

CITY OF COFFEYVILLE, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2015

CITY OF COFFEYVILLE, KANSAS

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-3
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis	4-5
Notes to the Financial Statement.....	6-20
SUPPLEMENTARY INFORMATION:	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) Regulatory Basis.....	21
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget Regulatory Basis - (with Comparative Actual Amounts for the Prior Year)	
General Fund	22-24
Library Fund	25
Local Alcohol Liquor Fund	26
Capital Equipment Fund	27
911 Emergency System Fund	28
Capital Improvement Reserve Fund	29
Economic Development Fund.....	30
Community Development Fund	31
Airport Holding Fund	32
Risk Management Fund	33
Golf Course Fund	34
Youth Activities Center Fund	35
Police VIN Fund	36
Aquatic Center Operations Fund	37
Business Development Training Center Fund	38
Business Development Training Center Reserve Fund	39
Veterans Memorial Stadium Fund	40
Veterans Memorial Stadium Depreciation and Replacement Fund.....	41
USD #445 Sales Tax Fund	42
CRMC Sales Tax Fund	43
½ Cent Sales Tax IRB Debt Fund	44
G.O. Bond and Interest Fund	45
Miscellaneous Projects Fund	46
Airport Special Projects Fund	47
Golf Course Depreciation and Replacement Fund	48
Law Enforcement Projects Fund	49
Electric Bond Projects Fund	50

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u> <u>NUMBER</u>
SUPPLEMENTARY INFORMATION: (Continued)	
<u>Schedule 2</u> (Continued)	
Electric Utility Fund	51-52
Electric R & I Reserves Fund	53
Electric Debt Service Fund	54
Electric Surplus Fund	55
Water and Sewer Utility Fund	56-57
Water and Sewer Depreciation and Replacement Fund	58
Water and Sewer Debt Service Fund	59
Water and Sewer Restricted Reserve Fund	60
Stormwater Utility Fund.....	61
Stormwater Depreciation and Replacement Fund	62
Refuse/Trash Utility Fund	63
Internet Utility Fund	64
Meter Deposit Fund	65
<u>Schedule 3</u>	
Schedule of Receipts and Disbursements – Agency Funds	
Regulatory Basis	66
<u>Schedule 4</u>	
Schedule of Required Bond Information.....	67

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commission
City of Coffeyville, Kansas

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

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Coffeyville, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Coffeyville, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Other Matters

Supplementary Information

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

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated June 19, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the

2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedule of required bond information (Schedule 4 as listed in the table of contents) is presented for purposes of additional analysis as required by bond agreements and is not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 30, 2016
Chanute, Kansas

Statement 1

CITY OF COFFEYVILLE, KANSAS

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

For the Year Ended December 31, 2015

Funds	Beginning		Receipts		Expenditures		Ending		Add		Cash Balance December 31, 2015
	Unencumbered Cash Balances						Unencumbered Cash Balances	Encumbrances and Accounts Payable			
General Fund	\$ 1,118,391.80	\$ 12,085,660.06	\$ 12,145,318.96	\$ 1,058,732.90	\$ 197,685.33	\$ 1,256,418.23					
Special Purpose Funds:											
Library	33,732.56	357,713.25	367,896.78	23,549.03	6,813.13	30,362.16					
Local Alcohol Liquor	89,001.15	33,669.24	20,431.23	102,239.16	-	102,239.16					
Capital Equipment	207,962.13	182,155.99	120,365.08	269,753.04	12,033.00	281,786.04					
911 Emergency System	47,775.59	85,065.75	99,351.62	33,489.72	1,180.31	34,670.03					
Capital Improvement Reserve	8,460,462.25	2,950,610.99	2,458,607.07	8,952,466.17	503,871.84	9,456,338.01					
Economic Development	2,438,615.67	89,906.22	146,730.45	2,381,791.44	6,931.71	2,388,723.15					
Community Development	218,755.33	-	100.00	218,655.33	-	218,655.33					
Airport Holding	15,690.40	51,984.62	30,550.17	37,124.85	6,522.66	43,647.51					
Risk Management	1,030,924.64	1,749,696.88	1,893,197.22	887,424.30	1,627.70	889,052.00					
Golf Course	4,499.02	285,846.53	287,271.89	3,073.66	4,399.67	7,473.33					
Youth Activities Center	23,570.02	13,159.81	21,900.77	14,829.06	515.89	15,344.95					
Police VIN	11,971.00	17,880.00	12,192.45	17,658.55	46.00	17,704.55					
Aquatic Center Operations	4,280.36	105,500.44	104,542.69	5,238.11	19.53	5,257.64					
Business Development Training Center	187,607.57	3,200.00	20,026.12	170,781.45	-	170,781.45					
Business Development Training Center Reserve	57,198.04	-	-	57,198.04	-	57,198.04					
Veterans Memorial Stadium	30,961.40	8,904.97	8,579.97	31,286.40	-	31,286.40					
Veterans Memorial Stadium Depreciation & Replacement Reserve	162,789.04	75,000.00	28,144.42	209,644.62	-	209,644.62					
USD #445 Sales Tax	1,250,222.61	885,774.95	1,201,086.00	934,911.56	-	934,911.56					
CRMC Sales Tax	1,721,449.08	885,774.95	555,902.13	2,051,321.90	-	2,051,321.90					
Bond and Interest Funds:											
G.O. Bond and Interest	17,604.83	262,840.00	262,840.00	17,604.83	-	17,604.83					
Capital Project Funds:											
Miscellaneous Projects	186,468.96	277,746.21	118,753.17	345,462.00	19,418.59	364,880.59					
Airport Special Projects	800.44	59,370.00	52,000.00	8,170.44	-	8,170.44					
Golf Course Depreciation and Replacement	28,895.88	551.30	13,499.02	15,948.16	-	15,948.16					
Electric Bond Projects	-	58,201,558.54	54,962,245.40	3,239,313.14	43,267,425.33	46,506,738.47					
Business Funds:											
Electric Utility	1,918,292.75	55,270,810.35	53,186,722.00	4,002,381.10	3,164,709.32	7,167,090.42					
Electric R & I Reserves	5,261,443.09	1,679,170.31	1,066,749.59	5,873,863.81	326,679.30	6,200,543.11					
Electric Debt Service	166,068.88	16,692,712.28	13,543,284.67	3,315,496.49	-	3,315,496.49					
Electric Surplus	1,886,992.60	264,840.00	187,840.00	1,963,992.60	-	1,963,992.60					

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

Statement 1 (Continued)

CITY OF COFFEYVILLE, KANSAS

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2015
Business Funds (Continued):						
Water and Sewer Utility	\$ 1,891,399.90	\$ 6,105,384.50	\$ 5,662,157.26	\$ 2,334,627.14	\$ 86,378.26	\$ 2,421,005.40
Water and Sewer Depreciation and Replacement	2,658,557.63	514,286.83	163,739.77	3,009,104.69	38,877.97	3,047,982.66
Water and Sewer Debt Service	258,505.73	1,161,514.35	1,160,914.32	259,105.76	-	259,105.76
Water and Sewer Restricted Reserve	800,000.00	400,000.00	-	1,200,000.00	-	1,200,000.00
Stormwater Utility	101,742.30	478,779.57	426,393.66	154,128.21	3,093.05	157,221.26
Stormwater Depreciation and Replacement	204,337.85	264,306.00	528.00	468,115.85	-	468,115.85
Refuse/Trash Utility	201,426.71	608,650.27	585,713.19	224,363.79	8,745.00	233,108.79
Internet Utility	98,623.24	198,318.29	237,701.70	59,239.83	7,443.85	66,683.68
Meter Deposit	-	114,404.86	114,404.86	-	350,391.50	350,391.50
Total Reporting Entity (Excluding Agency Funds)	\$ 32,797,020.45	\$ 162,422,748.31	\$ 151,267,681.63	\$ 43,952,087.13	\$ 48,014,808.94	\$ 91,966,896.07

Composition of Cash:

Cash on Hand.....	\$ 1,700.00
Checking Accounts:	
Petty Cash	1,720.25
City Treasurer	26,082,212.66
Payroll Account	46,581.70
Perpetual Care Account	82,813.66
Water and Light Refund Account	532,864.99
Health Insurance Flex Plan Account	13,468.23
Municipal Court Account	20,710.76
Employee Benefit Account	12,517.95
Restlawn Merchandise Account	6,087.68
Money Market Accounts:	
City Treasurer	1,240,611.38
Restlawn Permanent Trust.....	53,984.44
Escrow	276,216.56
Trust Accounts:	
Investments.....	63,759,920.47
Total Cash	92,131,410.73
Less: Agency Funds Per Schedule 3	(164,514.66)
Total Reporting Entity (Excluding Agency Funds)	\$ 91,966,896.07

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

CITY OF COFFEYVILLE, KANSAS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Coffeyville, Kansas, (the City) is incorporated as a city of the first class, under the provision of K.S.A. 13-101 *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, electric, water 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 Coffeyville, 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 principal 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.

Financial Reporting Entity

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

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:

Coffeyville Public Library

The City of Coffeyville, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separate audited financial statements are available at the Library.

Coffeyville Firefighter's Relief Association

The Coffeyville Firefighter's Relief Association is operated by the City's firefighters. Officers are elected by the firefighters. The Firefighter's Relief Association is housed in the City's offices, but is operated independent of the City's governing body. Separate financial statements are not prepared by the Association.

Coffeyville Regional Medical Center

The Medical Center Board of Trustees operates the City's hospital. The hospital can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Separate audited financial statements are available at the Medical Center.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Related Municipal Entities (Continued)

Coffeyville Community Enhancement Foundation

Coffeyville Community Enhancement Foundation is a 501c(3) corporation whose Board of Directors is the current City Commission. This corporation was established to create an avenue for entities, whose bylaws restrict their donations to 501c(3) entities, to make donations for city projects (i.e. Midland Theater restoration). If money is received for projects, it is paid to the City as a reimbursement as the project progresses. Many people have given to special projects, therefore, the money is segregated in the Foundation's books for each project. Separate financial statements are not prepared by the Foundation.

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Coffeyville, Kansas, for the year of 2015:

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

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

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

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.

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 account, etc.).

Basis of Presentation – Regulatory 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Regulatory Basis of Accounting (Continued)

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.

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 comparisons 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.

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 a multi-employer state-wide pension plan. 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2015, the City amended the Economic Development Fund, Police VIN Fund, Airport Holding Fund, Internet Utility Fund, Electric Debt Service Fund, and Water and Sewer Utility Fund.

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 funds:

- Capital Equipment Fund
- 911 Emergency System Fund
- Capital Improvement Reserve Fund
- Risk Management Fund
- Business Development Training Center Reserve Fund
- Veterans Memorial Stadium Depreciation and Replacement 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 Kansas Statutes

Statement 1 and Schedule 1 are designed to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1 the City was in apparent compliance with the Kansas cash basis and budget laws.

Compliance with Revenue Bond Covenants

The City is required, under the ordinances 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 described below:

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

<u>RESERVE ACCOUNTS</u>	<u>REQUIRED AMOUNT</u>	<u>ACTUAL AMOUNT</u>
Principal and Interest Account for Electric Utility Revenue Bonds, Series 2011-A – requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	\$ 8,443.33	
Principal and Interest Account for Electric Utility System Refunding General Obligation Bonds, Series 2013-A – requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	76,999.37	
Principal and Interest Account for Electric Utility System Revenue Bonds, Series 2015-B – requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	204,812.50	
Principal and Interest Account for Taxable Electric Utility System Revenue Bonds, Series 2015-C – requires transfers monthly of 1/6 of next maturing interest and 1/12 of next maturing principal.	<u>33,450.63</u>	
	<u>323,705.83</u>	<u>\$ 3,315,496.49</u>
Electric Depreciation and Replacement Account – requires \$100,000.00 to be maintained for the Electric Utility Revenue Bonds, Series 2011-A, Electric Utility System Refunding General Obligation Bonds, Series 2013-A and Electric Utility System Revenue Bonds, Series 2015-B.	100,000.00	
Electric Utility Revenue Bonds, Series 2011-A requires reserves beginning December 21, 2011 in the amount of ten percent of the bond principal in the Electric Depreciation and Replacement Account.	123,500.00	
Electric Utility System Refunding Bonds, Series 2013-A requires reserves beginning December 3, 2014 in the amount of ten percent of the bond principal in the Electric Depreciation and Replacement Account.	555,555.00	
Electric Utility System Revenue Bonds, Series 2015-B requires reserves beginning June 25, 2015 in the amount of the maximum annual debt service for the Series 2015-B during any fiscal year of the bond principal in the Electric Depreciation and Replacement Account.	<u>3,432,750.00</u>	**
	<u>4,211,805.00</u>	<u>5,873,863.81</u>
Total Reserve at December 31, 2015	<u>\$ 4,535,510.83</u>	<u>\$ 9,189,360.30</u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

** However, the obligations of the City have been guaranteed by a policy of financial guaranty insurance issued by National Public Finance Guarantee Corporation. The Policy unconditionally and irrevocably guarantees to any owner or holder of the Obligations or, if applicable, of the coupons appertaining thereto (the "Owner"), the full and complete payment required to be made by or on behalf of the issuer of the Obligations (the "Issuer") to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference (a "Preference") to the Owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence are referred to collectively in this letter as the "Insured Amounts."

The City agrees to fix, establish, maintain and collect such rates, fees or charges for Electric Utility service furnished by the Electric System, which will be sufficient to enable the City to have, in each fiscal year, a net income in an amount that will be not less than 125% amount required to be paid by the City in the next succeeding fiscal year on account of both principal and interest of all Electric Utility System Bonds of the City at the time outstanding. Net income is defined as gross income less operating expenses, but before any transfers, depreciation and capital expense. For the year ended December 31, 2015, the Electric Utility Fund had net income of \$8,327,402.98 which is 217.68% of the principal and interest requirements for 2016 of \$3,825,460.00.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2015, the City has the following investments.

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Rating</u>
Bayerische Trust Agreement			
Less than one year maturity	\$ 50,910,102.51	\$ 50,910,102.51	N/A
Federal Agency			
One to five year maturity	12,849,337.50	12,814,792.70	AAA
Kansas Investment Pool			
Less than one year maturity	<u>480.46</u>	<u>480.46</u>	S&P AA+ / S1+
Total Investment	<u>\$ 63,759,920.47</u>	<u>\$ 63,725,375.67</u>	

These investments are reflected at cost in this regulatory basis financial statement of the City of Coffeyville, Kansas.

Deposits

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main 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 banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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. The rating of the City's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2015, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Agency Money Market	79.85%
Federal Agency	20.15%
Kansas Municipal Investment Pool	0.00%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2015.

At December 31, 2015, the City's carrying amount of deposits was \$28,369,790.26 and the bank balance was \$28,618,744.25. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$273,266.01 was covered by FDIC insurance and \$28,345,478.24 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

At December 31, 2015, the City has invested \$480.46 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions / Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid With Utility Revenues									
Series 2011-A - Refunding	2.25%-4.125%	October 24, 2011	\$ 5,900,000.00	November 1, 2031	\$ 4,925,000.00	-	\$ (325,000.00)	\$ 4,600,000.00	\$ 166,633.76
Series 2013-A - Refunding	2.0%-2.15%	December 3, 2013	5,555,000.00	June 1, 2021	5,235,000.00	-	(800,000.00)	4,435,000.00	96,992.50
Revenue Bonds									
Paid With Utility Revenues									
Series 2011-A - Electric Utility	4.00%-4.20%	December 21, 2011	1,235,000.00	June 1, 2023	1,235,000.00	-	-	1,235,000.00	50,660.00
Series 2015-A - Electric Utility	0.00%	March 10, 2015	10,000,000.00	September 10, 2015	-	10,000,000.00	(10,000,000.00)	-	-
Series 2015-B - Electric Utility	5.00-5.25%	June 25, 2015	48,900,000.00	June 1, 2042	-	48,900,000.00	-	48,900,000.00	1,065,025.01
Series 2015-C - Electric Utility - Tax	3.25%	June 25, 2015	12,351,000.00	June 1, 2042	-	12,351,000.00	-	12,351,000.00	173,943.25
Revolving Loans									
Kansas Water Pollution Control Loan									
Industrial Park Force Main Project	3.11%	May 12, 1998	1,628,702.00	September 1, 2019	436,288.01	-	(81,956.70)	354,331.31	12,936.26
Penn Street Project	3.11%	May 22, 1998	3,028,448.15	September 1, 2019	960,790.14	-	(180,484.44)	780,305.70	28,488.14
Waste Water Treatment Project	3.11%	May 22, 1998	9,188,589.85	September 1, 2020	3,227,166.05	-	(497,233.64)	2,729,932.41	96,528.70
Kansas Public Water Supply Loan									
Water Plant & Reservoir Project	3.63%	October 6, 2009	720,000.00	August 1, 2030	415,839.32	-	(19,573.75)	396,265.57	14,918.93
Capital Leases									
Blackstart Generators-CNB	5.00%	February 1, 2007	2,000,000.00	August 1, 2026	1,390,186.39	-	(87,023.50)	1,303,162.89	68,434.96
Total Contractual Indebtedness					\$ 17,825,269.91	\$ 71,251,000.00	\$ (11,991,272.03)	\$ 77,084,997.88	\$ 1,774,561.51

4. LONG-TERM DEBT (Continued)

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

Principal	2016	2017	2018	2019	2020	2021 - 2025	2026 - 2030	2031 - 2035
General Obligation Bonds								
Series 2011-A - Refunding	\$ 330,000.00	\$ 340,000.00	\$ 340,000.00	\$ 350,000.00	\$ 350,000.00	\$ 1,545,000.00	\$ 1,110,000.00	\$ 235,000.00
Series 2013-A - Refunding	835,000.00	850,000.00	870,000.00	855,000.00	830,000.00	195,000.00	-	-
Revenue Bonds								
Series 2011-A - Electric Utility	-	-	-	-	-	1,235,000.00	-	-
Series 2015-B - Electric Utility	-	1,000,000.00	1,000,000.00	1,100,000.00	1,100,000.00	6,400,000.00	8,200,000.00	10,500,000.00
Series 2015-C - Electric Utility - Taxable	-	236,000.00	250,000.00	264,000.00	280,000.00	1,644,000.00	2,113,000.00	2,674,000.00
Revolving Loans								
Kansas Water Pollution Control Loan								
Industrial Park Force Main Project	84,525.38	87,174.55	89,906.77	92,724.61	-	-	-	-
Penn Street Project	186,141.14	191,975.15	197,991.99	204,197.42	-	-	-	-
Waste Water Treatment Project	512,817.84	528,890.47	545,466.85	562,562.76	580,194.49	-	-	-
Kansas Public Water Supply Loan								
Water Plant & Reservoir Project	20,290.72	21,033.95	21,804.42	22,603.10	23,431.04	130,675.47	156,426.87	-
Capital Leases								
Blackstart Generators-CNB	91,429.07	96,057.66	100,920.59	106,029.69	111,397.44	647,510.87	149,817.57	-
Total Principal Payments	2,060,204.15	3,351,131.78	3,416,090.62	3,557,117.58	3,275,022.97	11,797,186.34	11,729,244.44	13,409,000.00
Interest								
General Obligation Bonds								
Series 2011-A - Refunding	158,508.76	148,608.76	138,408.76	128,208.76	117,708.76	421,231.70	186,363.80	9,693.76
Series 2013-A - Refunding	80,642.50	63,792.50	46,592.50	29,342.50	12,492.50	2,096.25	-	-
Revenue Bonds								
Series 2011-A - Electric Utility	50,660.00	50,660.00	50,660.00	50,660.00	50,660.00	102,450.00	-	-
Series 2015-B - Electric Utility	2,457,750.00	2,432,750.00	2,382,750.00	2,330,250.00	2,275,250.00	10,463,750.00	8,630,125.00	6,262,500.00
Series 2015-C - Electric Utility - Taxable	401,407.50	397,572.50	389,675.00	381,322.50	372,482.50	1,711,710.00	1,407,493.75	1,019,785.00
Revolving Loans								
Kansas Water Pollution Control Loan								
Industrial Park Force Main Project	10,367.58	7,718.41	4,986.19	2,168.35	-	-	-	-
Penn Street Project	22,831.44	16,997.43	10,980.59	4,775.16	-	-	-	-
Waste Water Treatment Project	80,944.50	64,871.87	48,295.49	31,199.58	13,567.85	-	-	-
Kansas Public Water Supply Loan								
Water Plant & Reservoir Project	14,201.96	13,458.73	12,688.26	11,889.58	11,061.64	41,787.93	16,036.53	-
Capital Leases								
Blackstart Generators-CNB	64,029.39	59,400.80	54,537.87	49,428.77	44,061.02	129,781.43	5,640.92	-
Total Interest Payments	3,341,343.63	3,255,831.00	3,139,574.66	3,019,245.20	2,897,284.27	12,872,807.31	10,245,660.00	7,291,978.76
Total Principal and Interest	\$ 5,401,547.78	\$ 6,606,962.78	\$ 6,555,665.28	\$ 6,576,362.78	\$ 6,172,307.24	\$ 24,669,993.65	\$ 21,974,904.44	\$ 20,700,978.76

4. LONG-TERM DEBT (Continued)

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

	2036 - 2040	2041 - 2042	Total
Principal			
General Obligation Bonds			
Series 2011-A - Refunding	\$ -	\$ -	\$ 4,600,000.00
Series 2013-A - Refunding	-	-	4,435,000.00
Revenue Bonds			
Series 2011-A - Electric Utility	-	-	1,235,000.00
Series 2015-B - Electric Utility	13,300,000.00	6,300,000.00	48,900,000.00
Series 2015-C - Electric Utility - Taxable	3,340,000.00	1,550,000.00	12,351,000.00
Revolving Loans			
Kansas Water Pollution Control Loan			
Industrial Park Force Main Project	-	-	354,331.31
Penn Street Project	-	-	780,305.70
Waste Water Treatment Project	-	-	2,729,932.41
Kansas Public Water Supply Loan			
Water Plant & Reservoir Project	-	-	396,265.57
Capital Leases			
Blackstart Generators-CNB	-	-	1,303,162.89
Total Principal Payments	16,640,000.00	7,850,000.00	77,084,997.88
Interest			
General Obligation Bonds			
Series 2011-A - Refunding	-	-	1,308,733.06
Series 2013-A - Refunding	-	-	234,958.75
Revenue Bonds			
Series 2011-A - Electric Utility	-	-	355,750.00
Series 2015-B - Electric Utility	3,302,500.00	317,500.00	40,855,125.00
Series 2015-C - Electric Utility - Taxable	532,707.50	50,895.00	6,665,051.25
Revolving Loans			
Kansas Water Pollution Control Loan			
Industrial Park Force Main Project	-	-	25,240.53
Penn Street Project	-	-	55,584.62
Waste Water Treatment Project	-	-	238,879.29
Kansas Public Water Supply Loan			
Water Plant & Reservoir Project	-	-	121,124.63
Capital Leases			
Blackstart Generators-CNB	-	-	406,880.20
Total Interest Payments	3,835,207.50	368,395.00	50,267,327.33
Total Principal and Interest	\$ 20,475,207.50	\$ 8,218,395.00	\$ 127,352,325.21

5. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to finance the purchase of a Blackstart Generator. Payments are made of \$77,729.23 semi-annually, including interest at approximately 5.00%. Final maturity for the lease is in 2026. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2016	\$ 155,458.46
2017	155,458.46
2018	155,458.46
2019	155,458.46
2020	155,458.46
2021-2025	777,292.30
2026	<u>155,458.49</u>
	1,710,043.09
Less imputed interest	<u>(406,880.20)</u>
Net Present Value of Minimum Lease Payments	1,303,162.89
Less: Current Maturities	<u>(91,429.07)</u>
Long-Term Capital Lease Obligations	<u>\$ 1,211,733.82</u>

6. OPERATING LEASES

As of December 31, 2015 the City has entered into an operating lease for office equipment. Rent expense for the year ended December 31, 2015, was \$20,064.88. Under the current lease agreements, the future minimum rental payments are as follows:

2016	\$19,961.16
------	-------------

7. INDUSTRIAL REVENUE BONDS

The City has entered into various agreements to induce businesses to locate or expand operations in Coffeyville, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2015, there were two industrial revenue bond issues with principal balances due totaling \$1,187,455.85.

8. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

8. DEFINED BENEFIT PENSION PLAN (Continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program, which increased to 1.00% as of July 1, 2015) and the statutory contribution rate was 9.48% for KPERS and 21.36% for KP&F for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City were \$553,354.09 for KPERS and \$682,116.51 for KP&F for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the (non-school municipality)'s proportionate share of the collective net pension liability reported by KPERS was \$4,399,459.00 and \$3,948,294.00 for KP&F. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences:

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

Sick leave accrues to all full-time employees at the rate of one day per month and is unlimited. 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 65 days (45 days for the Fire Department) upon termination by death or retirement.

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

The City determines a liability for compensated absences when the following conditions are met:

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

In accordance with the above criteria, the City has an unfunded liability for vacation benefits at December 31, 2015 of \$797,404.22 an unfunded liability for compensatory time at December 31, 2015 of \$55,038.88, and has not estimated a liability for sick pay which has been earned, but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

Other Post Employment Benefits:

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

10. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

PROJECT NAME	AUTHORIZED	EXPENDED THRU 12/31/15	COMPLETION
Intersection and Drainage Improvements	\$ 2,668,294.58	\$ 2,668,294.58	Ongoing
Street Resurfacing Improvements	2,155,014.67	2,060,240.41	Ongoing
Santa Fe Triple Circuit Rebuild Project	480,992.33	477,728.42	Complete
2015 GEO Improvement – 8 th & Northeast	49,400.00	48,270.93	2016
9 th Street Improvements, Sidewalk Improvements and Waterline Replacement	173,221.01	173,221.01	2016
Resurfacing Buckeye West to RR Overpass	59,000.00	59,000.00	2017
Brownfield Grants	375,000.00	76,690.44	2017
New Electric Generation Project	58,000,000.00	54,745,038.45	2017
Building Renovation Projects	3,481,267.57	3,331,079.67	2018
	\$ 67,442,190.16	\$ 63,639,563.91	

11. LOANS RECEIVABLE

The City has made Community and Economic Development Loans through the Community Development Fund. The Fund was the recipient of various HUD grants in earlier years. Loans made with these monies are repaid and the City makes additional development loans from these repayments. The loans due to the City at December 31, 2015, are as follows:

Economic Development Loans	\$ 83,029.78
Community Development Loans	2,736.59
Public Housing Loans	81,464.04

These loans are not reflected in these regulatory basis financial statements of the City of Coffeyville, Kansas.

12. ECONOMIC DEPENDENCY

During 2015, the City collected 64.29% of its electric utility revenues from Coffeyville Resources Nitrogen Fertilizer Plant, LLC.

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 established a Health Insurance Fund. The purpose 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 BlueCross BlueShield of Kansas to be the claims supervisor. The supervisor reviews all claims for allowability and issues weekly reports to the City. The City has a stop-gap policy which pays any aggregate claims over \$50,000.00.

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

14. COMMITMENTS AND CONTINGENCIES

The City has entered into an agreement with the Grand River Dam Authority for the purchase of electrical services until June 1, 2042.

15. INTERFUND TRANSFERS

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Capital Equipment	K.S.A. 12-1,117	\$ 177,154.99
General	Capital Improvement Reserve	K.S.A. 12-1,118	2,391,592.35
General	CRMC Sales Tax	K.S.A. 79-2925	885,774.95
General	USD #445 Sales Tax	K.S.A. 79-2925	885,774.95
General	Risk Management	K.S.A. 12-2615	789,873.87
General	Economic Development	K.S.A. 79-2925	88,577.51
Airport Special Project	Electric Surplus	K.S.A. 79-2925	52,000.00
Golf Course	Risk Management	K.S.A. 12-2615	27,372.00
Electric Utility	Risk Management	K.S.A. 12-2615	302,612.67
Electric Utility	Electric Debt Service	K.S.A. 12-825d	1,113,210.96
Electric Utility	Electric R & I Reserves	K.S.A. 12-825d	1,655,000.00
Electric Utility	Electric Surplus	K.S.A. 12-825d	212,840.00
Electric Utility	General	K.S.A. 12-825d	2,610,726.01
Electric Surplus	Veterans Memorial Stadium Depreciation and Replacement	K.S.A. 12-825d	25,000.00
Electric Surplus	G.O. Bond and Interest	K.S.A. 12-825d	162,840.00
Water and Sewer Utility	Risk Management	K.S.A. 12-2615	242,242.20
Water and Sewer Utility	Water and Sewer Depreciation and Replacement	K.S.A. 12-825d	500,000.00
Water and Sewer Utility	Water and Sewer Debt Service	K.S.A. 12-825d	1,161,514.35
Water and Sewer Utility	General	K.S.A. 12-825d	676,119.44
Water and Sewer Utility	Golf Course	K.S.A. 12-825d	25,000.00
Water and Sewer Utility	Aquatic Center Operations	K.S.A. 12-825d	30,000.00
Water and Sewer Utility	G.O. Bond and Interest	K.S.A. 12-825d	100,000.00
Water and Sewer Utility	Water and Sewer Restricted Reserve	K.S.A. 12-825d	400,000.00
Stormwater Utility	Risk Management	K.S.A. 12-2615	18,248.00
Stormwater Utility	Stormwater Depreciation and Replacement	K.S.A. 12-825d	264,306.00
Internet Utility	Risk Management	K.S.A. 12-2615	11,861.20

16. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. However, subsequent to year end the City issued General Obligation Bonds of \$6,280,000 to assist in the financing of municipal hall renovations.

SUPPLEMENTARY INFORMATION

Schedule 1

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

Funds	Total Certified Budget		Adjustments for Qualifying Budget Credits		Total Certified Budget for Comparison		Expenditures Charged to Current Year Budget		Variance - Over (Under)
	\$		\$		\$		\$		
General Fund	\$ 13,125,981.00		\$ 41,771.42		\$ 13,167,752.42		\$ 12,145,318.96		\$ (1,022,433.46)
Special Purpose Funds:									
Library	409,967.00		-		409,967.00		367,896.78		(42,070.22)
Local Alcohol Liquor	46,330.00		-		46,330.00		20,431.23		(25,898.77)
Economic Development	170,627.00		-		170,627.00		146,730.45		(23,896.55)
Community Development	100.00		-		100.00		100.00		-
Airport Holding	34,744.00		-		34,744.00		30,550.17		(4,193.83)
Golf Course	332,512.00		-		332,512.00		287,271.89		(45,240.11)
Youth Activities Center	44,324.00		-		44,324.00		21,900.77		(22,423.23)
Police VIN	16,775.00		-		16,775.00		12,192.45		(4,582.55)
Aquatic Center Operations	118,301.00		-		118,301.00		104,542.69		(13,758.31)
Business Development Training Center	21,809.00		-		21,809.00		20,026.12		(1,782.88)
Veterans Memorial Stadium	13,999.00		8,904.97		22,903.97		8,579.97		(14,324.00)
USD #445 Sales Tax	1,275,000.00		-		1,275,000.00		1,201,086.00		(73,914.00)
CRMC Sales Tax	1,000,000.00		-		1,000,000.00		555,902.13		(444,097.87)
Bond and Interest Funds:									
G.O. Bond and Interest	262,840.00		-		262,840.00		262,840.00		-
Business Funds:									
Electric Utility	60,410,846.00		-		60,410,846.00		53,186,722.00		(7,224,124.00)
Electric Debt Service	13,585,293.00		-		13,585,293.00		13,543,284.67		(42,008.33)
Water and Sewer Utility	5,788,886.00		27,623.06		5,816,509.06		5,662,157.26		(154,351.80)
Water and Sewer Debt Service	1,161,514.00		-		1,161,514.00		1,160,914.32		(599.68)
Stormwater Utility	490,829.00		-		490,829.00		426,393.66		(64,435.34)
Refuse/Trash Utility	597,181.00		-		597,181.00		585,713.19		(11,467.81)
Internet Utility	249,759.00		-		249,759.00		237,701.70		(12,057.30)

CITY OF COFFEYVILLE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 1,541,973.70	\$ 1,523,880.13	\$ 1,730,435.00	\$ (206,554.87)
Delinquent Tax	87,479.14	81,427.71	60,000.00	21,427.71
Motor Vehicle Tax	194,239.82	156,369.16	223,045.00	(66,675.84)
Recreational Vehicle Tax	1,665.80	1,029.04	1,543.00	(513.96)
16/20 M Vehicle Tax	7,029.48	783.87	1,622.00	(838.13)
Vehicle Rental Excise Tax	520.52	90.56	452.00	(361.44)
In Lieu of Tax	5,964.26	3,995.98	2,000.00	1,995.98
Special Assessments	28,282.73	31,252.59	-	31,252.59
Franchise Tax	882,773.09	753,286.78	443,000.00	310,286.78
Sales Tax	5,284,070.14	5,314,649.65	5,396,850.00	(82,200.35)
Federal Grants - IDDA/Click it	1,944.82	1,758.32	-	1,758.32
Federal Grants - FEMA	2,585.68	-	-	-
State Grants - FEMA	3,425.27	-	-	-
Local Alcohol Liquor Tax	18,414.86	16,319.63	18,804.00	(2,484.37)
Special Highway Tax	258,082.24	260,367.46	256,980.00	3,387.46
Highway Connecting Links	76,698.01	76,698.01	76,500.00	198.01
Highway County Aid	55,648.10	44,730.80	42,260.00	2,470.80
Licenses and Permits	191,688.46	117,036.75	-	117,036.75
Fines, Forfeitures and Penalties	159,627.36	170,300.38	371,870.00	(201,569.62)
Charges for Services	60,042.72	92,699.76	32,525.00	60,174.76
Use of Money and Property				
Interest Income	12,150.30	19,996.36	21,750.00	(1,753.64)
Rents	73,076.00	72,605.00	67,400.00	5,205.00
Sale of Equipment and Scrap	5,634.95	1,231.80	5,000.00	(3,768.20)
Other Receipts				
Reimbursed Expense	63,444.09	41,771.42	-	41,771.42
Miscellaneous Income	8,416.98	16,533.45	70,825.00	(54,291.55)
Operating Transfers from:				
Electric Utility Fund	2,850,576.41	2,610,726.01	3,003,946.00	(393,219.99)
Water and Sewer Utility Fund	703,713.64	676,119.44	686,396.00	(10,276.56)
Law Enforcement Projects Fund	510.66	-	-	-
Total Receipts	12,579,679.23	12,085,660.06	\$ 12,513,203.00	\$ (427,542.94)

**CITY OF COFFEYVILLE, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
General Government				
Personal Services	\$ 895,495.07	\$ 766,490.66	\$ 1,221,848.00	\$ (455,357.34)
Contractual Services	239,820.74	279,591.95	281,400.00	(1,808.05)
Commodities	15,484.28	19,083.46	23,260.00	(4,176.54)
Capital Outlay	3,489.83	2,573.83	7,700.00	(5,126.17)
Police Department				
Personal Services	2,045,374.54	1,971,966.49	2,312,638.00	(340,671.51)
Contractual Services	113,095.46	112,868.49	115,716.00	(2,847.51)
Commodities	101,843.79	86,899.90	109,890.00	(22,990.10)
Capital Outlay	29,833.53	22,248.56	24,500.00	(2,251.44)
Fire Department				
Personal Services	1,765,293.03	1,951,152.11	1,958,437.00	(7,284.89)
Contractual Services	84,485.26	50,851.62	51,615.00	(763.38)
Commodities	51,505.77	45,713.91	51,480.00	(5,766.09)
Capital Outlay	5,244.34	3,963.77	8,000.00	(4,036.23)
Engineering Department				
Personal Services	264,847.30	232,827.31	-	232,827.31
Contractual Services	12,796.50	7,042.10	-	7,042.10
Commodities	8,979.90	6,614.35	-	6,614.35
Capital Outlay	3,422.29	3,688.91	-	3,688.91
Building				
Personal Services	37,680.21	46,335.45	48,118.00	(1,782.55)
Contractual Services	8,545.47	14,362.78	7,100.00	7,262.78
Commodities	3,698.24	4,175.57	4,250.00	(74.43)
Capital Outlay	-	-	1,500.00	(1,500.00)
Non-Departmental				
Contractual Services	150,576.94	120,947.43	161,189.00	(40,241.57)
Commodities	18,667.92	23,246.73	14,500.00	8,746.73
Capital Outlay	1,058.00	2,527.14	1,700.00	827.14
Public Service				
Personal Services	887,867.33	824,331.59	976,192.00	(151,860.41)
Contractual Services	131,858.98	113,146.14	133,245.00	(20,098.86)
Commodities	245,468.16	171,116.11	207,270.00	(36,153.89)
Capital Outlay	3,518.15	2,503.98	6,350.00	(3,846.02)

CITY OF COFFEYVILLE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Industrial Levy				
Contractual Services	\$ 25,560.00	\$ 40,300.00	\$ 37,000.00	\$ 3,300.00
Commodities	-	-	27,500.00	(27,500.00)
Capital Development				
Capital Outlay	-	-	836,207.00	(836,207.00)
Operating Transfers to:				
1/2 Cent Sales Tax IRB Debt Fund	63,443.19	-	629,633.00	(629,633.00)
Capital Equipment Fund	176,135.68	177,154.99	1,798,950.00	(1,621,795.01)
Capital Improvement Reserve Fund	2,314,388.40	2,391,592.35	179,895.00	2,211,697.35
Economic Development Fund	88,067.83	88,577.51	89,948.00	(1,370.49)
CRMC Sales Tax Fund	880,678.37	885,774.95	899,475.00	(13,700.05)
USD #445 Sales Tax Fund	880,678.37	885,774.95	899,475.00	(13,700.05)
Risk Management Fund	827,148.76	789,873.87	-	789,873.87
Total Certified Budget			13,125,981.00	(980,662.04)
Adjustments for Qualifying Budget Credits			41,771.42	(41,771.42)
Total Expenditures	12,386,051.63	12,145,318.96	\$ 13,167,752.42	\$ (1,022,433.46)
Receipts Over(Under) Expenditures	193,627.60	(59,658.90)		
Unencumbered Cash, Beginning	924,764.20	1,118,391.80		
Unencumbered Cash, Ending	\$ 1,118,391.80	\$ 1,058,732.90		

CITY OF COFFEYVILLE, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Ad Valorem Property Tax	\$ 322,765.52	\$ 311,578.11	\$ 337,411.00	\$ (25,832.89)
Delinquent Tax	9,190.80	12,091.50	10,000.00	2,091.50
Motor Vehicle Tax	18,002.46	31,374.37	45,163.00	(13,788.63)
Recreational Vehicle Tax	154.35	208.38	313.00	(104.62)
16/20 M Vehicle Tax	649.92	72.66	328.00	(255.34)
Vehicle Rental Excise Tax	48.25	18.34	91.00	(72.66)
In Lieu of Tax	981.32	792.88	-	792.88
Other Receipts				
Reimbursements	-	1,577.01	-	1,577.01
Total Receipts	351,792.62	357,713.25	\$ 393,306.00	\$ (35,592.75)
Expenditures				
Culture and Recreation				
Appropriation to Library Board	349,292.62	360,449.37	\$ 288,588.00	\$ 71,861.37
Personal Services	853.49	723.52	78,889.00	(78,165.48)
Contractual Services	6,683.05	6,188.89	42,490.00	(36,301.11)
Commodities	-	535.00	-	535.00
Total Expenditures	356,829.16	367,896.78	\$ 409,967.00	\$ (42,070.22)
Receipts Over(Under) Expenditures	(5,036.54)	(10,183.53)		
Unencumbered Cash, Beginning	38,769.10	33,732.56		
Unencumbered Cash, Ending	\$ 33,732.56	\$ 23,549.03		

CITY OF COFFEYVILLE, KANSAS
LOCAL ALCOHOL LIQUOR FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipts				
Local Alcohol Liquor Tax	\$ 36,829.74	\$ 32,639.24	\$ 37,608.00	\$ (4,968.76)
Use of Money and Property				
Rental Income	1,030.00	1,030.00	1,030.00	-
Other Receipts				
Donations	100.00	-	-	-
Total Receipts	37,959.74	33,669.24	\$ 38,638.00	\$ (4,968.76)
Expenditures				
Culture and Recreation				
Park Recreation Programs	21,336.91	14,021.79	\$ 20,227.00	\$ (6,205.21)
Alcohol Control Programs	11,871.86	5,434.44	14,103.00	(8,668.56)
City Programs	9,246.47	975.00	12,000.00	(11,025.00)
Total Expenditures	42,455.24	20,431.23	\$ 46,330.00	\$ (25,898.77)
Receipts Over(Under) Expenditures	(4,495.50)	13,238.01		
Unencumbered Cash, Beginning	93,496.65	89,001.15		
Unencumbered Cash, Ending	\$ 89,001.15	\$ 102,239.16		

CITY OF COFFEYVILLE, KANSAS
CAPITAL EQUIPMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	\$ -	\$ 4,000.00
Other Receipts		
Reimbursed Expense	-	1,001.00
Operating Transfers from General Fund	176,135.68	177,154.99
Total Receipts	<u>176,135.68</u>	<u>182,155.99</u>
Expenditures		
General Government		
Capital Outlay	131,676.93	120,365.08
Total Expenditures	<u>131,676.93</u>	<u>120,365.08</u>
Receipts Over(Under) Expenditures	44,458.75	61,790.91
Unencumbered Cash, Beginning	<u>163,503.38</u>	<u>207,962.13</u>
Unencumbered Cash, Ending	<u>\$ 207,962.13</u>	<u>\$ 269,753.04</u>

CITY OF COFFEYVILLE, KANSAS
911 EMERGENCY SYSTEM FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
911 System	\$ 96,419.06	\$ 85,050.62
Other Receipts		
Reimbursed Expense	295.57	15.13
Total Receipts	<u>96,714.63</u>	<u>85,065.75</u>
Expenditures		
General Government		
Contractual Services	51,705.47	44,239.72
Capital Outlay	67,808.39	55,111.90
Total Expenditures	<u>119,513.86</u>	<u>99,351.62</u>
Receipts Over(Under) Expenditures	(22,799.23)	(14,285.87)
Unencumbered Cash, Beginning	<u>70,574.82</u>	<u>47,775.59</u>
Unencumbered Cash, Ending	<u><u>\$ 47,775.59</u></u>	<u><u>\$ 33,489.72</u></u>

CITY OF COFFEYVILLE, KANSAS
CAPITAL IMPROVEMENT RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Federal Grant - CDBG	\$ -	\$ 3,000.00
State Grant - KDOT	18,222.18	109,018.08
State Grant - KLINK	200,000.00	400,000.00
Use of Money and Property		
Sale of Property	-	15,713.50
Economic Development Loan		
Principal	6,092.72	2,099.41
Interest	271.24	21.91
Rental Income	15,000.00	15,000.00
Other Receipts		
Reimbursed Expense	1,500.00	14,165.74
Operating Transfers from General Fund	2,314,388.40	2,391,592.35
Total Receipts	2,555,474.54	2,950,610.99
Expenditures		
Capital Improvements		
Contractual Services	633,467.70	441,899.07
Commodities	26,208.53	2,569.66
Capital Outlay	4,453,964.75	2,014,138.34
Operating Transfers to Economic Development Fund	2,300,000.00	-
Total Expenditures	7,413,640.98	2,458,607.07
Receipts Over(Under) Expenditures	(4,858,166.44)	492,003.92
Unencumbered Cash, Beginning	13,318,628.69	8,460,462.25
Unencumbered Cash, Ending	\$ 8,460,462.25	\$ 8,952,466.17

CITY OF COFFEYVILLE, KANSAS
ECONOMIC DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Economic Development Loan				
Principal	\$ -	\$ 1,182.18	\$ -	\$ 1,182.18
Interest	-	140.62	-	140.62
Other Receipts				
Reimbursed Expense	18,186.59	5.91	-	5.91
Operating Transfers from:				
General Fund	88,067.83	88,577.51	85,457.00	3,120.51
Capital Improvement Fund	2,300,000.00	-	-	-
Total Receipts	<u>2,406,254.42</u>	<u>89,906.22</u>	<u>\$ 85,457.00</u>	<u>\$ 4,449.22</u>
Expenditures				
Development Projects				
Contractual	53,060.79	146,474.05	\$ 160,977.00	\$ (14,502.95)
Commodities	-	-	8,450.00	(8,450.00)
Capital Outlay	1,499.97	256.40	1,200.00	(943.60)
Total Expenditures	<u>54,560.76</u>	<u>146,730.45</u>	<u>\$ 170,627.00</u>	<u>\$ (23,896.55)</u>
Receipts Over(Under) Expenditures	2,351,693.66	(56,824.23)		
Unencumbered Cash, Beginning	<u>86,922.01</u>	<u>2,438,615.67</u>		
Unencumbered Cash, Ending	<u>\$ 2,438,615.67</u>	<u>\$ 2,381,791.44</u>		

CITY OF COFFEYVILLE, KANSAS
COMMUNITY DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Principal Payments	\$ 633.10	\$ -	\$ 13,986.00	\$ (13,986.00)
Interest Payments	91.90	-	200.00	(200.00)
Late Fees	75.00	-	-	-
Sale of Property	15,355.08	-	-	-
Total Receipts	16,155.08	-	\$ 14,186.00	\$ (14,186.00)
Expenditures				
Development Projects				
Contractual Services	100.00	100.00	\$ 100.00	\$ -
Total Expenditures	100.00	100.00	\$ 100.00	\$ -
Receipts Over(Under) Expenditures	16,055.08	(100.00)		
Unencumbered Cash, Beginning	202,700.25	218,755.33		
Unencumbered Cash, Ending	\$ 218,755.33	\$ 218,655.33		

CITY OF COFFEYVILLE, KANSAS
AIRPORT HOLDING FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Rental Income	\$ 32,467.00	\$ 46,937.12	\$ 46,232.00	\$ 705.12
Royalties	-	5,047.50	5,000.00	47.50
Total Receipts	<u>32,467.00</u>	<u>51,984.62</u>	<u>\$ 51,232.00</u>	<u>\$ 752.62</u>
Expenditures				
General Government				
Contractual Services	40,492.49	26,164.71	\$ 22,004.00	\$ 4,160.71
Commodities	1,475.46	1,198.35	2,740.00	(1,541.65)
Capital Outlay	-	3,187.11	10,000.00	(6,812.89)
Total Expenditures	<u>41,967.95</u>	<u>30,550.17</u>	<u>\$ 34,744.00</u>	<u>\$ (4,193.83)</u>
Receipts Over(Under) Expenditures	(9,500.95)	21,434.45		
Unencumbered Cash, Beginning	<u>25,191.35</u>	<u>15,690.40</u>		
Unencumbered Cash, Ending	<u>\$ 15,690.40</u>	<u>\$ 37,124.85</u>		

CITY OF COFFEYVILLE, KANSAS
RISK MANAGEMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ -	\$ 4.94
Other Receipts		
Reimbursed Expense	328,920.05	357,482.00
Operating Transfers from:		
Electric Utility Fund	348,201.44	302,612.67
General Fund	827,148.76	789,873.87
Water and Sewer Utility Fund	236,700.08	242,242.20
Stormwater Utility Fund	18,000.00	18,248.00
Internet Utility Fund	11,700.00	11,861.20
Golf Course Fund	27,000.00	27,372.00
Total Receipts	<u>1,797,670.33</u>	<u>1,749,696.88</u>
Expenditures		
General Government		
Contractual Services	<u>1,858,817.77</u>	<u>1,893,197.22</u>
Total Expenditures	<u>1,858,817.77</u>	<u>1,893,197.22</u>
Receipts Over(Under) Expenditures	(61,147.44)	(143,500.34)
Unencumbered Cash, Beginning	<u>1,092,072.08</u>	<u>1,030,924.64</u>
Unencumbered Cash, Ending	<u>\$ 1,030,924.64</u>	<u>\$ 887,424.30</u>

CITY OF COFFEYVILLE, KANSAS
GOLF COURSE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Golf Course Sheds	\$ 14,128.03	\$ 15,666.56	\$ 16,000.00	\$ (333.44)
Membership Fees	69,291.60	56,603.85	-	56,603.85
Green Fees	90,159.12	81,714.08	155,000.00	(73,285.92)
Golf Cart Fees	39,835.45	34,064.88	38,250.00	(4,185.12)
Pro Shop	12,067.10	16,374.79	-	16,374.79
Sales Tax	9,028.64	8,170.70	-	8,170.70
Driving Range	5,381.30	4,403.00	8,000.00	(3,597.00)
Concessions	45,105.63	40,411.41	55,000.00	(14,588.59)
Rent	640.00	120.00	1,000.00	(880.00)
Other Fees	261.65	424.10	-	424.10
Other Receipts				
Miscellaneous Income	3,893.25	(58.40)	8,350.00	(8,408.40)
Reimbursed Expense	3,543.55	2,951.56	-	2,951.56
Operating Transfers from:				
Electric Surplus Fund	5,000.00	-	45,000.00	(45,000.00)
Water and Sewer Utility Fund	-	25,000.00	-	25,000.00
Total Receipts	298,335.32	285,846.53	\$ 326,600.00	\$ (40,753.47)
Expenditures				
Culture and Recreation				
Personal Services	145,271.96	135,207.81	\$ 186,405.00	\$ (51,197.19)
Contractual Services	45,760.07	44,008.56	52,382.00	(8,373.44)
Commodities	91,233.58	79,270.61	92,925.00	(13,654.39)
Capital Outlay	784.75	1,412.91	800.00	612.91
Operating Transfers to				
Risk Management Fund	27,000.00	27,372.00	-	27,372.00
Total Expenditures	310,050.36	287,271.89	\$ 332,512.00	\$ (45,240.11)
Receipts Over(Under) Expenditures	(11,715.04)	(1,425.36)		
Unencumbered Cash, Beginning	16,214.06	4,499.02		
Unencumbered Cash, Ending	\$ 4,499.02	\$ 3,073.66		

CITY OF COFFEYVILLE, KANSAS
YOUTH ACTIVITIES CENTER FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Rental Income	\$ 5,360.00	\$ 5,000.00	\$ 8,500.00	\$ (3,500.00)
Other Receipts				
Miscellaneous Income	2.84	-	75.00	(75.00)
Reimbursed Expense	8,386.16	8,159.81	9,402.00	(1,242.19)
Operating Transfers from				
Electric Surplus Fund	-	-	25,000.00	(25,000.00)
Total Receipts	13,749.00	13,159.81	\$ 42,977.00	\$ (29,817.19)
Expenditures				
Culture and Recreation				
Personal Services	1,462.88	20.48	\$ 27,677.00	\$ (27,656.52)
Contractual Services	8,795.61	9,625.80	15,457.00	(5,831.20)
Commodities	45.00	412.49	1,190.00	(777.51)
Capital Outlay	-	11,842.00	-	11,842.00
Total Expenditures	10,303.49	21,900.77	\$ 44,324.00	\$ (22,423.23)
Receipts Over(Under) Expenditures	3,445.51	(8,740.96)		
Unencumbered Cash, Beginning	20,124.51	23,570.02		
Unencumbered Cash, Ending	\$ 23,570.02	\$ 14,829.06		

CITY OF COFFEYVILLE, KANSAS
POLICE VIN FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Vehicle Inspection Fees	\$ 19,960.00	\$ 17,880.00	\$ 19,500.00	\$ (1,620.00)
Total Receipts	19,960.00	17,880.00	\$ 19,500.00	\$ (1,620.00)
Expenditures				
Public Safety				
Contractual Services	11,745.00	1,914.55	\$ 4,525.00	\$ (2,610.45)
Commodities	-	235.30	250.00	(14.70)
Capital Outlay	-	10,042.60	12,000.00	(1,957.40)
Total Expenditures	11,745.00	12,192.45	\$ 16,775.00	\$ (4,582.55)
Receipts Over(Under) Expenditures	8,215.00	5,687.55		
Unencumbered Cash, Beginning	3,756.00	11,971.00		
Unencumbered Cash, Ending	\$ 11,971.00	\$ 17,658.55		

CITY OF COFFEYVILLE, KANSAS
AQUATIC CENTER OPERATIONS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Pool Admissions	\$ 43,069.50	\$ 45,671.25	\$ 52,700.00	\$ (7,028.75)
Concessions	29,311.81	27,321.79	28,000.00	(678.21)
Sales Tax	2,665.96	2,499.92	-	2,499.92
Other Receipts				
Miscellaneous	5.13	(53.56)	2,600.00	(2,653.56)
Reimbursed Expense	60.05	61.04	-	61.04
Operating Transfers from:				
Electric Surplus Fund	33,500.00	-	40,000.00	(40,000.00)
Water and Sewer Utility Fund	-	30,000.00	-	30,000.00
Total Receipts	108,612.45	105,500.44	\$ 123,300.00	\$ (17,799.56)
Expenditures				
Culture and Recreation				
Personal Services	64,049.61	55,645.59	\$ 62,138.00	\$ (6,492.41)
Contractual Services	10,353.99	12,065.41	12,588.00	(522.59)
Commodities	35,170.39	26,424.37	36,175.00	(9,750.63)
Capital Outlay	5,051.64	10,407.32	7,400.00	3,007.32
Total Expenditures	114,625.63	104,542.69	\$ 118,301.00	\$ (13,758.31)
Receipts Over(Under) Expenditures	(6,013.18)	957.75		
Unencumbered Cash, Beginning	10,293.54	4,280.36		
Unencumbered Cash, Ending	\$ 4,280.36	\$ 5,238.11		

CITY OF COFFEYVILLE, KANSAS
BUSINESS DEVELOPMENT TRAINING CENTER FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Rental of Building	\$ 38,080.01	\$ -	\$ 28,560.00	\$ (28,560.00)
Other Receipts				
Reimbursed Expense	3,200.00	3,200.00	3,200.00	-
Total Receipts	<u>41,280.01</u>	<u>3,200.00</u>	<u>\$ 31,760.00</u>	<u>\$ (28,560.00)</u>
Expenditures				
General Government				
Contractual Services	19,869.27	20,026.12	\$ 21,809.00	\$ (1,782.88)
Total Expenditures	<u>19,869.27</u>	<u>20,026.12</u>	<u>\$ 21,809.00</u>	<u>\$ (1,782.88)</u>
Receipts Over(Under) Expenditures	21,410.74	(16,826.12)		
Unencumbered Cash, Beginning	<u>166,196.83</u>	<u>187,607.57</u>		
Unencumbered Cash, Ending	<u>\$ 187,607.57</u>	<u>\$ 170,781.45</u>		

CITY OF COFFEYVILLE, KANSAS
BUSINESS DEVELOPMENT TRAINING CENTER RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Rental of Building	\$ -	\$ -
Total Receipts	-	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	57,198.04	57,198.04
Unencumbered Cash, Ending	\$ 57,198.04	\$ 57,198.04

CITY OF COFFEYVILLE, KANSAS
VETERANS MEMORIAL STADIUM FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Other Receipts				
Reimbursed Expense	\$ 12,523.62	\$ 8,904.97	\$ 13,999.00	\$ (5,094.03)
Total Receipts	<u>12,523.62</u>	<u>8,904.97</u>	<u>\$ 13,999.00</u>	<u>\$ (5,094.03)</u>
Expenditures				
Culture and Recreation				
Contractual Services	12,173.30	8,579.97	\$ 13,999.00	\$ (5,419.03)
Total Certified Budget			<u>13,999.00</u>	<u>(5,419.03)</u>
Adjustments for Qualifying Budget Credits			<u>8,904.97</u>	<u>(8,904.97)</u>
Total Expenditures	<u>12,173.30</u>	<u>8,579.97</u>	<u>\$ 22,903.97</u>	<u>\$ (14,324.00)</u>
Receipts Over(Under) Expenditures	350.32	325.00		
Unencumbered Cash, Beginning	<u>30,611.08</u>	<u>30,961.40</u>		
Unencumbered Cash, Ending	<u>\$ 30,961.40</u>	<u>\$ 31,286.40</u>		

CITY OF COFFEYVILLE, KANSAS
VETERANS MEMORIAL STADIUM DEPRECIATION AND REPLACEMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Maintenance Fees	\$ 50,000.00	\$ 50,000.00
Operating Transfer from Electric Surplus Fund	25,000.00	25,000.00
Total Receipts	<u>75,000.00</u>	<u>75,000.00</u>
Expenditures		
Culture and Recreation		
Contractual Services	22,171.23	6,900.00
Capital Outlay	-	21,244.42
Total Expenditures	<u>22,171.23</u>	<u>28,144.42</u>
Receipts Over(Under) Expenditures	52,828.77	46,855.58
Unencumbered Cash, Beginning	<u>109,960.27</u>	<u>162,789.04</u>
Unencumbered Cash, Ending	<u>\$ 162,789.04</u>	<u>\$ 209,644.62</u>

CITY OF COFFEYVILLE, KANSAS
USD #445 SALES TAX FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from General Fund	\$ 880,678.37	\$ 885,774.95	\$ 899,475.00	\$ (13,700.05)
Total Receipts	<u>880,678.37</u>	<u>885,774.95</u>	<u>\$ 899,475.00</u>	<u>\$ (13,700.05)</u>
Expenditures				
Culture and Recreation Appropriation to USD #445	1,285,218.00	1,201,086.00	\$ 1,275,000.00	\$ (73,914.00)
Total Expenditures	<u>1,285,218.00</u>	<u>1,201,086.00</u>	<u>\$ 1,275,000.00</u>	<u>\$ (73,914.00)</u>
Receipts Over(Under) Expenditures	(404,539.63)	(315,311.05)		
Unencumbered Cash, Beginning	<u>1,654,762.24</u>	<u>1,250,222.61</u>		
Unencumbered Cash, Ending	<u>\$ 1,250,222.61</u>	<u>\$ 934,911.56</u>		

CITY OF COFFEYVILLE, KANSAS
CRMC SALES TAX FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from General Fund	\$ 880,678.37	\$ 885,774.95	\$ 899,475.00	\$ (13,700.05)
Total Receipts	<u>880,678.37</u>	<u>885,774.95</u>	<u>\$ 899,475.00</u>	<u>\$ (13,700.05)</u>
Expenditures				
Culture and Recreation Appropriation to Coffeyville Regional Medical Center	558,806.07	555,902.13	\$ 1,000,000.00	\$ (444,097.87)
Total Expenditures	<u>558,806.07</u>	<u>555,902.13</u>	<u>\$ 1,000,000.00</u>	<u>\$ (444,097.87)</u>
Receipts Over(Under) Expenditures	321,872.30	329,872.82		
Unencumbered Cash, Beginning	<u>1,399,576.78</u>	<u>1,721,449.08</u>		
Unencumbered Cash, Ending	<u>\$ 1,721,449.08</u>	<u>\$ 2,051,321.90</u>		

CITY OF COFFEYVILLE, KANSAS
1/2 CENT SALES TAX IRB DEBT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from General Fund	\$ 63,443.19	\$ -
Total Receipts	63,443.19	-
Expenditures		
Debt Service		
Bond Principal	405,000.00	-
Bond Interest	15,187.50	-
Commissions and Postage	-	-
Total Expenditures	420,187.50	-
Receipts Over(Under) Expenditures	(356,744.31)	-
Unencumbered Cash, Beginning	356,744.31	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF COFFEYVILLE, KANSAS
G.O. BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
Electric Surplus Fund	\$ 166,215.00	\$ 162,840.00	\$ 162,840.00	\$ -
Water and Sewer Utility Fund	100,000.00	100,000.00	100,000.00	-
Total Receipts	266,215.00	262,840.00	\$ 262,840.00	\$ -
Expenditures				
Debt Service				
Bond Principal	150,000.00	150,000.00	\$ 150,000.00	\$ -
Bond Interest	116,215.00	112,840.00	112,840.00	-
Total Expenditures	266,215.00	262,840.00	\$ 262,840.00	\$ -
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	17,604.83	17,604.83		
Unencumbered Cash, Ending	\$ 17,604.83	\$ 17,604.83		

CITY OF COFFEYVILLE, KANSAS
MISCELLANEOUS PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Federal Grants - ESG	\$ 29,006.00	\$ 28,797.00
Federal Grants - Brownfield	-	74,648.08
Federal Grants - NSP	302,085.47	-
Use of Money and Property		
Community Development Loans		
Principal Payments	4,623.20	3,334.82
Interest Payments	3,823.80	4,474.18
Late Fees	80.00	45.00
Sale of Property	138,901.39	159,353.19
Other Receipts		
Reimbursed Expense	10,345.47	7,093.94
Total Receipts	488,865.33	277,746.21
Expenditures		
Capital Improvements		
Capital Outlay	337,713.22	118,753.17
Total Expenditures	337,713.22	118,753.17
Receipts Over(Under) Expenditures	151,152.11	158,993.04
Unencumbered Cash, Beginning	35,316.85	186,468.96
Unencumbered Cash, Ending	<u>\$ 186,468.96</u>	<u>\$ 345,462.00</u>

CITY OF COFFEYVILLE, KANSAS
AIRPORT SPECIAL PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipts		
Federal Grants - FAA	\$ 208,569.00	\$ 59,370.00
Operating Transfers from Electric Surplus Fund	52,000.00	-
Total Receipts	260,569.00	59,370.00
Expenditures		
Capital Improvements		
Capital Outlay	287,733.38	-
Operating Transfers to Electric Surplus Fund	-	52,000.00
Total Expenditures	287,733.38	52,000.00
Receipts Over(Under) Expenditures	(27,164.38)	7,370.00
Unencumbered Cash, Beginning	27,964.82	800.44
Unencumbered Cash, Ending	\$ 800.44	\$ 8,170.44

CITY OF COFFEYVILLE, KANSAS
GOLF COURSE DEPRECIATION AND REPLACEMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 451.55	\$ 551.30
Total Receipts	451.55	551.30
Expenditures		
Capital Improvements		
Capital Outlay	9,000.00	13,499.02
Total Expenditures	9,000.00	13,499.02
Receipts Over(Under) Expenditures	(8,548.45)	(12,947.72)
Unencumbered Cash, Beginning	37,444.33	28,895.88
Unencumbered Cash, Ending	\$ 28,895.88	\$ 15,948.16

CITY OF COFFEYVILLE, KANSAS
LAW ENFORCEMENT PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants - JAG	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Operating Transfers to General Fund	510.66	-
Total Expenditures	510.66	-
Receipts Over(Under) Expenditures	(510.66)	-
Unencumbered Cash, Beginning	510.66	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF COFFEYVILLE, KANSAS
ELECTRIC BOND PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Bond Proceeds	\$ -	\$ 58,083,672.68
Interest Income	-	117,372.45
Other Receipts		
Reimbursed Expense	-	513.41
Total Receipts	-	58,201,558.54
Expenditures		
Capital Improvements		
Capital Outlay	-	54,723,919.30
Debt Service		
Cost of Issuance	-	238,326.10
Total Expenditures	-	54,962,245.40
Receipts Over(Under) Expenditures	-	3,239,313.14
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 3,239,313.14

CITY OF COFFEYVILLE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Sale of Electricity				
General Sales	\$ 23,968,774.23	\$ 21,792,990.52	\$ 58,019,420.00	\$ (36,226,429.48)
Coffeyville Resources	36,438,487.51	33,242,690.99	3,090,140.00	30,152,550.99
Turn on & Turn off	15,160.00	16,650.00	6,500.00	10,150.00
Late Fees	118,647.71	99,166.01	140,000.00	(40,833.99)
Other Charges	1,575.47	1,683.24	-	1,683.24
Use of Money and Property				
Rental of Property	16,832.00	16,832.00	18,000.00	(1,168.00)
Sale of Scrap	9,962.85	3,138.00	5,000.00	(1,862.00)
Interest Income	24,983.79	46,413.59	160,000.00	(113,586.41)
Intergovernmental				
Federal Grants - FEMA	13,800.30	-	-	-
State Grants - FEMA	1,840.04	-	-	-
Other Receipts				
Insurance Proceeds	645,755.36	-	-	-
Reimbursed Expense	90,844.84	49,313.69	397,596.00	(348,282.31)
Bad Debt Recovery	964.16	570.66	-	570.66
Miscellaneous	1,895.06	1,361.65	1,680.00	(318.35)
Total Receipts	61,349,523.32	55,270,810.35	\$ 61,838,336.00	\$ (6,567,525.65)
Expenditures				
Distribution				
Personal Services	990,772.35	917,831.08	\$ 1,250,343.00	\$ (332,511.92)
Contractual Services	354,176.05	472,414.82	310,800.00	161,614.82
Commodities	131,849.86	151,836.38	111,950.00	39,886.38
Capital Outlay	206,773.44	276,171.48	265,000.00	11,171.48
Transmission				
Personal Services	109,213.53	121,496.42	90,382.00	31,114.42
Contractual Services	1,242,192.60	1,017,766.46	1,417,650.00	(399,883.54)
Commodities	835.93	1,428.31	1,410.00	18.31
Capital Outlay	2,175.00	1,940.25	-	1,940.25
Generation				
Personal Services	1,147,034.41	1,122,259.33	1,136,184.00	(13,924.67)
Contractual Services	369,128.15	371,838.82	385,650.00	(13,811.18)
Commodities	13,970,717.99	11,160,078.80	14,853,290.00	(3,693,211.20)
Capital Outlay	12,400.71	69,066.24	31,750.00	37,316.24

CITY OF COFFEYVILLE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
General and Administrative				
Personal Services	\$ 227,425.70	\$ 236,373.80	\$ 286,319.00	\$ (49,945.20)
Contractual Services	333,826.27	358,776.32	365,732.00	(6,955.68)
Commodities	5,153.61	3,592.18	6,530.00	(2,937.82)
Capital Outlay	899.01	1,747.02	1,000.00	747.02
Industries - Coffeyville Resources				
Contractual Services	2,924,468.05	3,041,955.20	2,262,106.00	779,849.20
Commodities	31,765,369.85	27,965,759.45	30,790,964.00	(2,825,204.55)
Operating Transfers to:				
General Fund	2,850,576.41	2,610,726.01	3,003,946.00	(393,219.99)
Risk Management Fund	348,201.44	302,612.67	-	302,612.67
Electric Debt Service Fund	643,692.11	1,113,210.96	1,115,211.00	(2,000.04)
Electric Surplus Fund	568,428.00	212,840.00	1,069,629.00	(856,789.00)
Electric R & I Reserves Fund	1,655,000.00	1,655,000.00	1,655,000.00	-
Total Expenditures	59,860,310.47	53,186,722.00	\$ 60,410,846.00	\$ (7,224,124.00)
Receipts Over(Under) Expenditures	1,489,212.85	2,084,088.35		
Unencumbered Cash, Beginning	429,079.90	1,918,292.75		
Unencumbered Cash, Ending	\$ 1,918,292.75	\$ 4,002,381.10		

CITY OF COFFEYVILLE, KANSAS
ELECTRIC R & I RESERVES FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Insurance Proceeds	\$ 236,244.16	\$ -
Reimbursed Expense	87,135.20	24,170.31
Operating Transfers from Electric Utility Fund	1,655,000.00	1,655,000.00
Total Receipts	1,978,379.36	1,679,170.31
Expenditures		
General Government		
Contractual Services	170,402.19	793,542.05
Commodities	-	2,376.84
Capital Outlay	199,610.62	270,830.70
Total Expenditures	370,012.81	1,066,749.59
Receipts Over(Under) Expenditures	1,608,366.55	612,420.72
Unencumbered Cash, Beginning	3,653,076.54	5,261,443.09
Unencumbered Cash, Ending	\$ 5,261,443.09	\$ 5,873,863.81

CITY OF COFFEYVILLE, KANSAS
ELECTRIC DEBT SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Bond Proceeds	\$ -	\$ 15,579,501.32	\$ 15,579,501.00	\$ 0.32
Operating Transfers from				
Electric Utility Fund	643,692.11	1,113,210.96	1,113,211.00	(0.04)
Total Receipts	643,692.11	16,692,712.28	\$ 16,692,712.00	\$ 0.28
Expenditures				
Debt Service				
Bond Principal	320,000.00	10,800,000.00	\$ 10,800,000.00	\$ -
Bond Interest	158,233.65	1,386,620.76	1,386,621.00	(0.24)
Bond Issuance Costs	-	1,201,205.45	1,243,213.00	(42,007.55)
Lease Purchase Principal	82,830.22	87,023.50	87,024.00	(0.50)
Lease Purchase Interest	72,628.24	68,434.96	68,435.00	(0.04)
Total Expenditures	633,692.11	13,543,284.67	\$ 13,585,293.00	\$ (42,008.33)
Receipts Over(Under) Expenditures	10,000.00	3,149,427.61		
Unencumbered Cash, Beginning	156,068.88	166,068.88		
Unencumbered Cash, Ending	\$ 166,068.88	\$ 3,315,496.49		

CITY OF COFFEYVILLE, KANSAS
ELECTRIC SURPLUS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from:		
Electric Utility Fund	\$ 568,428.00	\$ 212,840.00
Airport Special Projects Fund	-	52,000.00
Total Receipts	<u>568,428.00</u>	<u>264,840.00</u>
Expenditures		
Operating Transfers to:		
Airport Special Projects Fund	52,000.00	-
Aquatic Operations Center Fund	33,500.00	-
Veterans Memorial Stadium Depreciation and Replacement Fund	25,000.00	25,000.00
Golf Course Fund	5,000.00	-
G.O. Bond and Interest Fund	166,215.00	162,840.00
Total Expenditures	<u>281,715.00</u>	<u>187,840.00</u>
Receipts Over(Under) Expenditures	286,713.00	77,000.00
Unencumbered Cash, Beginning	<u>1,600,279.60</u>	<u>1,886,992.60</u>
Unencumbered Cash, Ending	<u>\$ 1,886,992.60</u>	<u>\$ 1,963,992.60</u>

CITY OF COFFEYVILLE, KANSAS
WATER AND SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 3,481,214.31	\$ 3,248,690.60	\$ 3,198,283.00	\$ 50,407.60
Sewer Charges	2,799,249.76	2,717,749.77	2,580,873.00	136,877.00
Late Fees	44,469.52	40,545.14	43,000.00	(2,455.00)
Turn on & Turn off	16,075.00	14,475.00	13,000.00	1,475.00
Other Charges	39,460.38	26,424.71	14,200.00	12,225.00
Use of Money and Property				
Interest Income	25,861.92	26,647.22	25,000.00	1,647.00
Sale of Scrap and Equipment	3,774.80	1,104.00	2,000.00	(896.00)
Other Receipts				
Miscellaneous	525.00	2,125.00	15,000.00	(12,875.00)
Reimbursed Expense	5,614.06	27,623.06	2,800.00	24,823.00
Total Receipts	6,416,244.75	6,105,384.50	\$ 5,894,156.00	\$ 211,228.60
Expenditures				
Water Distribution				
Personal Services	503,466.82	517,852.89	\$ 677,317.00	\$ (159,464.11)
Contractual Services	31,065.04	25,128.23	26,721.00	(1,592.77)
Commodities	109,611.73	131,843.03	118,575.00	13,268.03
Capital Outlay	39,310.35	76,920.58	53,400.00	23,520.58
Water Treatment				
Personal Services	404,383.91	357,206.58	411,591.00	(54,384.42)
Contractual Services	188,705.18	245,824.12	222,596.00	23,228.12
Commodities	248,245.19	258,071.53	210,500.00	47,571.53
Capital Outlay	1,989.19	21,362.82	14,825.00	6,537.82
Water General				
Personal Services	23,487.56	24,709.52	34,235.00	(9,525.48)
Contractual Services	145,233.95	130,195.09	156,980.00	(26,784.91)
Commodities	2,666.55	2,474.29	2,750.00	(275.71)
Capital Outlay	-	-	200.00	(200.00)
Sewer Collections				
Personal Services	154,984.64	126,101.47	162,422.00	(36,320.53)
Contractual Services	33,097.47	25,434.42	15,705.00	9,729.42
Commodities	27,268.57	19,857.41	29,150.00	(9,292.59)
Capital Outlay	17,237.72	11,488.14	18,325.00	(6,836.86)

CITY OF COFFEYVILLE, KANSAS
WATER AND SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Sewer Treatment				
Personal Services	\$ 410,125.05	\$ 390,651.33	\$ 460,047.00	\$ (69,395.67)
Contractual Services	53,946.82	47,145.96	56,064.00	(8,918.04)
Commodities	25,425.67	22,021.18	26,800.00	(4,778.82)
Capital Outlay	2,634.66	9,491.08	17,700.00	(8,208.92)
Sewer General				
Personal Services	23,487.55	24,709.38	34,235.00	(9,525.62)
Contractual Services	84,801.14	58,792.22	100,415.00	(41,622.78)
Commodities	550.00	-	500.00	(500.00)
Capital Outlay	-	-	200.00	(200.00)
Operating Transfers to:				
General Fund	703,713.64	676,119.44	776,119.00	(99,999.56)
G.O. Bond and Interest Fund	100,000.00	100,000.00	100,000.00	-
Water and Sewer Depreciation and Replacement Fund	500,000.00	500,000.00	500,000.00	-
Water and Sewer Debt Service Fund	1,161,514.39	1,161,514.35	1,161,514.00	0.35
Water and Sewer Restricted Reserve Fund	400,000.00	400,000.00	400,000.00	-
Aquatic Center Operations Fund	-	30,000.00	-	30,000.00
Golf Course Fund	-	25,000.00	-	25,000.00
Risk Management Fund	236,700.08	242,242.20	-	242,242.20
Total Certified Budget			5,788,886.00	(126,728.74)
Adjustments for Qualifying Budget Credits			27,623.06	(27,623.06)
Total Expenditures	5,633,652.87	5,662,157.26	\$ 5,816,509.06	\$ (154,351.80)
Receipts Over(Under) Expenditures	782,591.88	443,227.24		
Unencumbered Cash, Beginning	1,108,808.02	1,891,399.90		
Unencumbered Cash, Ending	\$ 1,891,399.90	\$ 2,334,627.14		

CITY OF COFFEYVILLE, KANSAS
WATER AND SEWER DEPRECIATION AND REPLACEMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Reimbursed Expense	\$ 14,286.84	\$ 14,286.83
Operating Transfers from Water and Sewer Utility Fund	500,000.00	500,000.00
Total Receipts	514,286.84	514,286.83
Expenditures		
Public Works		
Contractual Services	23,051.35	86,460.12
Capital Outlay	134,211.76	77,279.65
Total Expenditures	157,263.11	163,739.77
Receipts Over(Under) Expenditures	357,023.73	350,547.06
Unencumbered Cash, Beginning	2,301,533.90	2,658,557.63
Unencumbered Cash, Ending	\$ 2,658,557.63	\$ 3,009,104.69

CITY OF COFFEYVILLE, KANSAS
WATER AND SEWER DEBT SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from Water and Sewer Utility Fund	\$ 1,161,514.39	\$ 1,161,514.35	\$ 1,161,514.00	\$ 0.35
Total Receipts	<u>1,161,514.39</u>	<u>1,161,514.35</u>	<u>\$ 1,161,514.00</u>	<u>\$ 0.35</u>
Expenditures				
Debt Service				
Bond Principal	930,470.87	954,248.53	\$ 954,249.00	\$ (0.47)
Bond Interest	234,380.95	206,665.79	206,665.00	0.79
Commissions and Postage	-	-	600.00	(600.00)
Total Expenditures	<u>1,164,851.82</u>	<u>1,160,914.32</u>	<u>\$ 1,161,514.00</u>	<u>\$ (599.68)</u>
Receipts Over(Under) Expenditures	(3,337.43)	600.03		
Unencumbered Cash, Beginning	<u>261,843.16</u>	<u>258,505.73</u>		
Unencumbered Cash, Ending	<u>\$ 258,505.73</u>	<u>\$ 259,105.76</u>		

CITY OF COFFEYVILLE, KANSAS
WATER AND SEWER RESTRICTED RESERVE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Water and Sewer Utility Fund	\$ 400,000.00	\$ 400,000.00
Total Receipts	400,000.00	400,000.00
Expenditures		
General Government Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	400,000.00	400,000.00
Unencumbered Cash, Beginning	400,000.00	800,000.00
Unencumbered Cash, Ending	\$ 800,000.00	\$ 1,200,000.00

CITY OF COFFEYVILLE, KANSAS
STORMWATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Stormwater Sales	\$ 316,563.63	\$ 475,121.47	\$ 460,980.00	\$ 14,141.47
Late Charges	1,378.30	1,992.39	750.00	1,242.39
Intergovernmental				
Federal Grants - FEMA	21,988.63	-	-	-
Other Receipts				
Reimbursed Expense	10,000.00	1,665.71	5,000.00	(3,334.29)
Total Receipts	349,930.56	478,779.57	\$ 466,730.00	\$ 12,049.57
Expenditures				
Public Works				
Personal Services	97,320.06	103,534.77	\$ 123,154.00	\$ (19,619.23)
Contractual Services	13,867.79	15,645.83	11,540.00	4,105.83
Commodities	20,011.09	18,077.62	21,145.00	(3,067.38)
Capital Outlay	14,102.84	6,581.44	1,500.00	5,081.44
Debt Service				
Loan Payment-Interest/Principal	-	-	28,000.00	(28,000.00)
Operating Transfers to:				
Risk Management Fund	18,000.00	18,248.00	-	18,248.00
Stormwater Depreciation and Replacement Fund	151,830.00	264,306.00	305,490.00	(41,184.00)
Total Expenditures	315,131.78	426,393.66	\$ 490,829.00	\$ (64,435.34)
Receipts Over(Under) Expenditures	34,798.78	52,385.91		
Unencumbered Cash, Beginning	66,943.52	101,742.30		
Unencumbered Cash, Ending	<u>\$ 101,742.30</u>	<u>\$ 154,128.21</u>		

CITY OF COFFEYVILLE, KANSAS
STORMWATER DEPRECIATION AND REPLACEMENT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Stormwater Utility Fund	\$ 151,830.00	\$ 264,306.00
Total Receipts	151,830.00	264,306.00
Expenditures		
Public Works Contractual Services	528.00	528.00
Total Expenditures	528.00	528.00
Receipts Over(Under) Expenditures	151,302.00	263,778.00
Unencumbered Cash, Beginning	53,035.85	204,337.85
Unencumbered Cash, Ending	\$ 204,337.85	\$ 468,115.85

CITY OF COFFEYVILLE, KANSAS
REFUSE/TRASH UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Trash Collections	\$ 564,192.22	\$ 561,555.51	\$ 573,876.00	\$ (12,320.49)
Late Charges	8,117.54	7,860.20	8,200.00	(339.80)
Other Receipts				
Reimbursed Expense	33,520.13	39,234.56	20,000.00	19,234.56
Total Receipts	605,829.89	608,650.27	\$ 602,076.00	\$ 6,574.27
Expenditures				
Collections				
Contractual Services	592,960.96	582,213.19	\$ 593,681.00	\$ (11,467.81)
Commodities	5,512.73	3,500.00	3,500.00	-
Capital Outlay	2,066.23	-	-	-
Total Expenditures	600,539.92	585,713.19	\$ 597,181.00	\$ (11,467.81)
Receipts Over(Under) Expenditures	5,289.97	22,937.08		
Unencumbered Cash, Beginning	196,136.74	201,426.71		
Unencumbered Cash, Ending	\$ 201,426.71	\$ 224,363.79		

CITY OF COFFEYVILLE, KANSAS
INTERNET UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Internet Charges	\$ 197,634.50	\$ 195,521.75	\$ 200,000.00	\$ (4,478.25)
Installation Charges	-	125.00	1,025.00	(900.00)
Service Calls	1,475.00	1,095.00	1,400.00	(305.00)
Late Charges	1,463.41	1,535.78	1,500.00	35.78
Turn on & Turn off	25.00	25.00	50.00	(25.00)
Intergovernmental				
Federal Grants - FEMA	1,115.18	-	-	-
Other Receipts				
Reimbursed Expense	-	15.76	16.00	-
Total Receipts	201,713.09	198,318.29	\$ 203,991.00	\$ (5,672.47)
Expenditures				
Connections				
Personal Services	70,255.00	84,778.17	\$ 98,516.00	\$ (13,737.83)
Contractual Services	112,176.60	90,825.30	92,563.00	(1,737.70)
Commodities	1,890.88	1,727.29	2,110.00	(382.71)
Capital Outlay	12,558.43	48,509.74	56,570.00	(8,060.26)
Operating Transfers to				
Risk Management Fund	11,700.00	11,861.20	-	11,861.20
Total Expenditures	208,580.91	237,701.70	\$ 249,759.00	\$ (12,057.30)
Receipts Over(Under) Expenditures	(6,867.82)	(39,383.41)		
Unencumbered Cash, Beginning	105,491.06	98,623.24		
Unencumbered Cash, Ending	\$ 98,623.24	\$ 59,239.83		

CITY OF COFFEYVILLE, KANSAS
METER DEPOSIT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Meter Deposits	\$ 116,159.00	\$ 114,404.86
Total Receipts	116,159.00	114,404.86
Expenditures		
Meter Deposit Refunds	116,159.00	114,404.86
Total Expenditures	116,159.00	114,404.86
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF COFFEYVILLE, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2015

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Fire Insurance Proceeds	\$ 5,724.59	\$ -	\$ -	\$ 5,724.59
Sales Tax	16,544.79	648,196.71	662,865.23	1,876.27
Perpetual Care	50,001.92	78,737.75	13,625.81	115,113.86
Drug Forfeitures	70,655.30	9,363.43	38,218.79	41,799.94
	<u>\$ 142,926.60</u>	<u>\$ 736,297.89</u>	<u>\$ 714,709.83</u>	<u>\$ 164,514.66</u>

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

	<u>Date Expires</u>	<u>Amount</u>
Power Industries Insurance Coverage		
Insurer: Federal Insurance Company		
Electric Plant (construction in process)		
Coverages:		
Construction Works	10/01/2016	\$ 58,000,000.00
Soft Costs		4,200,000.00
Deductible:		50,000.00
Premium:		279,000.00
Power Industries Insurance Coverage		
Insurer: Federal Insurance Company		
Electric Generation and Distribution (existing system)		
Coverages:		
Personal Property	09/01/2016	6,858,859.00
Building		15,378,021.00
Property in the Open		46,403,044.00
Stock		2,393,781.00
Deductible:		25,000.00
Premium:		261,170.00

Total electric and water users for the beginning and ending of fiscal year 2015 were as follows:

	<u>1/31/2015</u>	<u>12/31/2015</u>
Electric	6,239	6,280



Honorable Mayor and City Commissioners
City of Chanute, Kansas

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

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

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

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

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
June 30, 2016

Jarred, Gilmore & Phillips, PA
CERTIFIED PUBLIC ACCOUNTANTS

412 W. MAIN, P.O. BOX 97
NEODESHA, KANSAS 66757
(620) 325-3430

1815 S. SANTA FE, P.O. BOX 779
CHANUTE, KANSAS 66720
(620) 431-6342

16 W. JACKSON
IOLA, KANSAS 66749
(620) 365-3125

www.jgppa.com