

City of Cunningham

Financial Statement

For the Year Ended December 31, 2016

ATC Accounting

City of Cunningham, Kansas
 Financial Statement
 For the Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Component Units Are Omitted-Separate Entity Financial Statements Have Been Issued

Honorable Mayor and City Council
City of Cunningham
Cunningham, Kansas 67035

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Cunningham, Kansas, as of and for the year ended December 31, 2016 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 to meet the financial reporting requirements of the State of Kansas. 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Cunningham, Kansas to meet the requirements of the State of 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 Cunningham, Kansas as of December 31, 2016, or changes in financial position and cash flows thereof for the year then ended.

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 Cunningham, Kansas as of December 31, 2016, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2016 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, individual fund schedules of regulatory basis receipts and expenditures-actual (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2016 basic financial statement, however are required to be presented under the provision 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 2016 basic financial statement. The 2016 information has been subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 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 2016 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2015 basic financial statement upon which we rendered as unqualified opinion dated July 31, 2016. The 2015 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2015 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statement. The 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.

ATC Accounting

ATC Accounting

July 28, 2017

City of Cunningham, Kansas
 Summary Statement of Receipts, Expenditures, and Encumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	\$ 66,464	\$ 281,376	\$ 280,719	\$ 67,121	\$ 3,209	\$ 70,330
SPECIAL PURPOSE FUNDS:						
Library	-	10,385	10,385	-	-	-
Employee Benefits	-	30,105	25,959	4,146	-	4,146
Special Highway	7,976	12,471	825	19,622	-	19,622
BOND AND INTEREST FUND:						
Bond and Interest	9,215	40,568	44,539	5,244	-	5,244
CAPITAL PROJECT FUNDS:						
Capital Improvement	75,941	495,216	465,042	106,115	430,000	536,115
Equipment Reserve	12,500	8,000	-	20,500	-	20,500
BUSINESS FUNDS:						
Water Utility	26,040	102,978	105,270	23,748	2,580	26,328
Sewer Utility	5,853	57,077	58,882	4,048	1,556	5,604
Total Reporting Entity	<u>\$ 203,989</u>	<u>\$ 1,038,176</u>	<u>\$ 991,621</u>	<u>\$ 250,544</u>	<u>\$ 437,345</u>	<u>\$ 687,889</u>

Cash on hand	\$ 200
Checking Accounts	<u>687,689</u>
Total Reporting Entity	<u><u>\$ 687,889</u></u>

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

City of Cunningham, Kansas
Notes to Financial Statement
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The City of Cunningham is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Cunningham (the municipality).

The related municipal entity is not included in the City's reporting entity even though it was established to benefit the City and/or its constituents.

Library Board - The 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. Complete financial records for the Library Board may be reviewed at their administrative offices.

(b) Regulatory Basis Fund Types

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

Special Purpose 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. water fund, electric fund, etc.).

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted from the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received, an expenditure includes 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 and Agency Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are 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

The City is not aware of any non-compliance with Kansas Statutes.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such an 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.

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutes 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, 2016.

At December 31, 2016, the City's carrying amount of deposits was \$687,689 and the bank balance was \$692,123. The bank balance was held by 2 banks resulting in no concentration of credit risk. Of the bank balance \$692,123 was covered by federal depository insurance and pledged securities.

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.

4. LONG-TERM DEBT

Changes in long-term liabilities for the year ended December 31, 2016, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest/ Service Fees Paid
General Obligation Bond:									
Series 2012	.50-2.20%	11/15/2012	\$ 550,000	12/01/2027	\$ 445,000	\$ -	\$ 35,000	\$ 410,000	\$ 7,745
Temporary Notes Series 2016	3.00%	10/10/2016	430,000	04/17/2017	-	430,000	-	430,000	-
Capital Lease:									
Equipment Lease	4.105%	12/18/2011	42,825	12/18/2016	6,756	-	6,756	-	169
Pumper Fire Truck	3.690%	11/03/2014	44,550	11/03/2018	34,010	-	10,928	23,082	1,255
Total Contractual Indebtedness					\$ 485,766	\$ 430,000	\$ 52,684	\$ 863,082	\$ 9,169

Year	General Obligation Bond		GO Temporary Notes		General Obligation Bond		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2017	\$ 35,000	\$ 7,412	\$ 430,000	\$ 4,206	\$ 11,332	\$ 852	\$ 476,332	\$ 12,470	
2018	35,000	7,080	-	-	11,750	433	46,750	7,513	
2019	35,000	6,590	-	-	-	-	35,000	6,590	
2020	35,000	6,100	-	-	-	-	35,000	6,100	
2021	35,000	5,610	-	-	-	-	35,000	5,610	
2022-2026	195,000	17,145	-	-	-	-	195,000	17,145	
2027-2027	40,000	880	-	-	-	-	40,000	880	
<hr/>									
	\$ 410,000	\$ 50,817	\$ 430,000	\$ 4,206	\$ 23,082	\$ 1,285	\$ 863,082	\$ 56,308	

5. DEFINED BENEFIT 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 Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depend on whether the employee is a Tier 1, Tier 2, or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009 and Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2014. On January 1, 2015, Kansas law increased the KPERS member-employee contribution rate to 6% of covered salary for Tier 1 members. On that date, the Tier 2 member-employee contribution rate remained at 6% of covered salary, and the Tier 3 member contribution rate was established at 6% 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 Tier 1 and Tier 2 be determined annually based on the results of an annual actuarial valuation. Tier 3 Employer credits are established by statute and are based on the member employee's years of service. Tier 1 and Tier 2 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rate (not including the 0.85% contribution rate for the Death and Disability Program) and the statutory contribution rate was 10.48%, for the fiscal year ended December 31, 2016. Contributions to the pension plan from the city were \$5,340 for the year ended December 31, 2016

Net Pension Liability. At December 31, 2016, the city's proportionate share of the collective net pension liability reported by KPERS was \$69,183. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The city's proportion of the net pension liability was based on the ration 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 publicly available on the website at www.kpers.org or can be obtained as described above.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

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.

(b) Compensated Absences

An employee is given one day sick leave for each month of employment. A total of thirty-six days sick leave can be accumulated. Part-time employees and temporary employees are not entitled to sick leave unless agreed to by the City Council. No sick leave exceeding two consecutive days will be allowed unless a statement from a doctor certifies that the sickness prevented the employee from working. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

(c) Other Employee Benefits

Vacation – All full-time employees of the City are entitled to paid vacation. After one full year of employment, employees are entitled to ten working days of paid vacation. At the end of fifteen years employment, employees are entitled to fifteen working days of paid vacation. After twenty years employment, employees are entitled to twenty days of paid vacation. Employees are not allowed to accumulate vacation from year to year. The vacation time is paid at the employee’s regular rate. Unused vacation pay will be paid to employees upon termination, if proper notice of resignation is given.

The cost of accumulated vacation leave is \$0 and will be recorded as expenditures at the time the vacation leave is utilized, as normal personal service expenditures.

Sick Leave - After a 90 day training period, an employee is given ten days sick leave plus 2 personal days each year of employment. A total of sixty days sick leave can be accumulated. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served. Upon termination or resignation, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

7. CLAIMS AND JUDGMENTS

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

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

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

8. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General	Capital Improvements	K.S.A. 12-1,118	30,000
General	Equipment Reserve	K.S.A. 12-1,118	8,000
Water	Debt Service	K.S.A. 12-1,118	17,500

9. RELATED PARTY TRANSACTIONS

David Steffen, City Clerk, was an owner of the Cunningham Courier, a newspaper in the city. Chris Schaller, City Council, is a partner in Flatworks Specialist, a concrete company. Aaron Murphy, City Council, is the assistant manager at Skyland Grain (formerly Cairo Co-op). Eric Meyers, City Council, is the President of First National Bank in Cunningham which is one of the bank depositories. The City conducted business with all four businesses and paid them \$2,910, \$11,734, \$486, and \$207, respectively for services or products.

10. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of the report which is the date at which the financial statement was available to be issued.

CITY OF CUNNINGHAM, KANSAS
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

City of Cunningham, Kansas
 Summary of Expenditures – Actual and Budget
 Regulatory Basis
 (Budgeted Funds Only)
 For the Year Ended December 31, 2016

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 293,064	\$ -	\$ 293,064	\$ 280,719	\$ (12,345)
SPECIAL PURPOSE FUNDS:					
Library	10,678	-	10,678	10,385	(293)
Employee Benefits	33,586	-	33,586	25,959	(7,627)
Special Highway	21,437	-	21,437	825	(20,612)
BOND AND INTEREST FUND:					
Bond and Interest	49,200	-	49,200	44,539	(4,661)
BUSINESS FUNDS:					
Water Utility	127,332	-	127,332	105,270	(22,062)
Sewer Utility	73,999	-	73,999	58,882	(15,117)

City of Cunningham, Kansas
 General Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 101,824	\$ 106,192	\$ 109,616	\$ (3,424)
Delinquent Tax	623	1,878	-	1,878
Motor Vehicle Tax	22,967	21,760	22,284	(524)
Recreational Vehicle Tax	326	364	291	73
16/20M Vehicle Tax	415	307	500	(193)
Commercial Truck Tax	845	948	410	538
Watercraft Tax	66	14	-	14
Franchise Fees	22,909	21,514	21,500	14
Local Sales Tax	49,768	71,898	55,000	16,898
Licenses, Permits, Rent	1,849	1,100	600	500
Charges for Services – Swimming Pool	5,816	6,836	5,000	1,836
Grants and Donations	6,072	306	3,000	(2,694)
Interest on Idle Funds	93	114	-	114
Reimbursements	1,600	100	1,500	(1,400)
Miscellaneous Receipts	2,934	1,030	2,500	(1,470)
Fire Protection	32,500	32,500	32,500	-
Fire Department Grants and Donations	6,274	9,365	2,500	6,865
Sale of Assets	4,100	5,150	-	5,150
Total Receipts	260,981	281,376	\$ 257,201	\$ 24,175
Expenditures				
Salaries and Wages	23,654	39,148	\$ 57,500	\$ (18,352)
Administrative	17,786	26,921	13,500	13,421
Utilities	15,877	15,828	17,500	(1,672)
Insurance	3,643	3,844	11,500	(7,656)
Planning and Zoning	455	1,119	1,500	(381)
Animal Control	1,258	2,973	750	2,223
Trees, Parks, Recreation	24,569	15,342	20,000	(4,658)
Swimming Pool	25,186	30,119	11,000	19,119
Dues and Donations	85	4,340	2,000	2,340
Fuel	1,726	2,409	5,000	(2,591)
Demolition and Solid Waste	3,244	2,410	5,000	(2,590)
Streets and Sidewalks	6,762	17,392	25,000	(7,608)
Maintenance and Repairs	8,809	25,919	20,000	5,919
Fire Department Expenses	36,379	38,423	45,000	(6,577)
Bond Interest	4,039	-	-	-
Neighborhood Revitalization Rebate	6,897	10,409	8,837	1,572
Miscellaneous	1,725	580	3,477	(2,897)

City of Cunningham, Kansas
 General Fund (Cont)
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Capital Outlay	24,180	5,543	8,500	(2,957)
Transfer to Capital Improvements	30,000	30,000	30,000	-
Transfer to Equipment Reserve	12,500	8,000	7,000	1,000
Total Expenditures	<u>248,774</u>	<u>280,719</u>	<u>\$ 293,064</u>	<u>\$ (12,345)</u>
Receipts Over (Under) Expenditures	12,207	657		
Unencumbered Cash , January 1	<u>54,257</u>	<u>66,464</u>		
Unencumbered Cash, December 31	<u>\$ 66,464</u>	<u>\$ 67,121</u>		

City of Cunningham, Kansas
 Library Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016		Variance Over (Under)
	Actual	Actual	Budget	
Receipts				
Ad Valorem Tax	\$ 7,807	\$ 8,405	\$ 8,678	\$ (273)
Delinquent Tax	50	149	-	149
Motor Vehicle Tax	1,939	1,702	1,709	(7)
Recreational Vehicle Tax	27	29	22	7
16/20M Vehicle Tax	33	26	38	(12)
Commercial Vehicle Tax	72	73	31	42
Watercraft Tax	6	1	-	1
Miscellaneous	-	-	200	(200)
Total Receipts	9,934	10,385	\$ 10,678	\$ (293)
Expenditures				
Contractual Services	9,405	9,561	\$ 10,000	\$ (439)
Neighborhood Revitalization Rebate	529	824	678	146
Total Expenditures	9,934	10,385	\$ 10,678	\$ (293)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, January 1	-	-		
Unencumbered Cash, December 31	\$ -	\$ -		

City of Cunningham, Kansas
Employee Benefit Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 20,573	\$ 24,665	\$ 25,460	\$ (795)
Delinquent Tax	165	460	-	460
Motor Vehicle Tax	6,674	4,625	4,504	121
Recreational Vehicle Tax	97	78	59	19
16/20M Vehicle Tax	157	81	101	(20)
Commercial Vehicle Tax	232	193	83	110
Watercraft Tax	17	3	-	3
Miscellaneous	-	-	-	-
Total Receipts	27,915	30,105	\$ 30,207	\$ (102)
Expenditures				
Social Security and Medicare	6,795	8,490	\$ 6,500	\$ 1,990
Insurance	23,156	7,521	18,500	(10,979)
KPERS	6,109	7,405	6,500	905
Unemployment	23	125	300	(175)
Workers Compensation	-	-	-	-
Neighborhood Revitalization Rebate	1,394	2,418	1,786	632
Total Expenditures	37,477	25,959	\$ 33,586	\$ (7,627)
Receipts Over (Under) Expenditures	(9,562)	4,146		
Unencumbered Cash, January 1	9,562	-		
Unencumbered Cash, December 31	\$ -	\$ 4,146		

City of Cunningham, Kansas
 Special Highway Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Special Highway Tax	\$ 12,410	\$ 12,471	\$ 12,360	\$ 111
Miscellaneous	-	-	-	-
Total Receipts	12,410	12,471	\$ 12,360	\$ 111
Expenditures				
Street Repair	16,171	825	\$ 21,437	\$ (20,612)
Receipts Over (Under) Expenditures	(3,761)	11,646		
Unencumbered Cash, January 1	11,737	7,976		
Unencumbered Cash, December 31	\$ 7,976	\$ 19,622		

City of Cunningham, Kansas
 Bond and Interest Fund
 Schedule of Receipts and Expenditures – Actual and Budget
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	\$ 16,762	\$ 18,536	\$ 19,106	\$ (570)
Delinquent Tax	90	293	-	293
Motor Vehicle Tax	4,346	3,880	3,669	211
Recreational Vehicle Tax	58	65	48	17
16/20M Vehicle Tax	-	76	82	(6)
Commercial Vehicle Tax	189	159	67	92
Watercraft Tax	16	2	-	2
Interest on Idle Funds	26	57	50	7
Transfer - Water	17,500	17,500	20,100	(2,600)
Total Receipts	38,987	23,068	\$ 43,122	\$ (2,554)
Expenditures				
Bond Principal Payments	35,000	35,000	\$ 35,000	\$ -
Bond Interest Payments	4,039	7,725	7,745	(20)
Neighborhood Revitalization Rebate	1,135	1,814	1,455	359
Bond Reserve	-	-	5,000	(5,000)
Total Expenditures	40,174	27,039	\$ 49,200	\$ (4,661)
Receipts Over (Under) Expenditures	(1,187)	(3,971)		
Unencumbered Cash, January 1	10,402	9,215		
Unencumbered Cash, December 31	\$ 9,215	\$ 5,244		

City of Cunningham, Kansas
 Capital Improvement Fund
 Schedule of Receipts and Expenditures – Actual
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016
	Actual	Actual
Receipts		
Interest on Idle Funds	\$ 68	\$ 216
Transfer - General	30,000	30,000
Transfer – Water	2,500	-
Transfer - Sewer	12,500	-
Temporary Note	-	430,000
Grant/Donations	-	35,000
	<hr/>	<hr/>
Total Receipts	45,068	495,216
Expenditures		
Streets and Sidewalks	-	430,000
Water Improvements	-	12,308
Sewer Improvements	-	22,734
	<hr/>	<hr/>
Total Expenditures	-	465,042
Receipts Over (Under) Expenditures	45,068	30,174
Unencumbered Cash, January 1	30,873	75,941
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Unencumbered Cash, December 31	\$ 75,941	\$ 106,115
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City of Cunningham, Kansas
 Equipment Reserve Fund
 Schedule of Receipts and Expenditures – Actual
 Regulatory Basis
 For The Year End December 31, 2016

	2015	2016
	Actual	Actual
Receipts		
Transfer - General	\$ 12,500	\$ 8,000
Expenditures		
Construction	-	-
Receipts Over (Under) Expenditures	-	8,000
Unencumbered Cash, January 1	-	12,500
Unencumbered Cash, December 31	\$ 12,500	\$ 20,500

City of Cunningham, Kansas
Water Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2016

	2015	2016		
	Actual	Actual	Budget	Variance Over (Under)
Receipts				
Charges for Services	\$ 98,579	\$ 102,978	\$ 103,250	\$ (272)
Miscellaneous Receipts	-	-	500	(500)
Total Receipts	98,579	102,978	\$ 103,750	\$ (772)
Expenditures				
Salaries and Wages	23,654	31,124	\$ 35,000	\$ (3,876)
Employee Benefits	1,000	6,150	5,000	1,150
Administration	4,902	9,246	6,000	3,246
Analytical Fees	4,683	3,280	3,000	280
Utilities	4,534	4,665	6,500	(1,835)
Insurance	6,924	7,181	7,000	181
Contracted Services	-	6,963	13,900	(6,937)
Maintenance	19,473	13,303	9,500	3,803
Sales Tax	2,255	1,750	3,000	(1,250)
Chemicals	2,095	1,738	-	1,738
Miscellaneous	266	-	632	(632)
Capital Outlay	4,570	2,370	2,700	(330)
Transfer – Capital Improvements	2,500	-	15,000	(15,000)
Transfer – Bond and Interest	17,500	17,500	20,100	(2,600)
Total Expenditures	94,356	105,270	\$ 127,332	\$ (22,062)
Receipts Over (Under) Expenditures	4,223	(2,292)		
Unencumbered Cash, January 1	21,817	26,040		
Unencumbered Cash, December 31	<u>\$ 26,040</u>	<u>\$ 23,748</u>		

City of Cunningham, Kansas
Sewer Utility Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For The Year End December 31, 2016

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
Receipts					
Charges for Services	\$ 61,024	\$ 57,077	\$ 71,500	\$ (14,423)	
Miscellaneous	-	-	500	(500)	
Total Receipts	61,024	57,077	\$ 72,000	\$ (14,923)	
Expenditures					
Salaries and Wages	23,654	29,123	\$ 30,000	\$ (877)	
Employee Benefits	1,000	6,150	5,000	1,150	
Administration	2,674	2,581	2,250	331	
Utilities	1,755	1,622	1,650	(28)	
Analytical Fees	973	581	-	581	
Chemicals	1,700	-	-	-	
Insurance	3,586	2,963	3,750	(787)	
Contracted Services	12,374	9,927	9,500	427	
Maintenance	2,059	3,735	12,500	(8,765)	
Miscellaneous	-	-	421	(421)	
Capital Outlay	2,400	-	1,500	(1,500)	
Equipment Lease Payment	-	2,200	2,428	(228)	
Transfer – Capital Improvements	12,500	-	5,000	(5,000)	
Total Expenditures	64,675	58,882	\$ 73,999	\$ (15,117)	
Receipts Over (Under) Expenditures	(3,651)	(1,805)			
Unencumbered Cash, January 1	9,504	5,853			
Unencumbered Cash, December 31	\$ 5,853	\$ 4,048			