial Fire Truck	2.25%	April 10, 2020	1,330,000.00	April 10, 2030	-	1,330,000.00	-	1,330,000.00	-
2021 Dump Truck #1	1.55%	October 20, 2020	85,000.00	October 1, 2025	-	85,000.00	-	85,000.00	-
Vac-Con Combination Truck	1.72%	October 20, 2020	360,000.00	October 1, 2025	-	360,000.00	-	360,000.00	-
Cat Front End Loader	1.72%	December 1, 2020	160,000.00	October 1, 2025	-	160,000.00	-	160,000.00	-
2021 Dump Truck #2	1.55%	October 20, 2020	95,000.00	October 1, 2025	-	95,000.00	-	95,000.00	-
Total Contractual Indebtedness			\$ 25,088,013.09		\$ 3,980,826.82		\$ (3,201,429.83)	\$ 25,867,410.08	\$ 657,505.73

6. 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	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2039	Less:		Total
									Proceeds	Not Drawndown	
Principal											
General Obligation Bonds											
Paid by Tax Levies:											
Series 2016B	\$ -	\$ -	\$ -	\$ 170,000.00	\$ 175,000.00	\$ 950,000.00	\$ 205,000.00	\$ -	\$ -	\$ -	\$ 1,500,000.00
Series 2017A	315,000.00	325,000.00	330,000.00	335,000.00	345,000.00	1,180,000.00	-	-	-	-	2,830,000.00
Paid by Tax Levies and Utility Receipts:											
Series 2012A	460,000.00	355,000.00	305,000.00	260,000.00	-	-	-	-	-	-	1,380,000.00
Paid by Utility Receipts:											
Series 2014A	900,000.00	1,840,000.00	-	-	-	-	-	-	-	-	2,740,000.00
Series 2014C	-	530,000.00	-	-	-	-	-	-	-	-	530,000.00
Series 2016A	-	-	-	155,000.00	155,000.00	835,000.00	180,000.00	-	-	-	1,325,000.00
Series 2019A	-	-	-	650,000.00	670,000.00	3,670,000.00	-	-	-	-	4,990,000.00
Series 2019-A Taxable	1,230,000.00	-	2,225,000.00	-	-	-	-	-	-	-	3,455,000.00
Special Obligation Bonds											
Paid by Tax Levies:											
Tax Incentive Fund Series 2006	44,000.00	46,000.00	48,000.00	52,000.00	52,000.00	56,000.00	-	-	-	-	298,000.00
Revolving Loans											
Kansas Water Pollution Control 1930	40,133.13	41,110.22	42,111.12	43,136.37	44,186.58	237,603.17	156,900.22	-	-	-	605,180.81
Kansas Water Pollution Control 2045	130,017.83	132,828.25	135,699.40	138,632.63	141,629.24	755,412.26	840,662.25	712,062.19	-	-	2,986,944.05
Kansas Public Water Supply 2722	2,826.15	2,940.63	3,059.71	3,183.64	3,312.58	18,687.46	8,577.35	-	-	-	42,587.52
Kansas Public Water Supply 2837	18,350.41	18,856.65	19,376.85	19,911.43	20,460.74	111,088.59	127,281.00	-	-	-	335,325.67
Kansas Public Water Supply 2931	36,061.17	36,833.36	37,622.09	38,427.70	39,250.58	209,226.01	232,607.37	196,355.60	(104,815.00)	-	721,568.88
Capital Lease											
Street Sweeper	44,384.58	45,198.84	-	-	-	-	-	-	-	-	89,583.42
Complex Copier	1,043.62	1,170.85	1,313.59	473.45	-	-	-	-	-	-	4,001.51
Police Department Copier	1,879.81	2,338.41	-	-	-	-	-	-	-	-	4,218.22
2020 Aerial Fire Truck	120,091.24	122,793.29	125,556.14	128,321.88	131,268.40	701,969.05	-	-	-	-	1,330,000.00
2021 Dump Truck #1	16,535.84	16,723.56	16,982.78	17,244.53	17,513.29	-	-	-	-	-	85,000.00
Vac-Con Combination Truck	69,822.45	70,701.07	71,917.13	73,147.15	74,412.20	-	-	-	-	-	360,000.00
Cat Front End Loader	31,283.35	31,361.50	31,900.92	32,446.53	33,007.70	-	-	-	-	-	160,000.00
2021 Dump Truck #2	18,481.24	18,691.04	18,980.76	19,273.31	19,573.65	-	-	-	-	-	95,000.00
Total Principal Payments	3,479,910.82	3,637,547.67	3,412,520.49	2,136,198.62	1,921,614.96	8,724,986.54	1,751,028.19	908,417.79	(104,815.00)		25,867,410.08

6. 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	2021	2022	2023	2024	2025	2026-2030	2031-2035	2036-2039	Total
Interest									
General Obligation Bonds									
Paid by Tax Levies:									
Series 2016B	\$ 36,750.00	\$ 36,750.00	\$ 36,750.00	\$ 32,585.00	\$ 28,297.50	\$ 67,865.00	\$ 5,022.50	\$ -	\$ 244,020.00
Series 2017A	73,460.00	66,372.50	59,060.00	50,810.00	42,435.00	75,267.00	-	-	367,404.50
Paid by Tax Levies and Utility Receipts:									
Series 2012A	27,505.00	19,225.00	12,125.00	5,720.00	-	-	-	-	64,575.00
Paid by Utility Receipts:									
Series 2014A	57,560.00	39,560.00	-	-	-	-	-	-	97,120.00
Series 2014C	11,660.00	11,660.00	-	-	-	-	-	-	23,320.00
Series 2016A	30,475.00	30,475.00	30,475.00	30,475.00	26,910.00	79,120.00	4,140.00	-	232,070.00
Series 2019A	149,700.00	149,700.00	149,700.00	149,700.00	130,200.00	337,050.00	-	-	1,066,050.00
Series 2019-A Taxable	81,075.00	53,400.00	53,400.00	-	-	-	-	-	187,875.00
Special Obligation Bonds									
Paid by Tax Levies:									
Tax Incentive Fund Series 2006	13,776.00	11,664.00	9,408.00	7,056.00	4,560.00	2,016.00	-	-	48,480.00
Revolving Loans									
Kansas Water Pollution Control 1930	14,404.03	13,426.94	12,426.04	11,400.79	10,350.58	35,082.63	6,711.26	-	103,802.27
Kansas Water Pollution Control 2045	64,132.15	61,321.73	58,450.58	55,517.35	52,520.74	215,337.64	130,087.65	36,260.67	673,628.51
Kansas Public Water Supply 2722	1,679.71	1,565.23	1,446.15	1,322.22	1,193.28	3,841.84	434.37	-	11,482.80
Kansas Public Water Supply 2837	9,063.07	8,556.83	8,036.63	7,502.05	6,952.74	25,978.81	9,786.40	-	75,876.53
Kansas Public Water Supply 2931	17,587.99	16,815.80	16,027.07	15,221.46	14,398.58	59,019.79	35,638.43	9,930.09	184,639.21
Capital Lease									
Street Sweeper	1,639.33	825.51	-	-	-	-	-	-	2,464.84
Complex Copier	408.38	281.15	138.41	11.55	-	-	-	-	839.49
Police Department Copier	1,027.31	568.71	-	-	-	-	-	-	1,596.02
2020 Aerial Fire Truck	29,925.00	27,222.95	24,460.10	21,694.36	18,747.84	48,112.14	-	-	170,162.39
2021 Dump Truck #1	1,248.91	1,061.19	801.97	540.22	271.46	-	-	-	3,923.75
Vac-Con Combination Truck	5,869.67	4,991.05	3,774.99	2,544.97	1,279.92	-	-	-	18,460.60
Cat Front End Loader	2,292.08	2,213.93	1,674.51	1,128.90	567.73	-	-	-	7,877.15
2021 Dump Truck #2	1,395.84	1,186.04	896.32	603.77	303.43	-	-	-	4,385.40
Total Interest Payments	632,634.47	558,843.56	479,050.77	393,833.64	338,988.80	948,690.85	191,820.61	46,190.76	3,590,053.46
Total Principal and Interest	\$ 4,112,545.29	\$ 4,196,391.23	\$ 3,891,571.26	\$ 2,530,032.26	\$ 2,260,603.76	\$ 9,673,677.39	\$ 1,942,848.80	\$ 954,608.55	\$ 29,457,463.54

7. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to finance the acquisition of a street sweeper. Payments are made annually, including interest at 1.83%. Final maturity of the lease is November 1, 2022. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 46,023.91
2022	<u>46,024.35</u>
	92,048.26
Less imputed interest	<u>(2,464.84)</u>
Net Present Value of Minimum	
Lease Payments	89,583.42
Less: Current Maturities	<u>(44,384.58)</u>
 Long-Term Capital Lease Obligations	 <u>\$ 45,198.84</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a copier for the utility complex. Payments are made monthly, including interest at 11.60%. Final maturity of the lease is May 6, 2024. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 1,452.00
2022	1,452.00
2023	1,452.00
2024	<u>485.00</u>
	4,841.00
Less imputed interest	<u>(839.49)</u>
Net Present Value of Minimum	
Lease Payments	4,001.51
Less: Current Maturities	<u>(1,043.62)</u>
 Long-Term Capital Lease Obligations	 <u>\$ 2,957.89</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a copier for the police department. Payments are made monthly, including interest at 24.35%. Final maturity of the lease is May 23, 2023. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 2,907.12
2022	<u>2,907.12</u>
	5,814.24
Less imputed interest	<u>(1,596.02)</u>
Net Present Value of Minimum	
Lease Payments	4,218.22
Less: Current Maturities	<u>(1,879.81)</u>
 Long-Term Capital Lease Obligations	 <u>\$ 2,338.41</u>

7. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of a 2020 Sutphen Aerial Fire Truck. Payments are made annually, including interest at 2.25%. Final maturity of the lease is April 10, 2030. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 150,016.24
2022	150,016.24
2023	150,016.24
2024	150,016.24
2025	150,016.24
2026-2030	<u>750,081.19</u>
	1,500,162.39
Less imputed interest	<u>(170,162.39)</u>
Net Present Value of Minimum	
Lease Payments	1,330,000.00
Less: Current Maturities	<u>(120,091.24)</u>
Long-Term Capital Lease Obligations	<u>\$1,209,908.76</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2021 Ford Dump Truck. Payments are made annually, including interest at 1.55%. Final maturity of the lease is October 1, 2025. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 17,784.75
2022	17,784.75
2023	17,784.75
2024	17,784.75
2025	<u>17,784.75</u>
	88,923.75
Less imputed interest	<u>(3,923.75)</u>
Net Present Value of Minimum	
Lease Payments	85,000.00
Less: Current Maturities	<u>(16,535.84)</u>
Long-Term Capital Lease Obligations	<u>\$ 68,464.16</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a Vac-Con Combination Truck. Payments are made annually, including interest at 1.72%. Final maturity of the lease is October 1, 2030. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 75,692.12
2022	75,692.12
2023	75,692.12
2024	75,692.12
2025	<u>75,692.12</u>
	378,460.60
Less imputed interest	<u>(18,460.60)</u>
Net Present Value of Minimum	
Lease Payments	360,000.00
Less: Current Maturities	<u>(69,822.45)</u>
Long-Term Capital Lease Obligations	<u>\$ 290,177.55</u>

7. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of a frontend loader. Payments are made annual, including interest at 1.72%. Final maturity of the lease is October 1, 2023. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 33,575.43
2022	33,575.43
2023	33,575.43
2024	33,575.43
2025	<u>33,575.43</u>
	167,877.15
Less imputed interest	<u>(7,877.15)</u>
Net Present Value of Minimum	
Lease Payments	160,000.00
Less: Current Maturities	<u>(31,283.35)</u>
Long-Term Capital Lease Obligations	<u>\$ 128,716.65</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2021 Ford Dump Truck that includes hydraulics to run a snowplow. Payments are made annually, including interest at 1.55%. Final maturity of the lease is October 1, 2025. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2021	\$ 19,877.08
2022	19,877.08
2023	19,877.08
2024	19,877.08
2025	<u>19,877.08</u>
	99,385.40
Less imputed interest	<u>(4,385.40)</u>
Net Present Value of Minimum	
Lease Payments	95,000.00
Less: Current Maturities	<u>(18,481.24)</u>
Long-Term Capital Lease Obligations	<u>\$ 76,518.76</u>

8. OPERATING LEASES

As of December 31, 2020 the City has entered into four operating leases for copiers and an operating lease for a postage machine. The City has also entered into numerous month to month lease agreements for the use of a skid steer, excavator, fuel tanks, slush machine, and an ice machine. Rent expense for the year ended December 31, 2020, was \$21,676.26. Under the current lease agreements, the future minimum rental payments are as follows:

2021	\$	3,702.60
2022		2,561.28
2023		1,641.12
2024		410.28

As of December 31, 2020 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, 2020, was \$3,500.00.

9. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City of Chanute 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 1% contribution rate with a 0% moratorium for the year ended December 31, 2020 for the Death and Disability Program) and the statutory contribution rate was 8.61% for KPERS and 22.93% for KP&F for the fiscal year ended December 31, 2020. Contributions to the pension plan from City of Chanute were \$763,345.35 for KPERS and \$462,053.43 for KP&F for the year ended December 31, 2020.

Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$6,811,266.00 and \$4,331,665.00 for KP&F. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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 this financial statement.

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

10. 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, 2020, through the Economic Development Revolving Loan Fund are as follows:

Get Lit	\$ 35,528.05
LaRue Machine	54,147.71
Magna Tech, Inc.	130,135.30
Mel's	76,030.52
Renewable Concepts	3,314.43
Sidewayz Productions, LLC	4,263.14
Threadworks, LLC	33,290.22
Tioga Suites, LLC	<u>92,160.48</u>
 TOTAL NOTES RECEIVABLE	 <u>\$ 428,869.85</u>

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

11. ECONOMIC DEPENDENCY

During 2020, the City collected 58.70% of its electric utility revenues and provided 61.34% of its kilowatt hours produced to Ash Grove Cement Company.

12. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2020.

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.

12. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

In accordance with the above criteria, the City has an unfunded liability for vacation benefits at December 31, 2020 of \$263,160.61, 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.

13. 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 that 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.

14. 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.

15. COMMITMENTS AND CONTINGENCIES

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

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.

The City has entered into an five year agreement with Southern Star Central Gas Pipeline, Inc. for natural gas transportation and storage effective until October 1, 2022.

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, 2020.

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.

The City has entered into a twenty year agreement with Westar Energy, Inc. for the purchase of renewable energy effective until January 20, 2036.

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2020. Future potential impacts include a decline in sales tax collections and utility collections. Our results of operations for full year 2021 may be materially adversely affected.

16. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	General Obligation Bond and Interest	K.S.A. 12-197	\$ 36,750.00
General	Capital Improvement #2	K.S.A. 12-197	66,335.00
General	Special Obligation Bond And Interest	K.S.A. 12-197	58,900.00
Electric Utility	Orizon Project	K.S.A. 12-1,118	4,389.00
Electric Utility	General	K.S.A. 12-825d	2,500,000.00
Electric Utility	Capital Improvement #1	K.S.A. 12-1,118	200,000.00
Electric Utility	General Obligation Bond and Interest	K.S.A. 12-825d	1,577,808.00
Electric Utility	Equipment Reserve	K.S.A. 12-1,117	200,000.00
Electric Utility	Electric, Water, and Gas Bond and Interest	K.S.A. 12-197	1,906,712.00
Electric Utility	Fiber/Communications Utility	K.S.A. 12-825d	150,000.00
Electric Utility	Electric Maintenance Substation	K.S.A. 12-1,118	500,000.00
Water Utility	General	K.S.A. 12-825d	80,000.00
Water Utility	General Obligation Bond and Interest	K.S.A. 12-825d	90,912.00
Water Utility	Capital Improvement #1	K.S.A. 12-1,118	50,000.00
Water Utility	Equipment Reserve	K.S.A. 12-1,117	50,000.00
Sewer Utility	General	K.S.A. 12-825d	62,500.00
Sewer Utility	General Obligation Bond and Interest	K.S.A. 12-825d	72,728.00
Sewer Utility	I&I Sewer Project Reserve	K.S.A. 12-631o	622,266.77
Refuse Utility	General	K.S.A. 12-825d	50,000.00
Refuse Utility	Electric, Water, and Gas Bond and Interest	K.S.A. 12-825d	33,015.00
Refuse Utility	Landfill Bond and Interest	K.S.A. 12-825d	96,671.70
Refuse Utility	Landfill Closing Reserve	K.S.A. 12-825d	10,000.00
Gas Utility	General	K.S.A. 12-825d	200,000.00
Gas Utility	Electric, Water, and Gas Bond and Interest	K.S.A. 12-825d	280,036.00
Gas Utility	General Obligation Bond and Interest	K.S.A. 12-825d	4,960.00
Fiber/Communications Utility	Grant Projects	K.S.A. 12-825d	175,000.00
I&I Sewer Project Reserve	I&I Project	K.S.A. 12-1,118	14,058.32

17. SUBSEQUENT EVENTS

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

SUPPLEMENTARY INFORMATION

Schedule 1

CITY OF CHANUTE, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 (Budgeted Funds Only)
 For the Year Ended December 31, 2020

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget		Variance - Over (Under)
				\$	\$	
General Fund	\$ 8,750,000.00	\$ 112,062.86	\$ 8,862,062.86	\$ 7,852,278.90	\$ (1,009,783.96)	
Special Purpose Funds:						
Library	416,900.00	-	416,900.00	406,777.09	(10,122.91)	
Library Employee Benefit	78,000.00	-	78,000.00	77,407.12	(592.88)	
City Employee Benefit	1,403,343.00	21,803.01	1,425,146.01	1,128,339.96	(296,806.05)	
Special Liability Expense	75,000.00	-	75,000.00	9,806.23	(65,193.77)	
Recreation Complex	42,500.00	-	42,500.00	25,430.83	(17,069.17)	
Special Parks & Recreation	21,330.00	-	21,330.00	13,284.74	(8,045.26)	
Special Alcohol Programs	20,765.00	-	20,765.00	15,979.91	(4,785.09)	
Tourism and Convention	90,000.00	-	90,000.00	75,597.00	(14,403.00)	
Special Highway Improvement	577,943.00	-	577,943.00	425,356.48	(152,586.52)	
City Infrastructure	-	-	-	-	-	
Sales Tax .25%	480,000.00	-	480,000.00	273,150.03	(206,849.97)	
Bond and Interest Funds:						
General Obligation Bond and Interest	2,918,903.00	-	2,918,903.00	1,103,785.84	(1,815,117.16)	
Special Obligation Bond and Interest	58,900.00	-	58,900.00	58,900.00	-	
Business Funds:						
Electric Utility	28,339,338.00	-	28,339,338.00	22,622,119.48	(5,717,218.52)	
Water Utility	2,130,064.00	-	2,130,064.00	1,838,498.50	(291,565.50)	
Gas Utility	8,000,000.00	-	8,000,000.00	5,528,898.37	(2,471,101.63)	
Refuse Utility	1,367,445.00	-	1,367,445.00	1,205,792.15	(161,652.85)	
Sewer Utility	2,600,304.00	-	2,600,304.00	2,196,366.22	(403,937.78)	
Fiber/Communication Utility	973,454.00	-	973,454.00	764,614.04	(208,839.96)	
Electric, Water & Gas Bond and Interest	2,298,105.00	-	2,298,105.00	2,298,104.90	(0.10)	

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 937,714.85	\$ 1,139,999.42	\$ 1,018,818.00	\$ 121,181.42
Delinquent Tax	39,438.82	16,744.32	18,744.00	(1,999.68)
Motor Vehicle Tax	111,085.25	138,627.90	138,609.00	18.90
Commercial Vehicle Tax	2,163.96	3,895.05	3,900.00	(4.95)
Rental Motor Vehicle Tax	40.51	59.96	60.00	(0.04)
Recreational Vehicle Tax	991.29	1,309.16	1,310.00	(0.84)
16M-20M Truck Tax	640.14	427.60	450.00	(22.40)
Watercraft Taxes	-	-	121,189.00	(121,189.00)
Sales Tax	2,664,034.71	2,659,146.24	2,575,000.00	84,146.24
Franchise Taxes	361,980.55	359,669.30	374,500.00	(14,830.70)
Special Assessments	12,865.20	9,951.80	9,420.00	531.80
Intergovernmental				
Federal Grants - Police	300.00	300.00	-	300.00
Highway Connecting Links	22,295.26	27,869.18	28,000.00	(130.82)
Local Alcoholic Liquor Tax	24,269.69	23,861.46	17,500.00	6,361.46
Licenses and Permits				
Business Licenses, Permits & Fees	15,599.00	13,603.00	16,700.00	(3,097.00)
Non-Business Licenses, Permits & Fees	36,029.50	24,076.85	49,150.00	(25,073.15)
Charges for Services				
General Government Services	1,525.00	1,295.00	1,400.00	(105.00)
Fire Contracts	87,561.06	83,232.14	92,000.00	(8,767.86)
Public Works Services - Sidewalks	2,205.00	100.00	12,000.00	(11,900.00)
Animal Control Fees	8,485.50	7,335.00	6,500.00	835.00
Swimming Pool Fees	57,349.82	12,137.60	12,000.00	137.60
Golf Course Fees	215,131.35	251,334.07	260,000.00	(8,665.93)
Culture and Recreation Services	18,230.61	12,438.80	20,000.00	(7,561.20)
Fines, Forfeitures and Penalties				
Fines	132,843.14	130,327.41	180,000.00	(49,672.59)
Use of Money and Property				
Interest Income	145,797.52	29,399.35	400.00	28,999.35
Rents & Royalties	49,986.51	44,552.84	55,000.00	(10,447.16)
Sale of Equipment and Property	115,814.70	144,008.42	140,000.00	4,008.42
Other Receipts				
Miscellaneous	3,489.09	3,986.71	5,000.00	(1,013.29)
Reimbursed Expense	95,834.20	112,062.86	110,000.00	2,062.86

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts (Continued)				
Operating Transfers from:				
Electric Utility Fund	\$ 2,250,000.00	\$ 2,500,000.00	\$ 2,500,000.00	\$ -
Water Utility Fund	80,000.00	80,000.00	80,000.00	-
Sewer Utility Fund	62,500.00	62,500.00	62,500.00	-
Refuse Utility Fund	50,000.00	50,000.00	50,000.00	-
Gas Utility Fund	200,000.00	200,000.00	200,000.00	-
Total Receipts	7,806,202.23	8,144,251.44	\$ 8,160,150.00	\$ (15,898.56)
Expenditures				
City Commission				
Personal Services	23,614.75	23,940.00	\$ 29,000.00	\$ (5,060.00)
Contractual Services	23,161.36	14,099.06	12,200.00	1,899.06
Commodities	17.94	-	200.00	(200.00)
Capital Outlay	302.79	43.99	-	43.99
Outside Appropriations	81,775.00	92,500.00	94,500.00	(2,000.00)
Municipal Court				
Personal Services	78,480.50	84,504.80	86,432.00	(1,927.20)
Contractual Services	59,890.35	55,459.71	63,900.00	(8,440.29)
Commodities	1,945.61	1,041.52	1,000.00	41.52
City Manager's Office				
Personal Services	25,522.65	28,378.63	23,100.00	5,278.63
Contractual Services	22,563.63	23,028.95	47,150.00	(24,121.05)
Commodities	1,067.97	3,952.31	6,500.00	(2,547.69)
Capital Outlay	5,789.52	2,846.14	4,750.00	(1,903.86)
General Administrative Services				
Contractual Services	327,342.59	318,102.19	74,596.00	243,506.19
Capital Outlay	-	-	362,304.00	(362,304.00)
Human Resource Services				
Personal Services	70,592.59	26,236.39	27,400.00	(1,163.61)
Contractual Services	7,548.12	7,975.34	15,000.00	(7,024.66)
Commodities	3,144.57	3,680.90	2,400.00	1,280.90
Capital Outlay	-	2,053.69	1,200.00	853.69
Community Development				
Personal Services	285,728.30	276,452.04	290,382.00	(13,929.96)
Contractual Services	145,649.66	76,936.05	116,400.00	(39,463.95)
Commodities	10,017.41	3,558.47	2,600.00	958.47
Capital Outlay	23,169.81	6,024.94	45,702.00	(39,677.06)

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Legal Services				
Personal Services	\$ 108,619.28	\$ 115,373.33	\$ 113,740.00	\$ 1,633.33
Contractual Services	36,125.48	39,318.18	47,000.00	(7,681.82)
Commodities	244.28	207.35	1,000.00	(792.65)
Special Projects				
Contractual Services	91,087.77	16,175.92	15,000.00	1,175.92
Civil Defense				
Contractual Services	7,161.41	7,480.45	11,050.00	(3,569.55)
Capital Outlay	6,080.00	6,303.92	10,300.00	(3,996.08)
Public Buildings & Grounds				
Personal Services	23,078.43	24,754.14	25,994.00	(1,239.86)
Contractual Services	333,789.39	273,768.98	538,875.00	(265,106.02)
Commodities	38,629.39	12,610.58	30,650.00	(18,039.42)
Police Department				
Personal Services	1,235,238.31	1,311,679.10	1,352,328.00	(40,648.90)
Contractual Services	364,372.41	290,699.23	313,400.00	(22,700.77)
Commodities	55,473.93	69,937.70	102,300.00	(32,362.30)
Capital Outlay	35,161.93	67,773.06	155,855.00	(88,081.94)
Debt Service	2,907.12	2,907.12	-	2,907.12
Dispatch				
Personal Services	-	316,209.83	250,000.00	66,209.83
Contractual Services	-	108,223.08	25,000.00	83,223.08
Commodities	-	12,626.46	25,000.00	(12,373.54)
Capital Outlay	-	5,038.67	-	5,038.67
Debt Service	-	2,907.12	-	2,907.12
Fire Department				
Personal Services	1,119,461.76	1,171,541.68	1,084,592.00	86,949.68
Contractual Services	123,358.65	135,045.54	104,025.00	31,020.54
Commodities	55,387.67	37,809.08	113,149.00	(75,339.92)
Capital Outlay	1,496.10	-	103,886.00	(103,886.00)
Debt Service	2,179.33	-	151,834.00	(151,834.00)
Animal Control				
Personal Services	71,982.85	70,962.76	123,640.00	(52,677.24)
Contractual Services	15,899.28	13,403.79	12,800.00	603.79
Commodities	2,221.03	4,331.43	9,100.00	(4,768.57)
Capital Outlay	-	4,301.66	8,465.00	(4,163.34)
Streets and Roads				
Personal Services	668,431.47	681,647.12	710,650.00	(29,002.88)
Contractual Services	190,253.52	167,959.43	29,240.00	138,719.43
Commodities	65,479.52	42,599.67	95,400.00	(52,800.33)
Capital Outlay	-	12,800.00	225,763.00	(212,963.00)
Debt Service	46,023.91	46,023.91	-	46,023.91

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Cemetery				
Personal Services	\$ 169,987.42	\$ 163,930.71	\$ 188,640.00	\$ (24,709.29)
Contractual Services	32,106.04	29,357.81	7,110.00	22,247.81
Commodities	9,718.70	4,515.04	5,100.00	(584.96)
Capital Outlay	-	-	51,110.00	(51,110.00)
Airport				
Personal Services	99,769.25	105,898.93	101,266.00	4,632.93
Contractual Services	57,949.97	58,795.05	70,850.00	(12,054.95)
Commodities	118,835.28	66,214.18	110,000.00	(43,785.82)
Capital Outlay	-	-	15,540.00	(15,540.00)
Parks				
Personal Services	269,337.48	209,851.73	223,316.00	(13,464.27)
Contractual Services	89,030.77	70,444.64	49,900.00	20,544.64
Commodities	94,150.39	51,105.65	50,100.00	1,005.65
Capital Outlay	259.95	180.00	83,726.00	(83,546.00)
Tree Program				
Contractual Services	4,124.99	2,789.90	5,000.00	(2,210.10)
Swimming Pool				
Personal Services	100,837.01	91,431.79	90,000.00	1,431.79
Contractual Services	71,660.10	26,335.59	36,750.00	(10,414.41)
Commodities	53,598.05	34,527.93	43,550.00	(9,022.07)
Capital Outlay	-	-	90,000.00	(90,000.00)
Baseball/Softball Parks				
Contractual Services	339.59	65,561.30	26,913.00	38,648.30
Capital Outlay	178,574.01	179,428.15	5,000.00	174,428.15
Golf Course				
Personal Services	193,954.31	200,853.39	180,820.00	20,033.39
Contractual Services	74,179.42	83,273.32	53,350.00	29,923.32
Commodities	61,613.31	77,527.06	92,200.00	(14,672.94)
Capital Outlay	27,800.00	10,912.00	19,686.00	(8,774.00)
Auditorium Management Services				
Personal Services	25,883.69	29,441.13	27,471.00	1,970.13
Contractual Services	2,925.94	2,120.66	9,450.00	(7,329.34)
Commodities	2,570.37	1,048.53	8,400.00	(7,351.47)
Capital Outlay	1,755.00	1,514.00	6,000.00	(4,486.00)
Economic Development				
Contractual Services	60,000.00	-	2,000.00	(2,000.00)

CITY OF CHANUTE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
Capital Improvement #2 Fund	\$ 68,485.50	\$ 66,335.00	\$ -	\$ 66,335.00
General Obligation				
Bond and Interest Fund	160,975.98	36,750.00	-	36,750.00
Special Obligation Bond				
and Interest Fund	58,850.00	58,900.00	-	58,900.00
Orizon Project Fund	250,000.00	-	-	-
Total Certified Budget			8,750,000.00	(897,721.10)
Adjustments for Qualifying				
Budget Credits			112,062.86	(112,062.86)
Total Expenditures	8,236,741.86	7,852,278.90	\$ 8,862,062.86	\$ (1,009,783.96)
Receipts Over(Under) Expenditures	(430,539.63)	291,972.54		
Unencumbered Cash, Beginning	1,068,751.26	638,211.63		
Unencumbered Cash, Ending	\$ 638,211.63	\$ 930,184.17		

CITY OF CHANUTE, KANSAS
INDUSTRIAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Landfill Fees - Tires	\$ 5,180.00	\$ 3,725.20	\$ 3,500.00	\$ 225.20
Total Receipts	5,180.00	3,725.20	\$ 3,500.00	\$ 225.20
Expenditures				
General Government				
Contractual Services	-	-	\$ -	\$ -
Total Expenditures	-	-	\$ -	\$ -
Receipts Over(Under) Expenditures	5,180.00	3,725.20		
Unencumbered Cash, Beginning	188,572.93	193,752.93		
Unencumbered Cash, Ending	\$ 193,752.93	\$ 197,478.13		

CITY OF CHANUTE, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 302,452.58	\$ 352,572.32	\$ 365,251.00	\$ (12,678.68)
Delinquent Tax	15,536.93	6,114.33	7,500.00	(1,385.67)
Motor Vehicle Tax	44,817.55	46,164.13	44,366.00	1,798.13
Commercial Vehicle Tax	904.01	1,296.70	1,344.00	(47.30)
Rental Motor Vehicle Tax	16.93	19.97	-	19.97
Recreational Vehicle Tax	403.90	435.84	351.00	84.84
16M-20M Truck Tax	229.75	178.62	195.00	(16.38)
Watercraft Taxes	-	-	158.00	(158.00)
Total Receipts	364,361.65	406,781.91	\$ 419,165.00	\$ (12,383.09)
Expenditures				
Culture and Recreation				
Library Appropriations	364,366.47	406,777.09	\$ 416,900.00	\$ (10,122.91)
Total Expenditures	364,366.47	406,777.09	\$ 416,900.00	\$ (10,122.91)
Receipts Over(Under) Expenditures	(4.82)	4.82		
Unencumbered Cash, Beginning	-	(4.82)		
Unencumbered Cash, Ending	\$ (4.82)	\$ -		

CITY OF CHANUTE, KANSAS
LIBRARY EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 53,983.68	\$ 67,625.63	\$ 70,210.00	\$ (2,584.37)
Delinquent Tax	2,515.42	1,116.18	-	1,116.18
Motor Vehicle Tax	8,654.90	8,314.63	7,988.00	326.63
Commercial Vehicle Tax	176.93	233.57	242.00	(8.43)
Rental Motor Vehicle Tax	3.31	3.60	-	3.60
Recreational Vehicle Tax	78.32	78.53	63.00	15.53
16M-20M Truck Tax	42.17	34.98	35.00	(0.02)
Watercraft Taxes	-	-	28.00	(28.00)
Total Receipts	65,454.73	77,407.12	\$ 78,566.00	\$ (1,158.88)
Expenditures				
Culture and Recreation				
Library Appropriations	66,974.56	77,407.12	\$ 78,000.00	\$ (592.88)
Total Expenditures	66,974.56	77,407.12	\$ 78,000.00	\$ (592.88)
Receipts Over(Under) Expenditures	(1,519.83)	-		
Unencumbered Cash, Beginning	1,519.83	-		
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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 536,602.35	\$ 710,912.28	\$ 738,343.00	\$ (27,430.72)
Delinquent Tax	34,972.15	12,702.43	20,000.00	(7,297.57)
Motor Vehicle Tax	99,492.70	87,807.79	84,402.00	3,405.79
Commercial Vehicle Tax	1,985.06	2,466.56	2,557.00	(90.44)
Rental Motor Vehicle Tax	37.16	37.97	-	37.97
Recreational Vehicle Tax	894.03	829.00	667.00	162.00
16M-20M Truck Tax	531.46	392.21	371.00	21.21
Watercraft Taxes	-	-	301.00	(301.00)
Use of Money and Property				
Interest Income	4,795.32	3,005.29	-	3,005.29
Other Receipts				
Reimbursed Expense	23,311.84	21,803.01	2,500.00	19,303.01
Total Receipts	702,622.07	839,956.54	\$ 849,141.00	\$ (9,184.46)
Expenditures				
General Government				
Employee Benefits	1,033,027.13	1,128,339.96	\$ 1,053,343.00	\$ 74,996.96
Other				
Cash Basis Reserve	-	-	350,000.00	(350,000.00)
Total Certified Budget			1,403,343.00	(275,003.04)
Adjustments for Qualifying				
Budget Credits			21,803.01	(21,803.01)
Total Expenditures	1,033,027.13	1,128,339.96	\$ 1,425,146.01	\$ (296,806.05)
Receipts Over(Under) Expenditures	(330,405.06)	(288,383.42)		
Unencumbered Cash, Beginning	645,684.88	315,279.82		
Unencumbered Cash, Ending	\$ 315,279.82	\$ 26,896.40		

CITY OF CHANUTE, KANSAS
SPECIAL LIABILITY EXPENSE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 7,487.18	\$ 4,692.31	\$ -	\$ 4,692.31
Total Receipts	7,487.18	4,692.31	\$ -	\$ 4,692.31
Expenditures				
General Government				
Contractual Services	16,660.85	9,806.23	\$ 75,000.00	\$ (65,193.77)
Total Expenditures	16,660.85	9,806.23	\$ 75,000.00	\$ (65,193.77)
Receipts Over(Under) Expenditures	(9,173.67)	(5,113.92)		
Unencumbered Cash, Beginning	353,864.68	344,691.01		
Unencumbered Cash, Ending	\$ 344,691.01	\$ 339,577.09		

CITY OF CHANUTE, KANSAS
RECREATION COMPLEX FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Rents & Royalties	\$ 42,000.00	\$ 42,000.00	\$ 43,500.00	\$ (1,500.00)
Total Receipts	42,000.00	42,000.00	\$ 43,500.00	\$ (1,500.00)
Expenditures				
General Government				
Contractual Services	50,065.37	25,430.83	\$ 42,500.00	\$ (17,069.17)
Total Expenditures	50,065.37	25,430.83	\$ 42,500.00	\$ (17,069.17)
Receipts Over(Under) Expenditures	(8,065.37)	16,569.17		
Unencumbered Cash, Beginning	112,167.90	104,102.53		
Unencumbered Cash, Ending	\$ 104,102.53	\$ 120,671.70		

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Local Alcoholic Liquor Tax	\$ 24,269.68	\$ 23,861.46	\$ 21,330.00	\$ 2,531.46
Intergovernmental				
State Grants - Fisheries	2,492.60	2,492.60	-	2,492.60
Fines, Forfeitures and Penalties				
Fines - Court Fees	5,020.00	5,210.00	-	5,210.00
Use of Money and Property				
Interest Income	472.64	296.21	-	296.21
Total Receipts	<u>32,254.92</u>	<u>31,860.27</u>	<u>\$ 21,330.00</u>	<u>\$ 10,530.27</u>
Expenditures				
Culture and Recreation				
Capital Outlay	27,000.00	13,284.74	\$ 21,330.00	\$ (8,045.26)
Total Expenditures	<u>27,000.00</u>	<u>13,284.74</u>	<u>\$ 21,330.00</u>	<u>\$ (8,045.26)</u>
Receipts Over(Under) Expenditures	5,254.92	18,575.53		
Unencumbered Cash, Beginning	30,862.47	36,117.39		
Unencumbered Cash, Ending	<u>\$ 36,117.39</u>	<u>\$ 54,692.92</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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Local Alcoholic Liquor Tax	\$ 24,269.68	\$ 23,861.45	\$ 21,330.00	\$ 2,531.45
Use of Money and Property				
Interest Income	504.50	316.17	-	316.17
Total Receipts	24,774.18	24,177.62	\$ 21,330.00	\$ 2,847.62
Expenditures				
Culture and Recreation				
Personal Services	4,976.21	3,287.69	\$ 10,765.00	\$ (7,477.31)
Contractual Services	1,323.11	1,365.01	8,000.00	(6,634.99)
Capital Outlay	7,430.76	11,327.21	2,000.00	9,327.21
Total Expenditures	13,730.08	15,979.91	\$ 20,765.00	\$ (4,785.09)
Receipts Over(Under) Expenditures	11,044.10	8,197.71		
Unencumbered Cash, Beginning	51,833.59	62,877.69		
Unencumbered Cash, Ending	\$ 62,877.69	\$ 71,075.40		

CITY OF CHANUTE, KANSAS
TOURISM AND CONVENTION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Transient Guest Tax	\$ 163,079.36	\$ 157,410.11	\$ 130,000.00	\$ 27,410.11
Use of Money and Property				
Interest Income	1,054.22	660.70	-	660.70
Total Receipts	<u>164,133.58</u>	<u>158,070.81</u>	<u>\$ 130,000.00</u>	<u>\$ 28,070.81</u>
Expenditures				
General Government				
Contractual Services	49,100.00	65,100.00	\$ 90,000.00	\$ (24,900.00)
Capital Outlay	23,986.83	10,497.00	-	10,497.00
Total Expenditures	<u>73,086.83</u>	<u>75,597.00</u>	<u>\$ 90,000.00</u>	<u>\$ (14,403.00)</u>
Receipts Over(Under) Expenditures	91,046.75	82,473.81		
Unencumbered Cash, Beginning	<u>159,834.38</u>	<u>250,881.13</u>		
Unencumbered Cash, Ending	<u>\$ 250,881.13</u>	<u>\$ 333,354.94</u>		

CITY OF CHANUTE, KANSAS
SPECIAL HIGHWAY IMPROVEMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Motor Fuel Tax	\$ 247,486.99	\$ 234,909.44	\$ 246,930.00	\$ (12,020.56)
Total Receipts	<u>247,486.99</u>	<u>234,909.44</u>	<u>\$ 246,930.00</u>	<u>\$ (12,020.56)</u>
Expenditures				
General Government				
Personal Services	74,773.45	75,601.61	\$ 88,377.00	\$ (12,775.39)
Contractual Services	8,035.41	19,250.85	-	19,250.85
Commodities	15,464.03	8,112.17	-	8,112.17
Capital Outlay	84,824.95	307,825.67	475,000.00	(167,174.33)
Debt Service				
Principal	57,158.46	14,507.39	14,507.00	0.39
Interest	1,107.66	58.79	59.00	(0.21)
Total Expenditures	<u>241,363.96</u>	<u>425,356.48</u>	<u>\$ 577,943.00</u>	<u>\$ (152,586.52)</u>
Receipts Over(Under) Expenditures	6,123.03	(190,447.04)		
Unencumbered Cash, Beginning	<u>631,980.95</u>	<u>638,103.98</u>		
Unencumbered Cash, Ending	<u>\$ 638,103.98</u>	<u>\$ 447,656.94</u>		

CITY OF CHANUTE, KANSAS
CITY INFRASTRUCTURE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Connecting Links	\$ 93,423.53	\$ 171,503.59	\$ -	\$ 171,503.59
Total Receipts	93,423.53	171,503.59	\$ -	\$ 171,503.59
Expenditures				
Capital Improvements				
Capital Outlay	-	-	\$ -	\$ -
Total Expenditures	-	-	\$ -	\$ -
Receipts Over(Under) Expenditures	93,423.53	171,503.59		
Unencumbered Cash, Beginning	525,643.72	619,067.25		
Unencumbered Cash, Ending	\$ 619,067.25	\$ 790,570.84		

CITY OF CHANUTE, KANSAS
SALES TAX .25% FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Sales Tax - CRDA	\$ 187,842.97	\$ 255,246.03	\$ 240,000.00	\$ 15,246.03
Sales Tax - City	187,842.98	255,246.04	240,000.00	15,246.04
Total Receipts	375,685.95	510,492.07	\$ 480,000.00	\$ 30,492.07
Expenditures				
Economic Development				
Contractual Services	3,452.67	17,904.00	\$ -	\$ 17,904.00
Outside Appropriations	187,842.97	255,246.03	480,000.00	(224,753.97)
Total Expenditures	191,295.64	273,150.03	\$ 480,000.00	\$ (206,849.97)
Receipts Over(Under) Expenditures	184,390.31	237,342.04		
Unencumbered Cash, Beginning	-	184,390.31		
Unencumbered Cash, Ending	\$ 184,390.31	\$ 421,732.35		

CITY OF CHANUTE, KANSAS
EMERGENCY TELEPHONE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Emergency Telephone Tax	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00
Total Receipts	-	15,000.00	\$ -	\$ 15,000.00
Expenditures				
General Government				
Capital Outlay	-	-	\$ -	\$ -
Total Expenditures	-	-	\$ -	\$ -
Receipts Over(Under) Expenditures	-	15,000.00		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 15,000.00		

CITY OF CHANUTE, KANSAS
CAPITAL IMPROVEMENT #1 FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Public Water Supply Loan Proceeds	\$ 616,026.00	\$ 149,159.00
Interest Income	10,076.47	7,278.88
Operating Transfers from:		
Water Utility Fund	50,000.00	50,000.00
Electric Utility Fund	100,000.00	200,000.00
Total Receipts	<u>776,102.47</u>	<u>406,437.88</u>
Expenditures		
Capital Projects		
Capital Outlay	<u>867,419.77</u>	<u>158,552.02</u>
Total Expenditures	<u>867,419.77</u>	<u>158,552.02</u>
Receipts Over(Under) Expenditures	(91,317.30)	247,885.86
Unencumbered Cash, Beginning	<u>430,286.98</u>	<u>338,969.68</u>
Unencumbered Cash, Ending	<u>\$ 338,969.68</u>	<u>\$ 586,855.54</u>

CITY OF CHANUTE, KANSAS
CAPITAL IMPROVEMENT #2 FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Property and Materials	\$ 6,250.00	\$ 22,500.00
Interest Income	35,066.38	34,230.06
Turf Lease	-	403,542.16
Operating Transfers from General Fund	68,485.50	66,335.00
Total Receipts	109,801.88	526,607.22
Expenditures		
Capital Projects		
Capital Outlay	215,538.27	635,929.97
Total Expenditures	215,538.27	635,929.97
Receipts Over(Under) Expenditures	(105,736.39)	(109,322.75)
Unencumbered Cash, Beginning	215,345.09	109,608.70
Unencumbered Cash, Ending	\$ 109,608.70	\$ 285.95

CITY OF CHANUTE, KANSAS
EQUIPMENT RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Property and Materials	\$ 11,400.00	\$ -
Lease Proceeds - Fire Truck	-	1,330,000.00
Lease Proceeds - Dump Truck	-	180,000.00
Lease Proceeds - Loader	-	160,000.00
Lease Proceeds - Vac Truck	-	360,000.00
Operating Transfers from:		
Electric Utility Fund	200,000.00	200,000.00
Water Utility Fund	25,000.00	50,000.00
Total Receipts	<u>236,400.00</u>	<u>2,280,000.00</u>
Expenditures		
Equipment and Machinery		
Capital Outlay	<u>1,432,970.67</u>	<u>758,939.66</u>
Total Expenditures	<u>1,432,970.67</u>	<u>758,939.66</u>
Receipts Over(Under) Expenditures	(1,196,570.67)	1,521,060.34
Unencumbered Cash, Beginning	<u>218,385.82</u>	<u>(978,184.85)</u>
Unencumbered Cash, Ending	<u>\$ (978,184.85)</u>	<u>\$ 542,875.49</u>

CITY OF CHANUTE, KANSAS
EFFICIENCY KANSAS GRANT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Utility Collections	\$ 8,014.50	\$ 7,137.88
Service Fees	286.00	272.00
Total Receipts	<u>8,300.50</u>	<u>7,409.88</u>
Expenditures		
Special Projects		
Contractual Services	8,255.38	7,691.60
Total Expenditures	<u>8,255.38</u>	<u>7,691.60</u>
Receipts Over(Under) Expenditures	45.12	(281.72)
Unencumbered Cash, Beginning	<u>368.93</u>	<u>414.05</u>
Unencumbered Cash, Ending	<u>\$ 414.05</u>	<u>\$ 132.33</u>

CITY OF CHANUTE, KANSAS
GRANT PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants - FAA	\$ 82,687.00	\$ 2,631.00
Federal Grants - CDBG-CV	-	130,350.00
Federal Grants - CARES	-	800,000.00
State Grants - E Rate	23,400.00	24,960.00
State Grants - Pathways	-	120,000.00
Other Receipts		
Donations - Hike/Bike	30,000.00	-
Operating Transfer from Fiber/Communication Utility Fund	-	175,000.00
Total Receipts	<u>136,087.00</u>	<u>1,252,941.00</u>
Expenditures		
Special Projects		
Capital Outlay	<u>112,399.09</u>	<u>2,034,434.77</u>
Total Expenditures	<u>112,399.09</u>	<u>2,034,434.77</u>
Receipts Over(Under) Expenditures	23,687.91	(781,493.77)
Unencumbered Cash, Beginning	<u>(33,554.60)</u>	<u>(9,856.59)</u>
Unencumbered Cash, Ending	<u>\$ (9,866.69)</u>	<u>\$ (791,350.36)</u>

CITY OF CHANUTE, KANSAS
ORIZON PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from:		
General Fund	\$ 250,000.00	\$ -
Electric Utility Fund	346,137.48	4,389.00
Total Receipts	596,137.48	4,389.00
Expenditures		
Capital Improvements		
Capital Outlay	95,738.48	4,788.00
Economic Incentive Payments	500,000.00	-
Total Expenditures	595,738.48	4,788.00
Receipts Over(Under) Expenditures	399.00	(399.00)
Unencumbered Cash, Beginning	-	399.00
Unencumbered Cash, Ending	\$ 399.00	\$ -

CITY OF CHANUTE, KANSAS
I&I PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Revolving Loan Proceeds - KDHE	\$ 393,591.48	\$ 1,801,667.82
Operating Transfer from I&I Sewer Project Reserve Fund	-	14,058.32
Total Receipts	<u>393,591.48</u>	<u>1,815,726.14</u>
Expenditures		
Capital Improvements		
Capital Outlay	<u>277,773.48</u>	<u>1,802,635.14</u>
Total Expenditures	<u>277,773.48</u>	<u>1,802,635.14</u>
Receipts Over(Under) Expenditures	115,818.00	13,091.00
Unencumbered Cash, Beginning	<u>(128,909.00)</u>	<u>(13,091.00)</u>
Unencumbered Cash, Ending	<u>\$ (13,091.00)</u>	<u>\$ -</u>

CITY OF CHANUTE, KANSAS
CDBG SEWER PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants - CDBG	\$ -	\$ 698,000.00
Total Receipts	-	698,000.00
Expenditures		
Capital Improvements		
Capital Outlay	514,917.05	183,082.95
Total Expenditures	514,917.05	183,082.95
Receipts Over(Under) Expenditures	(514,917.05)	514,917.05
Unencumbered Cash, Beginning	-	(514,917.05)
Unencumbered Cash, Ending	\$ (514,917.05)	\$ -

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 170,459.28	\$ 119,285.48	\$ 121,312.00	\$ (2,026.52)
Delinquent Tax	9,095.04	2,864.44	7,500.00	(4,635.56)
Motor Vehicle Tax	17,625.46	22,113.02	21,258.00	855.02
Commercial Vehicle Tax	452.07	621.23	644.00	(22.77)
Rental Motor Vehicle Tax	8.47	9.56	-	9.56
Recreational Vehicle Tax	171.45	208.78	168.00	40.78
16M-20M Truck Tax	-	89.35	93.00	(3.65)
Water Craft Tax	-	-	76.00	(76.00)
Special Assessments	-	-	9,000.00	(9,000.00)
Use of Money and Property				
Bond Proceeds	132,561.50	-	-	-
Operating Transfers from:				
General Fund	160,975.98	36,750.00	36,750.00	-
Electric Utility Fund	2,222,820.00	1,577,808.00	2,169,985.00	(592,177.00)
Water Utility Fund	100,000.00	90,912.00	178,500.00	(87,588.00)
Gas Utility Fund	5,830.00	4,960.00	6,316.00	(1,356.00)
Sewer Utility Fund	100,000.00	72,728.00	178,500.00	(105,772.00)
Total Receipts	2,919,999.25	1,928,349.86	\$ 2,730,102.00	\$ (801,752.14)
Expenditures				
Debt Service				
Bond Principal	2,445,000.00	770,000.00	\$ 2,075,000.00	\$ (1,305,000.00)
Bond Interest	279,848.75	333,785.84	291,903.00	41,882.84
Bond Issuance Costs	128,897.38	-	-	-
Operating Transfer to				
Electrical Maintenance Substation Fund	-	-	552,000.00	(552,000.00)
Total Expenditures	2,853,746.13	1,103,785.84	\$ 2,918,903.00	\$ (1,815,117.16)
Receipts Over(Under) Expenditures	66,253.12	824,564.02		
Unencumbered Cash, Beginning	611,760.88	678,014.00		
Unencumbered Cash, Ending	\$ 678,014.00	\$ 1,502,578.02		

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Use of Money and Property				
Interest Income	\$ 2.63	\$ 6.90	\$ -	\$ 6.90
Operating Transfers from General Fund	58,850.00	58,900.00	58,900.00	-
Total Receipts	58,852.63	58,906.90	\$ 58,900.00	\$ 6.90
Expenditures				
Debt Service				
Bond Principal	40,000.00	42,000.00	\$ 42,000.00	\$ -
Bond Interest	17,738.34	15,840.00	15,840.00	-
Debt Service Cost	1,060.00	1,060.00	1,060.00	-
Total Expenditures	58,798.34	58,900.00	\$ 58,900.00	\$ -
Receipts Over(Under) Expenditures	54.29	6.90		
Unencumbered Cash, Beginning	12,516.55	12,570.84		
Unencumbered Cash, Ending	\$ 12,570.84	\$ 12,577.74		

CITY OF CHANUTE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Electric Sales	\$ 20,737,170.97	\$ 19,235,927.33	\$ 21,710,900.00	\$ (2,474,972.67)
Service Fees	12,145.55	8,381.58	780,000.00	(771,618.42)
Franchise Fees	325,715.61	328,204.49	335,000.00	(6,795.51)
Use of Money and Property				
Sale of Property and Materials	6,478.57	34,143.37	5,000.00	29,143.37
Interest Income	11,350.04	23,258.90	20,000.00	3,258.90
Other Receipts				
Claims	7,470.72	5,038.75	-	5,038.75
Recovery of Bad Debts	(11,333.78)	(11,251.51)	2,500.00	(13,751.51)
Miscellaneous	7,792.98	7,564.00	17,000.00	(9,436.00)
Refunds & Reimbursements	119,827.18	14,945.64	5,000.00	9,945.64
Generation Reimbursement	5,658,614.62	5,796,120.59	5,500,000.00	296,120.59
Total Receipts	26,875,232.46	25,442,333.14	\$ 28,375,400.00	\$ (2,933,066.86)
Expenditures				
Production				
Personal Services	1,741,349.10	1,748,871.82	\$ 1,741,829.00	\$ 7,042.82
Contractual Services	299,579.22	566,260.04	444,750.00	121,510.04
Commodities	10,555,291.33	9,601,611.02	16,495,500.00	(6,893,888.98)
Capital Outlay	165,285.52	1,593.80	115,000.00	(113,406.20)
Distribution				
Personal Services	1,267,008.18	1,202,668.20	1,367,527.00	(164,858.80)
Contractual Services	66,934.47	41,406.22	112,150.00	(70,743.78)
Commodities	518,622.44	602,007.32	821,400.00	(219,392.68)
Capital Outlay	282,902.28	29,346.00	65,000.00	(35,654.00)
Administration and General				
Personal Services	75,580.10	96,470.27	53,777.00	42,693.27
Contractual Services	1,592,381.97	1,598,196.81	1,233,740.00	364,456.81
Street & Special Lighting				
Contractual Services	97,685.02	94,778.98	110,000.00	(15,221.02)
Operating Transfers to:				
General Fund	2,250,000.00	2,500,000.00	2,330,000.00	170,000.00
Capital Improvement #1 Fund	100,000.00	200,000.00	200,000.00	-
Orizon Project Fund	346,137.48	4,389.00	-	4,389.00
Fiber/Communications Utility Fund	300,000.00	150,000.00	-	150,000.00

CITY OF CHANUTE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Electrical Maintenance				
Substation Fund	\$ 1,500,000.00	\$ 500,000.00	\$ -	\$ 500,000.00
General Obligation Bond and Interest Fund	2,222,820.00	1,577,808.00	2,169,485.00	(591,677.00)
Equipment Reserve Fund	200,000.00	200,000.00	200,000.00	-
Electric, Water, and Gas Bond and Interest Fund	861,130.00	1,906,712.00	879,180.00	1,027,532.00
Total Expenditures	<u>24,442,707.11</u>	<u>22,622,119.48</u>	<u>\$ 28,339,338.00</u>	<u>\$ (5,717,218.52)</u>
Receipts Over(Under) Expenditures	2,432,525.35	2,820,213.66		
Unencumbered Cash, Beginning	<u>1,949,250.88</u>	<u>4,381,776.23</u>		
Unencumbered Cash, Ending	<u>\$ 4,381,776.23</u>	<u>\$ 7,201,989.89</u>		

CITY OF CHANUTE, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 1,645,972.40	\$ 1,814,332.91	\$ 2,080,000.00	\$ (265,667.09)
Use of Money and Property				
Sale of Property and Materials	1,072.08	6,920.24	-	6,920.24
Other Receipts				
Recovery of Bad Debts	(1,969.00)	(2,460.59)	-	(2,460.59)
Refunds & Reimbursements	482.32	-	-	-
Miscellaneous	13,319.08	13,576.20	12,500.00	1,076.20
Total Receipts	<u>1,658,876.88</u>	<u>1,832,368.76</u>	<u>\$ 2,092,500.00</u>	<u>\$ (260,131.24)</u>
Expenditures				
Source of Supply				
Contractual Services	20,386.57	18,205.90	\$ 19,000.00	\$ (794.10)
Treatment Plant				
Personal Services	449,551.07	474,722.48	470,618.00	4,104.48
Contractual Services	119,244.97	119,094.18	126,300.00	(7,205.82)
Commodities	215,933.00	227,069.93	243,249.00	(16,179.07)
Capital Outlay	2,128.06	4,103.47	1,500.00	2,603.47
Transmission and Distribution				
Personal Services	358,636.93	313,812.35	374,940.00	(61,127.65)
Contractual Services	26,822.29	13,012.46	39,900.00	(26,887.54)
Commodities	98,617.48	70,211.79	141,500.00	(71,288.21)
Capital Outlay	15,132.35	22,852.00	-	22,852.00
Administration and General				
Personal Services	68,024.50	92,879.37	68,777.00	24,102.37
Contractual Services	128,912.94	126,054.07	125,210.00	844.07
Debt Service - Revolving Loan				
Principal	19,988.74	64,190.01	64,190.00	0.01
Interest	10,483.30	18,353.03	21,380.00	(3,026.97)
Service Fees	1,447.30	3,025.46	-	3,025.46
Operating Transfers to:				
General Fund	80,000.00	80,000.00	80,000.00	-
Capital Improvement #1 Fund	50,000.00	50,000.00	178,500.00	(128,500.00)
Equipment Reserve Fund	25,000.00	50,000.00	50,000.00	-
General Obligation Bond and Interest Fund	100,000.00	90,912.00	125,000.00	(34,088.00)
Total Expenditures	<u>1,790,309.50</u>	<u>1,838,498.50</u>	<u>\$ 2,130,064.00</u>	<u>\$ (291,565.50)</u>
Receipts Over(Under) Expenditures	(131,432.62)	(6,129.74)		
Unencumbered Cash, Beginning	420,296.47	288,863.85		
Unencumbered Cash, Ending	<u>\$ 288,863.85</u>	<u>\$ 282,734.11</u>		

CITY OF CHANUTE, KANSAS
GAS UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Gas Sales	\$ 6,485,864.89	\$ 5,097,268.32	\$ 6,945,000.00	\$ (1,847,731.68)
Service Fees	1,765.07	-	4,000.00	(4,000.00)
Use of Money and Property				
Sale of Property and Materials	1,769.53	12,983.14	3,000.00	9,983.14
Interest Income	5,239.77	4,988.19	3,500.00	1,488.19
Other Receipts				
Claims	-	1,063.90	-	1,063.90
Recovery of Bad Debts	(3,563.71)	613.92	500.00	113.92
Refunds & Reimbursements	-	2,857.25	-	2,857.25
Miscellaneous	1,355.00	2,090.00	-	2,090.00
Total Receipts	<u>6,492,430.55</u>	<u>5,121,864.72</u>	<u>\$ 6,956,000.00</u>	<u>\$ (1,834,135.28)</u>
Expenditures				
Gas Supply				
Contractual Services	1,005,533.64	1,087,453.13	\$ 925,000.00	\$ 162,453.13
Commodities	2,888,999.56	2,544,748.98	5,209,683.00	(2,664,934.02)
Distribution				
Personal Services	644,623.10	688,762.76	754,315.00	(65,552.24)
Contractual Services	144,992.39	100,567.48	124,850.00	(24,282.52)
Commodities	108,185.56	106,315.05	114,000.00	(7,684.95)
Capital Outlay	15,132.36	156,163.52	45,000.00	111,163.52
Administration and General				
Personal Services	54,282.89	82,053.88	63,276.00	18,777.88
Contractual Services	242,173.39	277,837.57	278,880.00	(1,042.43)
Operating Transfers to:				
General Fund	200,000.00	200,000.00	200,000.00	-
General Obligation Bond and Interest Fund	5,830.00	4,960.00	4,960.00	-
Electric, Water, and Gas Bond and Interest Fund	241,130.00	280,036.00	280,036.00	-
Total Expenditures	<u>5,550,882.89</u>	<u>5,528,898.37</u>	<u>\$ 8,000,000.00</u>	<u>\$ (2,471,101.63)</u>
Receipts Over(Under) Expenditures	941,547.66	(407,033.65)		
Unencumbered Cash, Beginning	<u>737,755.87</u>	<u>1,679,303.53</u>		
Unencumbered Cash, Ending	<u>\$ 1,679,303.53</u>	<u>\$ 1,272,269.88</u>		

CITY OF CHANUTE, KANSAS
REFUSE UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year		Current Year		Variance - Over (Under)
	Actual	Actual	Budget	Budget	
Receipts					
Charges for Services					
Utility Collections	\$ 903,081.79	\$ 983,813.94	\$ 930,100.00	\$ 53,713.94	
Landfill Fees	197,325.90	188,546.36	175,000.00	13,546.36	
Use of Money and Property					
Sale of Property or Materials	-	4,350.00	-	4,350.00	
Other Receipts					
Recovery of Bad Debts	(1,890.91)	(1,357.30)	200.00	(1,557.30)	
Refuse Licenses & Permits	525.00	250.00	400.00	(150.00)	
Refunds & Reimbursements	-	1,122.25	-	1,122.25	
Miscellaneous	-	-	100,000.00	(100,000.00)	
Total Receipts	<u>1,099,041.78</u>	<u>1,176,725.25</u>	<u>\$ 1,205,700.00</u>	<u>\$ (28,974.75)</u>	
Expenditures					
Collections					
Personal Services	354,643.92	358,360.61	\$ 377,255.00	\$ (18,894.39)	
Contractual Services	6,102.18	5,664.33	9,450.00	(3,785.67)	
Commodities	16,481.91	12,435.72	166,750.00	(154,314.28)	
Refuse Landfill					
Personal Services	221,466.15	201,974.64	229,835.00	(27,860.36)	
Contractual Services	70,942.59	49,213.61	61,985.00	(12,771.39)	
Commodities	83,803.10	90,188.63	74,650.00	15,538.63	
Capital Outlay	35,200.00	20,622.21	-	20,622.21	
Administration and General					
Personal Services	64,214.84	94,595.83	68,775.00	25,820.83	
Contractual Services	173,676.02	183,049.87	185,730.00	(2,680.13)	
Operating Transfers to:					
General Fund	50,000.00	50,000.00	50,000.00	-	
Electric, Water, and Gas Bond and Interest Fund	30,500.00	33,015.00	33,015.00	-	
Landfill Closing Reserve Fund	10,000.00	10,000.00	10,000.00	-	
Landfill Bond and Interest Fund	98,661.52	96,671.70	100,000.00	(3,328.30)	
Total Expenditures	<u>1,215,692.23</u>	<u>1,205,792.15</u>	<u>\$ 1,367,445.00</u>	<u>\$ (161,652.85)</u>	
Receipts Over(Under) Expenditures	(116,650.45)	(29,066.90)			
Unencumbered Cash, Beginning	<u>194,780.91</u>	<u>78,130.46</u>			
Unencumbered Cash, Ending	<u>\$ 78,130.46</u>	<u>\$ 49,063.56</u>			

CITY OF CHANUTE, KANSAS
SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Sewer Sales	\$ 2,136,220.84	\$ 2,123,203.79	\$ 2,432,500.00	\$ (309,296.21)
Service Fees	475.00	350.00	-	350.00
Sale of Property and Materials				
Use of Money and Property	-	2,000.00	-	2,000.00
Intergovernmental				
Federal Grants - FEMA	-	34,167.48	-	34,167.48
State Grants - FEMA	-	4,555.66	-	4,555.66
Other Receipts				
Refunds & Reimbursements	136,033.49	-	150,000.00	(150,000.00)
Recovery of Bad Debts	(4,262.72)	(3,202.10)	-	(3,202.10)
Miscellaneous	2,491.95	3,084.49	2,500.00	584.49
Total Receipts	2,270,958.56	2,164,159.32	\$ 2,585,000.00	\$ (420,840.68)
Expenditures				
Collections				
Personal Services	208,204.37	212,752.20	\$ 268,498.00	\$ (55,745.80)
Contractual Services	34,961.34	17,680.03	4,100.00	13,580.03
Commodities	43,835.84	10,988.37	26,000.00	(15,011.63)
Pumping				
Contractual Services	8,178.24	6,893.98	7,800.00	(906.02)
Commodities	2,678.99	-	25,000.00	(25,000.00)
Treatment and Disposal				
Personal Services	446,097.61	457,620.52	455,044.00	2,576.52
Contractual Services	146,144.75	139,618.17	190,800.00	(51,181.83)
Commodities	102,574.83	59,205.28	80,750.00	(21,544.72)
Capital Outlay	1,573.70	13,596.80	-	13,596.80
Storm Drainage				
Contractual Services	1,044.90	5,478.87	3,000.00	2,478.87
Commodities	31,757.33	5,158.32	70,000.00	(64,841.68)
Capital Outlay	-	-	-	-
Administration and General				
Personal Services	52,954.86	81,133.34	63,775.00	17,358.34
Contractual Services	125,516.09	180,058.43	111,540.00	68,518.43
Debt Service - Revolving Loan				
Principal	53,221.83	194,723.20	188,221.00	6,502.20
Interest	32,081.75	47,888.30	90,776.00	(42,887.70)
Service Fee	3,979.51	6,075.64	-	6,075.64
Operating Transfers to:				
General Fund	62,500.00	62,500.00	65,000.00	(2,500.00)
I&I Sewer Project Reserve Fund	684,860.00	622,266.77	850,000.00	(227,733.23)

CITY OF CHANUTE, KANSAS
SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
General Obligation Bond and Interest Fund	\$ 100,000.00	\$ 72,728.00	\$ 100,000.00	\$ (27,272.00)
Total Expenditures	2,142,165.94	2,196,366.22	\$ 2,600,304.00	\$ (403,937.78)
Receipts Over(Under) Expenditures	128,792.62	(32,206.90)		
Unencumbered Cash, Beginning	57.29	128,849.91		
Unencumbered Cash, Ending	\$ 128,849.91	\$ 96,643.01		

CITY OF CHANUTE, KANSAS
FIBER/COMMUNICATION UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Communications - Service	\$ 308,586.86	\$ 385,126.00	\$ 650,000.00	\$ (264,874.00)
Other Receipts				
Refunds & Reimbursements	652.51	-	-	-
Recovery of Bad Debts	-	(458.00)	-	(458.00)
Operating Transfer from Electric Utility Fund	300,000.00	150,000.00	-	150,000.00
Total Receipts	609,239.37	534,668.00	\$ 650,000.00	\$ (115,332.00)
Expenditures				
Fiber/Communications				
Personal Services	-	51,524.62	\$ -	\$ 51,524.62
Contractual Services	201,294.14	324,283.82	800,500.00	(476,216.18)
Commodities	158,355.15	181,839.47	40,100.00	141,739.47
Capital Outlay	171,298.77	31,966.13	132,854.00	(100,887.87)
Operating Transfer to Grant Projects Fund	-	175,000.00	-	175,000.00
Total Expenditures	530,948.06	764,614.04	\$ 973,454.00	\$ (208,839.96)
Receipts Over(Under) Expenditures	78,291.31	(229,946.04)		
Unencumbered Cash, Beginning	276,745.06	355,036.37		
Unencumbered Cash, Ending	<u>\$ 355,036.37</u>	<u>\$ 125,090.33</u>		

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
Gas Utility Fund	\$ 241,130.00	\$ 280,036.00	\$ 280,036.00	\$ -
Refuse Utility Fund	30,500.00	33,015.00	33,015.00	-
Electric Utility Fund	861,130.00	1,906,712.00	1,906,712.00	-
Total Receipts	1,132,760.00	2,219,763.00	\$ 2,219,763.00	\$ -
Expenditures				
Debt Service				
Bond Principal	985,000.00	2,070,000.00	\$ 2,070,000.00	\$ -
Bond Interest	127,735.00	228,104.90	228,105.00	(0.10)
Total Expenditures	1,112,735.00	2,298,104.90	\$ 2,298,105.00	\$ (0.10)
Receipts Over(Under) Expenditures	20,025.00	(78,341.90)		
Unencumbered Cash, Beginning	249,910.85	269,935.85		
Unencumbered Cash, Ending	\$ 269,935.85	\$ 191,593.95		

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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Debt Service		
Bond Principal	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	301,589.73	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, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Sewer Utility Fund	\$ 684,860.00	\$ 622,266.77
Total Receipts	684,860.00	622,266.77
Expenditures		
Capital Improvements		
Contractual Services	192,954.45	56,204.95
Commodities	10,327.32	547.23
Capital Outlay	9,400.00	-
Operating Transfer to I&I Project Fund	-	14,058.32
Total Expenditures	212,681.77	70,810.50
Receipts Over(Under) Expenditures	472,178.23	551,456.27
Unencumbered Cash, Beginning	1,192,613.70	1,664,791.93
Unencumbered Cash, Ending	\$ 1,664,791.93	\$ 2,216,248.20

CITY OF CHANUTE, KANSAS
ELECTRICAL MAINTENANCE SUBSTATION FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Bond Proceeds	\$ 4,462,000.00	\$ -
Other Receipts		
Reimbursed Expense	-	278,707.08
Operating Transfers from		
Electric Utility Fund	1,500,000.00	500,000.00
Total Receipts	<u>5,962,000.00</u>	<u>778,707.08</u>
Expenditures		
Capital Improvements		
Capital Outlay	4,746,067.63	945.24
Total Expenditures	<u>4,746,067.63</u>	<u>945.24</u>
Receipts Over(Under) Expenditures	1,215,932.37	777,761.84
Unencumbered Cash, Beginning	-	1,215,932.37
Unencumbered Cash, Ending	<u>\$ 1,215,932.37</u>	<u>\$ 1,993,694.21</u>

CITY OF CHANUTE, KANSAS
LANDFILL CLOSING RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Refuse Utility Fund	\$ 10,000.00	\$ 10,000.00
Total Receipts	10,000.00	10,000.00
Expenditures		
Capital Improvements Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	10,000.00	10,000.00
Unencumbered Cash, Beginning	20,000.00	30,000.00
Unencumbered Cash, Ending	\$ 30,000.00	\$ 40,000.00

CITY OF CHANUTE, KANSAS
LANDFILL BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2020
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Refuse Utility Fund	\$ 98,661.52	\$ 96,671.70
Total Receipts	98,661.52	96,671.70
Expenditures		
Debt Service		
Bond Principal	-	-
Bond Interest	-	-
Bond Issuance Costs	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	98,661.52	96,671.70
Unencumbered Cash, Beginning	214,261.08	312,922.60
Unencumbered Cash, Ending	\$ 312,922.60	\$ 409,594.30

CITY OF CHANUTE, KANSAS
VEHICLE SERVICES FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Internal Vehicle Service Charges	\$ 770,000.00	\$ 779,999.99
Use of Money and Property		
Interest Income	99.99	100.00
Sale of Property and Materials	-	800.00
Other Receipts		
Miscellaneous	2,844.93	2,489.78
Total Receipts	<u>772,944.92</u>	<u>783,389.77</u>
Expenditures		
Vehicle Service Shop		
Personal Services	215,188.05	260,351.00
Contractual Services	172,850.53	198,048.50
Commodities	347,372.15	354,225.73
Capital Outlay	5,660.57	9,426.14
Total Expenditures	<u>741,071.30</u>	<u>822,051.37</u>
Receipts Over(Under) Expenditures	31,873.62	(38,661.60)
Unencumbered Cash, Beginning	<u>15,354.88</u>	<u>47,228.50</u>
Unencumbered Cash, Ending	<u>\$ 47,228.50</u>	<u>\$ 8,566.90</u>

CITY OF CHANUTE, KANSAS
UTILITY SERVICES FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Utility Internal Service Charges	\$ 1,249,999.96	\$ 1,249,999.96
Utility Service Initiation Fee	20,409.10	20,044.10
Utility Service Reconnection Fee	6,085.00	5,545.60
Utility Late Payment Fees	148,141.55	139,461.30
Bad Check Charges	2,070.00	690.00
Other Receipts		
Recovery of Bad Debts	(8,577.66)	(7,068.67)
Miscellaneous	288.55	266.98
Total Receipts	1,418,416.50	1,408,939.27
Expenditures		
Utility Business Office		
Personal Services	246,524.15	252,267.70
Contractual Services	123,654.08	141,928.98
Commodities	4,993.39	4,376.23
Capital Outlay	4,117.82	215.72
Utility Administrative		
Personal Services	283,119.32	346,021.71
Contractual Services	41,467.10	43,700.53
Commodities	11,369.15	5,067.78
Capital Outlay	-	6,297.62
Data Processing		
Personal Services	311,338.10	354,074.37
Contractual Services	94,131.93	75,941.90
Commodities	17,792.62	23,379.07
Capital Outlay	10,790.15	17,488.18
Meter Reading		
Personal Services	190,087.25	189,923.15
Contractual Services	10,272.31	8,541.96
Commodities	3,841.39	871.92
Capital Outlay	360.26	-

CITY OF CHANUTE, KANSAS
UTILITY SERVICES FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Expenditures (Continued)		
Information Service		
Personal Services	\$ -	\$ 536.16
Contractual Services	11,071.66	16,196.28
Commodities	-	73.76
Capital Outlay	16,693.51	-
	1,381,624.19	1,486,903.02
Total Expenditures		
Receipts Over(Under) Expenditures	36,792.31	(77,963.75)
Unencumbered Cash, Beginning	64,584.65	101,376.96
Unencumbered Cash, Ending	\$ 101,376.96	\$ 23,413.21

CITY OF CHANUTE, KANSAS
PUBLIC WORKS AND UTILITY COMPLEX FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Public Works Internal Charges	\$ 225,999.95	\$ 232,000.01
Total Receipts	225,999.95	232,000.01
Expenditures		
Public Works and Utility Complex		
Personal Services	107,945.51	113,704.15
Contractual Services	66,122.42	66,967.85
Commodities	11,765.25	8,999.47
Capital Outlay	2,660.95	-
Debt Service	-	1,452.00
Total Expenditures	188,494.13	191,123.47
Receipts Over(Under) Expenditures	37,505.82	40,876.54
Unencumbered Cash, Beginning	12,038.29	49,544.11
Unencumbered Cash, Ending	\$ 49,544.11	\$ 90,420.65

CITY OF CHANUTE, KANSAS
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2020

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Payroll Clearing	\$ 169,223.64	\$ 2,158,577.48	\$ 2,149,716.88	\$ 178,084.24
Health Insurance Fund	916,181.89	2,075,848.00	2,077,871.36	914,158.53
CID Sales Tax	50,538.53	150,242.76	139,398.88	61,382.41
Sales Tax Collections	(133,463.30)	546,886.64	551,138.82	(137,715.48)
State Water Fees	1,902.35	7,868.32	7,659.56	2,111.11
Kansas Solid Waste Fees	30,646.85	11,336.54	9,841.82	32,141.57
Southwind Energy Group	40.18	263,815.92	266,828.06	(2,971.96)
Utility Security Deposit	532,367.58	160,522.27	118,425.48	574,464.37
Utility Security Deposit Interest	48,355.19	5,161.34	4,922.60	48,593.93
Alliance of Churches Utility Aid	807.11	155.66	807.11	155.66
Katy Park Project	1,852.50	-	-	1,852.50
Law Enforcement Drug Funds	25,431.08	11,319.00	25,030.14	11,719.94
Law Enforcement Forfeiture	36,316.16	43,698.26	9,183.11	70,831.31
Law Enforcement Drug Tax	1,775.30	-	-	1,775.30
Donations/Contributions	29,000.87	9,930.03	2,729.97	36,200.93
Franchise Fee Refund Fund	51.35	105.91	105.91	51.35
City Revolving Loan	11,570.61	66,385.80	58,549.27	19,407.14
Chanute Land Bank	-	10,000.00	271.00	9,729.00
Fire Insurance Proceeds	8,763.67	3,750.00	3,750.00	8,763.67
City Events	653.36	-	-	653.36
	<u>\$ 1,732,014.92</u>	<u>\$ 5,525,603.93</u>	<u>\$ 5,426,229.97</u>	<u>\$ 1,831,388.88</u>

CITY OF CHANUTE, KANSAS
 Schedule of Required Bond Information
 December 31, 2020

	<u>Date Expires</u>	<u>Amount</u>
Travelers Indemnity Company:		
Coverages:		
Buildings and Contents	12/31/2020	\$ 83,344,690.00
Liability		2,000,000.00
Deductible:		1,000.00
Premium:		184,518.55

Total electric and gas users for the beginning and end of the fiscal year 2020 were as follows:

	<u>12/31/2020</u>	<u>1/1/2020</u>
Electric	5,865	5,678
Gas	4,136	4,202

CITY OF CHANUTE, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Provided to Sub Recipients	Receipts	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Passed through the Kansas Department of Commerce					
Community Development Block Grant - Sewer Project	19-PF-013	14.228	\$ -	\$ 698,000.00	\$ 183,082.95
Community Development Block Grant - COVID-19	20-CV-008	14.228	130,350.00	130,350.00	130,350.00
		Total 14.228	130,350.00	828,350.00	313,432.95
Total U.S. Department of Housing and Urban Development					
130,350.00					
313,432.95					
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
Direct Grant					
Airport Improvement Program 3-20-0009-014-2019	N/A	20.106	-	2,631.00	9,917.61
Total U.S. Department of Transportation					
-					
2,631.00					
9,917.61					
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Passed through the Kansas Division of Emergency Management					
Public Assistance Grant	FEMA-4417-DR-KS	97.036	-	34,167.48	34,167.48
Total U.S. Department of Homeland Security					
-					
34,167.48					
34,167.48					
<u>U.S. DEPARTMENT OF THE TREASURY</u>					
Passed through Kansas Department of Commerce					
Coronavirus Relief Fund (CFR Funds)	Not Assigned	21.019	-	800,000.00	1,584,830.50
Total U.S. Department of the Treasury					
-					
800,000.00					
1,584,830.50					
<u>U.S. DEPARTMENT OF JUSTICE</u>					
Passed through the Office of Kansas Attorney General					
Equitable Sharing Program	Not Assigned	16.922	-	300.00	300.00
Total U.S. Department of Justice					
-					
300.00					
300.00					
TOTAL FEDERAL AWARDS					
			\$ 130,350.00	\$ 1,665,448.48	\$ 1,942,648.54

Notes to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B --INDIRECT COST RATE

City of Chanute, Kansas did not elect to use the 10% de minimis cost rate.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and City Commissioners
City of Chanute, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of City of Chanute, Kansas, as of and for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the City of Chanute's basic financial statement, and have issued our report thereon dated July 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the 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 the City of Chanute's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Chanute's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
July 28, 2021

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Honorable Mayor and City Commissioners
City of Chanute, Kansas

Report on Compliance for Each Major Federal Program

We have audited the City of Chanute, Kansas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Chanute's major federal programs for the year ended December 31, 2020. City of Chanute's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Chanute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Chanute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Chanute's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Chanute, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the City of Chanute, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Chanute's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Chanute's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
July 28, 2021

CITY OF CHANUTE, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

I. SUMMARY OF AUDITORS' RESULTS

Financial Statement:

The auditors' report expresses an adverse opinion on the basic financial statement of City of Chanute on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u> X </u>	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

The auditors' report on compliance for the major federal award programs for City of Chanute expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	<u> X </u>	No
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Identification of major programs:

U.S. DEPARTMENT OF TREASURY

Coronavirus Relief Fund	CFDA No. 21.019
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The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	<u> X </u>	No
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II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

CITY OF CHANUTE, KANSAS

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

NONE