

CITY OF BALDWIN CITY, KANSAS
FINANCIAL STATEMENTS
Year Ended December 31, 2015

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CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2015

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COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Baldwin City, Kansas

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require 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.

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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 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 as of December 31, 2015, 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 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.

Report on 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, and the regulatory basis receipts and expenditures-actual for the related municipal entity (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 30, 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://da.ks.gov/ar/muniserv/>. 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.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

May 17, 2016

CITY OF BALDWIN CITY, KANSAS

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

<u>Funds</u>	Beginning Unencumbered Cash Balance	Prior Year Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 577,349	\$ -	\$ 2,615,613	\$ 2,588,146	\$ 604,816	\$ 9,122	\$ 613,938
Special Purpose Funds:							
Library Fund	-	-	130,577	130,577	-	-	-
Special Parks and Recreation Fund	43,349	-	15,277	2,633	55,993	-	55,993
Special Highway Fund	340,312	-	131,902	258,147	214,067	-	214,067
Swimming Pool Sales Tax Revenue Fund	94,952	-	-	-	94,952	-	94,952
General Reserve Fund	282,850	-	88,426	76,334	294,942	845	295,787
Cemetery Reserve Fund	135,659	-	-	-	135,659	-	135,659
Cemetery Fund	18,764	-	77,276	75,687	20,353	767	21,120
Bond and Interest Funds:							
Bond and Interest Fund	5,254	-	1,998,050	1,998,071	5,233	-	5,233
Capital Project Funds:							
Capital Project Fund	547,689	-	-	541,296	6,393	-	6,393
Quality of Life Sales Tax Fund	193,625	-	111,645	133,563	171,707	-	171,707
Capital Improvement Sales Tax Fund	169,988	-	203,287	240,000	133,275	-	133,275
Library Expansion Fund	-	-	-	-	-	-	-
Business Funds:							
Electric System Fund	1,536,601	15,048	5,159,698	5,038,467	1,672,880	10,500	1,683,380
Electric Project Fund	342,145	-	633,000	114,360	860,785	-	860,785
Water System Fund	1,172,758	5,150	1,511,475	1,691,185	998,198	[19,946]	978,252
Water Project Fund	378,446	-	4,950	170,201	213,195	600	213,795
Sewer Project Fund	107,800	-	3,278,582	315,535	3,070,847	-	3,070,847
Wastewater Utility Fund	203,970	-	913,972	913,361	204,581	[1,817]	202,764
Refuse Utility Fund	31,870	-	234,828	232,005	34,693	[15,134]	19,559
Total Primary Government	<u>6,183,381</u>	<u>20,198</u>	<u>17,108,558</u>	<u>14,519,568</u>	<u>8,792,569</u>	<u>[15,063]</u>	<u>8,777,506</u>
Related Municipal Entity:							
Baldwin City Library	<u>343,970</u>	<u>-</u>	<u>66,640</u>	<u>78,560</u>	<u>332,050</u>	<u>660</u>	<u>332,710</u>
Total Related Municipal Entity	<u>343,970</u>	<u>-</u>	<u>66,640</u>	<u>78,560</u>	<u>332,050</u>	<u>660</u>	<u>332,710</u>
Total Reporting Entity	<u>\$ 6,527,351</u>	<u>\$ 20,198</u>	<u>\$ 17,175,198</u>	<u>\$ 14,598,128</u>	<u>\$ 9,124,619</u>	<u>\$ [14,403]</u>	<u>\$ 9,110,216</u>

Composition of Cash:

Baldwin State Bank	
Checking	\$ 6,776,941
Checking - Baldwin City Library	117,703
Certificates of Deposit - Baldwin City Library	195,412
Mid America Bank - Certificates of Deposit	2,000,000
Bank of America - Baldwin City Library Shares	19,595
Petty Cash	565
Total	<u>\$ 9,110,216</u>

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Baldwin City, Kansas, (the City) is a municipal corporation governed by a mayor and a five member council. These financial statements present the City and its related municipal entity for which the City is considered to be financially accountable.

Related Municipal Entity. The Baldwin City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies taxes for the Library's operations. The Library is presented as a governmental fund type. Complete financial statements are not available for the Library for the year ended December 31, 2015.

Basis of Accounting

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

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

Regulatory Basis Fund Types

In governmental accounting, 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 for the year ended December 31, 2015:

The General Fund is the chief operating fund is used to account for all resources except those required to be accounted for in another fund.

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

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

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

The Business Funds are 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.)

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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. 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 the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the 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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2015 budget was not amended.

The statutes permit management to transfer 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. In the financial statements, budget comparisons are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures. Actual exceeded budget expenditures in the special highway fund, which is a violation of K.S.A. 79-2935.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Reclassification of Account Balances

Certain line items have been reclassified to conform to the presentation of the financial statements in the current year. This principally consisted of expenses reclassified into different functions from the prior year. These reclassifications had no net effect on the City's net position or changes there in for the current year.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2 - Deposits

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 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.

Investments. 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 City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."

At December 31, 2015, the City's carrying amount of deposits was \$8,777,506 and the bank balance was \$8,926,609. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, \$1,750,000 was secured by letters of credit in the City's name, and the balance of \$6,676,609 was collateralized with securities held by the pledging financial institutions' agents in the City's name. At December 31, 2015, the Library's carrying amount of deposits was \$332,710 and the bank balance was \$313,638. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$63,638 was unsecured at December 31, 2015, which is a violation of K.S.A. 9-1042.

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.

NOTE 3 - Retirement 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.

Funding Policy - 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 contributions 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.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 3 - Retirement Plan (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the .85% contribution rate for Death and Disability Program) and the statutory contribution rate 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 \$162,646 for KPERS and \$113,536 for KP&F for the year ended December 31, 2015.

Net Pension Liability. At December 31, 2015, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,164,670 and \$791,381 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 of 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 KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - Long-Term Debt

During the year ended December 31, 2015, the following changes occurred in long term liabilities:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid by taxes					
General obligation bonds	\$ 5,330,000	\$ 1,455,000	\$ 1,750,000	\$ 5,035,000	\$ 73,583
Capital leases	15,796	136,697	7,770	144,723	656
Paid by utility revenues					
General obligation bonds	9,915,000	3,800,000	865,000	12,850,000	336,110
Revolving loans	60,909	-	29,908	31,001	1,937
Capital leases	-	308,663	-	308,663	-
Total	<u>\$ 15,321,705</u>	<u>\$ 5,700,360</u>	<u>\$ 2,652,678</u>	<u>\$ 18,369,387</u>	<u>\$ 412,286</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds if they are expected to be repaid from proprietary fund regulatory receipts. In addition, general obligation bonds have been issued to refund other general obligation bonds.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - Long-Term Debt (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
Paid by taxes					
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	\$ 3,829,693	\$ 3,580,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	1,455,000	1,455,000
Paid by utility revenues					
Refunding, Series 2012	06/15/12	08/01/24	0.50 - 2.20%	1,125,000	860,000
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	3,335,308	2,780,000
Refunding, Series 2014	08/01/14	11/01/26	2.00 - 2.75%	5,890,000	5,410,000
Refunding and Improvement, Series 2015-A	06/18/15	09/01/35	2.00 - 3.50%	645,000	645,000
Improvement, Series 2015-B	12/10/15	09/01/35	2.50 - 3.50%	3,155,000	<u>3,155,000</u>
Total General Obligation Bonds					<u>\$ 17,885,000</u>

During the year ended December 31, 2015, the City issued Series 2015-A general obligation refunding and improvement bonds with an interest rate of 2.00% to 3.50% and a final maturity of September 1, 2035 in the amount of \$2,100,000. The proceeds of the bonds will be used to refund the Series 2007-B general obligation refunding and improvement bond, and to pay a portion of the cost of certain electric improvements. As a result of the refunding, the Series 2007-B bonds were considered to be defeased and the liability was removed from the City's financial statements. The transaction resulted in an economic gain of \$128,843 and a reduction of \$147,751 in future debt payments.

Also during the year ended December 31, 2015, the City issued Series 2015-B general obligation bonds with an interest rate of 2.25% to 3.50% and a final maturity date of September 1, 2035 in the amount of \$3,155,000. The proceeds of the bonds will be used to pay a portion of the cost of certain sewage disposal and sewer system improvements.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending December 31,	Paid By Taxes	Paid By Utility Revenue	Total
2016	\$ 467,332	\$ 1,398,891	\$ 1,866,223
2017	459,175	1,388,258	1,847,433
2018	462,275	1,430,768	1,893,043
2019	470,175	1,441,928	1,912,103
2020	477,775	1,362,003	1,839,778
2021 - 2025	1,991,300	5,009,195	7,000,495
2026 - 2030	1,345,075	1,958,800	3,303,875
2031 - 2035	<u>465,800</u>	<u>1,269,950</u>	<u>1,735,750</u>
Total principal and interest	6,138,907	15,259,793	21,398,700
Less: interest	<u>1,103,907</u>	<u>2,409,793</u>	<u>3,513,700</u>
Total principal	<u>\$ 5,035,000</u>	<u>\$ 12,850,000</u>	<u>\$ 17,885,000</u>

Revolving loans. The following displays annual debt service requirements to maturity for the loans to be paid from service regulatory receipts:

Year Ending December 31,	Principal	Interest
2016	\$ 31,001	\$ 786
Total	<u>\$ 31,001</u>	<u>\$ 786</u>

Capital Leases. The City has entered into lease agreements for the acquisition of equipment in the current and prior years. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term).

The future minimum lease obligations as of December 31, 2015 are as follows:

Year Ending December 31,	Paid By Taxes	Paid By Utility Revenue	Total
2016	\$ 54,169	\$ 106,237	\$ 160,406
2017	45,803	106,202	152,005
2018	45,804	106,202	152,006
2019	<u>3,718</u>	<u>-</u>	<u>3,718</u>
Total principal and interest	149,494	318,641	468,135
Less: interest	<u>4,771</u>	<u>9,978</u>	<u>14,749</u>
Total principal	<u>\$ 144,723</u>	<u>\$ 308,663</u>	<u>\$ 453,386</u>

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 4 - Long-Term Debt (Continued)

Special Assessments. As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as regulatory receipts in the appropriate project. Special assessments received after the issuance of bonds are recorded as regulatory receipts in the bond and interest fund. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

NOTE 5 - Risk Management

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 carries commercial insurance for these risks of loss, including related lost regulatory receipts. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

NOTE 6 - Interfund Transfers

A reconciliation of transfers by fund type for 2015 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Electric System	General	\$ 402,990	K.S.A. 12-825d
Water System	General	158,951	K.S.A. 12-825d
Wastewater Utility	General	53,767	K.S.A. 12-825d
Refuse	General	21,852	K.S.A. 12-825d
Special Parks and Recreation	General	2,633	K.S.A. 79-41a04
Cemetery	General	4,377	City ordinance
Capital Improvement Sales Tax	General	30,000	K.S.A. 12-1,118
General	Bond and Interest	50,000	Bond ordinance
Quality of Life Sales Tax	Bond and Interest	70,525	Bond ordinance
Special Highway	Bond and Interest	28,903	Bond ordinance
Capital Improvement Sales Tax	Bond and Interest	210,000	Bond ordinance
General	General Reserve	88,426	K.S.A. 12-1,118
Sewer Project	Wastewater Utility	100,000	K.S.A. 12-1,118
Electric System	Electric Project	633,000	K.S.A. 12-825d
		<u>633,000</u>	
Total		<u>\$ 1,855,424</u>	

NOTE 7 - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation earned but unused at termination is paid to the employees at their current rate of pay up to a maximum of 30 days. Employees who resign in good standing are entitled to ten percent of their unused sick leave and employees who retire in good standing are entitled to twenty percent of their sick leave. The sick leave is calculated at the maximum entitlement even though not all employees are eligible for retirement in the coming year. The liability for compensated absences at December 31, 2015 is \$182,856.

CITY OF BALDWIN CITY, KANSAS

Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
General Funds:					
General	\$ 2,852,650	\$ -	\$ 2,852,650	\$ 2,588,146	\$ 264,504
Special Purpose Funds:					
Library Fund	135,328	-	135,328	130,577	4,751
Special Parks and Recreation Fund	85,224	-	85,224	2,633	82,591
Special Highway Fund	265,481	-	265,481	258,147	7,334
Swimming Pool Sales Tax Revenue Fund	94,952	-	94,952	-	94,952
General Reserve Fund	347,494	-	347,494	76,334	271,160
Cemetery Reserve Fund	105,659	-	105,659	-	105,659
Cemetery Fund	106,845	-	106,845	75,687	31,158
Bond and Interest Funds:					
Bond and Interest Fund	509,606	1,488,689	1,998,295	1,998,071	224
Capital Project Funds:					
Quality of Life Sales Tax Fund	270,543	-	270,543	133,563	136,980
Capital Improvement Sales Tax Fund	240,000	-	240,000	240,000	-
Business Funds:					
Electric System Fund	6,668,870	-	6,668,870	5,038,467	1,630,403
Water System Fund	2,759,602	-	2,759,602	1,691,185	1,068,417
Wastewater Utility Fund	1,448,335	-	1,448,335	913,361	534,974
Refuse Utility Fund	238,833	-	238,833	232,005	6,828

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

CITY OF BALDWIN CITY, 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 Year Ended December 31, 2014)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Taxes	\$ 829,926	\$ 910,917	\$ 902,732	\$ 8,185
Intergovernmental	678,402	704,170	692,255	11,915
Franchise fees	69,751	61,321	91,237	[29,916]
Licenses, permits and fees	34,808	20,835	25,700	[4,865]
Fines, forfeitures and penalties	64,743	45,526	62,882	[17,356]
Use of money and property	3,654	5,205	3,592	1,613
Transfer in	803,293	674,570	676,896	[2,326]
Miscellaneous	21,749	193,069	25,481	167,588
Total Receipts	<u>2,506,326</u>	<u>2,615,613</u>	<u>\$ 2,480,775</u>	<u>\$ 134,838</u>
Expenditures				
General administration				
Personal services	103,796	96,333	\$ 100,029	\$ 3,696
Contractual services	114,180	122,743	211,774	89,031
Commodities	30,022	16,962	9,000	[7,962]
Capital outlay	-	15,902	105,000	89,098
	<u>247,998</u>	<u>251,940</u>	<u>425,803</u>	<u>173,863</u>
Planning				
Personal services	94,821	102,039	133,711	31,672
Contractual services	13,442	21,069	42,524	21,455
Commodities	2,430	3,450	6,401	2,951
	<u>110,693</u>	<u>126,558</u>	<u>182,636</u>	<u>56,078</u>
Public works				
Personal services	178,940	221,341	242,537	21,196
Contractual services	45,013	58,822	56,155	[2,667]
Commodities	72,125	153,709	79,450	[74,259]
Capital outlay	7,403	131,028	82,900	[48,128]
	<u>303,481</u>	<u>564,900</u>	<u>461,042</u>	<u>[103,858]</u>
Culture and recreation				
Personal services	39,799	46,170	53,957	7,787
Contractual services	14,355	14,628	10,731	[3,897]
Commodities	13,689	18,233	24,050	5,817
Capital outlay	22,865	11,875	39,000	27,125
	<u>90,708</u>	<u>90,906</u>	<u>127,738</u>	<u>36,832</u>

CITY OF BALDWIN CITY, KANSAS

General Fund, (continued)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Expenditures (Continued)				
Fire Department				
Personal services	\$ 44,641	\$ 46,249	\$ 77,994	\$ 31,745
Contractual services	40,676	38,858	39,799	941
Commodities	17,149	13,269	19,200	5,931
Capital outlay	11,211	5,838	2,000	[3,838]
	<u>113,677</u>	<u>104,214</u>	<u>138,993</u>	<u>34,779</u>
Police Department				
Personal services	761,971	836,892	857,257	20,365
Contractual services	71,709	110,201	91,539	[18,662]
Commodities	49,111	55,117	51,547	[3,570]
Capital outlay	21,576	8,048	7,552	[496]
	<u>904,367</u>	<u>1,010,258</u>	<u>1,007,895</u>	<u>[2,363]</u>
Municipal Court				
Personal services	38,199	42,489	70,792	28,303
Contractual services	31,452	31,245	40,164	8,919
Commodities	319	453	1,100	647
	<u>69,970</u>	<u>74,187</u>	<u>112,056</u>	<u>37,869</u>
Economic Development				
Contractual services	25,083	52,735	51,000	[1,735]
Capital outlay	43,499	39,256	80,000	40,744
	<u>68,582</u>	<u>91,991</u>	<u>131,000</u>	<u>39,009</u>
Pool				
Contractual services	66,428	69,624	66,932	[2,692]
Commodities	6,156	4,977	12,000	7,023
Capital outlay	2,000	-	-	-
	<u>74,584</u>	<u>74,601</u>	<u>78,932</u>	<u>4,331</u>
Information Technology				
Contractual services	494	4,962	18,533	13,571
Commodities	531	145	-	[145]
Capital outlay	37,408	55,058	29,596	[25,462]
	<u>38,433</u>	<u>60,165</u>	<u>48,129</u>	<u>[12,036]</u>
Transfer out				
	<u>354,706</u>	<u>138,426</u>	<u>138,426</u>	<u>-</u>
	<u>354,706</u>	<u>138,426</u>	<u>138,426</u>	<u>-</u>
Total Expenditures	<u>2,377,199</u>	<u>2,588,146</u>	<u>\$ 2,852,650</u>	<u>\$ 264,504</u>
Receipts Over [Under] Expenditures	129,127	27,467		
Unencumbered Cash, Beginning	<u>448,222</u>	<u>577,349</u>		
Unencumbered Cash, Ending	<u>\$ 577,349</u>	<u>\$ 604,816</u>		

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

CITY OF BALDWIN CITY, 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 Year Ended December 31, 2014)

		Current Year		
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts				
Taxes	\$ 132,507	\$ 130,577	\$ 134,928	\$ [4,351]
Use of money and property	<u>-</u>	<u>-</u>	<u>400</u>	<u>[400]</u>
Total Receipts	<u>132,507</u>	<u>130,577</u>	<u>\$ 135,328</u>	<u>\$ [4,751]</u>
Expenditures				
Culture and Recreation:				
Personal services	97,986	109,303	\$ 92,694	\$ [16,609]
Contractual services	8,347	8,837	9,045	208
Appropriation To Library Board	<u>26,174</u>	<u>12,437</u>	<u>33,589</u>	<u>21,152</u>
Total Expenditures	<u>132,507</u>	<u>130,577</u>	<u>\$ 135,328</u>	<u>\$ 4,751</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Parks and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2015

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

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 9,592	\$ 13,527	\$ 12,593	\$ 934
Park fees	700	1,750	500	1,250
Total Receipts	<u>10,292</u>	<u>15,277</u>	<u>\$ 13,093</u>	<u>\$ 2,184</u>
Expenditures				
Culture and Recreation:				
Contractual services	6,000	-	\$ 28,500	\$ 28,500
Commodities	-	-	5,000	5,000
Capital outlay	42,752	-	49,091	49,091
Transfer out	<u>4,035</u>	<u>2,633</u>	<u>2,633</u>	<u>-</u>
Total Expenditures	<u>52,787</u>	<u>2,633</u>	<u>\$ 85,224</u>	<u>\$ 82,591</u>
Receipts Over [Under] Expenditures	[42,495]	12,644		
Unencumbered Cash, Beginning	<u>85,844</u>	<u>43,349</u>		
Unencumbered Cash, Ending	<u>\$ 43,349</u>	<u>\$ 55,993</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 129,382	\$ 131,902	\$ 127,400	\$ 4,502
Total Receipts	<u>129,382</u>	<u>131,902</u>	<u>\$ 127,400</u>	<u>\$ 4,502</u>
Expenditures				
Public works				
Contractual services	29,681	229,244	\$ 200,000	\$ [29,244]
Commodities	-	-	30,000	30,000
Capital outlay	-	-	6,578	6,578
Transfer out	<u>28,903</u>	<u>28,903</u>	<u>28,903</u>	<u>-</u>
Total Expenditures	<u>58,584</u>	<u>258,147</u>	<u>\$ 265,481</u>	<u>\$ 7,334</u>
Receipts Over [Under] Expenditures	70,798	[126,245]		
Unencumbered Cash, Beginning	<u>269,514</u>	<u>340,312</u>		
Unencumbered Cash, Ending	<u>\$ 340,312</u>	<u>\$ 214,067</u>		

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

CITY OF BALDWIN CITY, KANSAS

Swimming Pool Sales Tax Revenue Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Culture and Recreation:				
Capital outlay	-	-	\$ 94,952	\$ 94,952
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 94,952</u>	<u>\$ 94,952</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>94,952</u>	<u>94,952</u>		
Unencumbered Cash, Ending	<u>\$ 94,952</u>	<u>\$ 94,952</u>		

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

CITY OF BALDWIN CITY, KANSAS
 General Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015 and 2014

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Transfer in	\$ 152,510	\$ 88,426	\$ 88,426	\$ -
Total Receipts	<u>152,510</u>	<u>88,426</u>	<u>\$ 88,426</u>	<u>\$ -</u>
Expenditures				
Capital outlay	<u>56,973</u>	<u>76,334</u>	\$ 347,494	\$ 271,160
Total Expenditures	<u>56,973</u>	<u>76,334</u>	<u>\$ 347,494</u>	<u>\$ 271,160</u>
Receipts Over [Under] Expenditures	95,537	12,092		
Unencumbered Cash, Beginning	<u>187,313</u>	<u>282,850</u>		
Unencumbered Cash, Ending	<u>\$ 282,850</u>	<u>\$ 294,942</u>		

CITY OF BALDWIN CITY, KANSAS

Cemetery Reserve Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended December 31, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfer in	\$ 30,000	\$ -	\$ -	\$ -
Total Receipts	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Capital outlay	-	-	\$ 105,659	\$ 105,659
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 105,659</u>	<u>\$ 105,659</u>
Receipts Over [Under] Expenditures	30,000	-		
Unencumbered Cash, Beginning	<u>105,659</u>	<u>135,659</u>		
Unencumbered Cash, Ending	<u>\$ 135,659</u>	<u>\$ 135,659</u>		

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

CITY OF BALDWIN CITY, KANSAS

Cemetery Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 53,287	\$ 60,068	\$ 72,191	\$ [12,123]
Miscellaneous	6,614	17,208	-	17,208
Total Receipts	<u>59,901</u>	<u>77,276</u>	<u>\$ 72,191</u>	<u>\$ 5,085</u>
Expenditures				
Personal services	45,027	47,839	\$ 46,965	\$ [874]
Contractual services	4,647	7,199	36,950	29,751
Commodities	330	678	1,850	1,172
Capital outlay	690	15,594	16,203	609
Miscellaneous	-	-	500	500
Transfer out	<u>32,647</u>	<u>4,377</u>	<u>4,377</u>	<u>-</u>
Total Expenditures	<u>83,341</u>	<u>75,687</u>	<u>\$ 106,845</u>	<u>\$ 31,158</u>
Receipts Over [Under] Expenditures	[23,440]	1,589		
Unencumbered Cash, Beginning	<u>42,204</u>	<u>18,764</u>		
Unencumbered Cash, Ending	<u>\$ 18,764</u>	<u>\$ 20,353</u>		

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

CITY OF BALDWIN CITY, KANSAS

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 Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 132,717	\$ 149,933	\$ 145,366	\$ 4,567
Bond proceeds	-	1,488,689	-	1,488,689
Transfer in	401,545	359,428	359,428	-
Total Receipts	<u>534,262</u>	<u>1,998,050</u>	<u>\$ 504,794</u>	<u>\$ 1,493,256</u>
Expenditures				
Debt service:				
Principal	320,000	1,750,000	\$ 310,000	\$ [1,440,000]
Interest	220,874	248,071	199,606	[48,465]
Adjustment for qualifying budget credit	-	-	1,488,689	1,488,689
Total Expenditures	<u>540,874</u>	<u>1,998,071</u>	<u>\$ 1,998,295</u>	<u>\$ 224</u>
Receipts Over [Under] Expenditures	[6,612]	[21]		
Unencumbered Cash, Beginning	<u>11,866</u>	<u>5,254</u>		
Unencumbered Cash, Ending	<u>\$ 5,254</u>	<u>\$ 5,233</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 60,000	\$ -
Total Receipts	<u>60,000</u>	<u>-</u>
Expenditures		
Public works		
Contractual services	-	61,731
Capital outlay	<u>130,526</u>	<u>479,565</u>
Total Expenditures	<u>130,526</u>	<u>541,296</u>
Receipts Over [Under] Expenditures	[70,526]	[541,296]
Unencumbered Cash, Beginning	<u>618,215</u>	<u>547,689</u>
Unencumbered Cash, Ending	<u>\$ 547,689</u>	<u>\$ 6,393</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Quality of Life 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 Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 96,447	\$ 101,645	\$ 93,911	\$ 7,734
Reimbursements	-	10,000	-	10,000
Total Receipts	<u>96,447</u>	<u>111,645</u>	<u>\$ 93,911</u>	<u>\$ 17,734</u>
Expenditures				
Contractual	-	-	\$ 135,018	135,018
Capital outlay	98,308	63,038	65,000	1,962
Transfers out	50,841	70,525	70,525	-
Total Expenditures	<u>149,149</u>	<u>133,563</u>	<u>\$ 270,543</u>	<u>\$ 136,980</u>
Receipts Over [Under] Expenditures	[52,702]	[21,918]		
Unencumbered Cash, Beginning	<u>246,327</u>	<u>193,625</u>		
Unencumbered Cash, Ending	<u>\$ 193,625</u>	<u>\$ 171,707</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Improvement 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 Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts				
Sales tax revenue	\$ 192,897	\$ 203,287	\$ 187,823	\$ 15,464
Total Receipts	<u>192,897</u>	<u>203,287</u>	<u>\$ 187,823</u>	<u>\$ 15,464</u>
Expenditures				
Transfers out	<u>278,211</u>	<u>240,000</u>	\$ 240,000	\$ -
Total Expenditures	<u>278,211</u>	<u>240,000</u>	<u>\$ 240,000</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	<u>[85,314]</u>	<u>[36,713]</u>		
Unencumbered Cash, Beginning	-	169,988		
Prior Period Adjustment				
Fund Previously Reported with Wastewater Utility Fund	<u>255,302</u>	-		
Unencumbered Cash, Beginning, Restated	<u>255,302</u>	<u>169,988</u>		
Unencumbered Cash, Ending	<u>\$ 169,988</u>	<u>\$ 133,275</u>		

CITY OF BALDWIN CITY, KANSAS

Library Expansion Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 140,155	\$ -
Transfers in	<u>395</u>	<u>-</u>
Total Receipts	<u>140,550</u>	<u>-</u>
Expenditures		
Contractual services	<u>612,293</u>	<u>-</u>
Total Expenditures	<u>612,293</u>	<u>-</u>
Receipts Over [Under] Expenditures	[471,743]	-
Unencumbered Cash, Beginning	<u>471,743</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Electric System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 4,351,967	\$ 4,271,384	\$ 4,459,540	\$ [188,156]
Reimbursed expenses	-	24,522	-	24,522
Bond proceeds	6,057,301	657,236	-	657,236
Miscellaneous	-	201,761	-	201,761
Use of money and property	<u>4,243</u>	<u>4,795</u>	<u>6,765</u>	<u>[1,970]</u>
Total Receipts	<u>10,413,511</u>	<u>5,159,698</u>	<u>\$ 4,466,305</u>	<u>\$ 693,393</u>
Expenditures				
Generation	430,140	402,254	\$ 571,588	\$ 169,334
Distribution	612,543	809,083	778,687	[30,396]
Acquisition	2,165,870	1,833,269	3,169,426	1,336,157
General administration	305,387	306,302	379,999	73,697
Principal	5,855,000	480,000	455,000	[25,000]
Interest	244,222	165,188	228,090	62,902
Bond issuance costs	77,254	6,381	-	[6,381]
Transfers out	<u>879,633</u>	<u>1,035,990</u>	<u>1,086,080</u>	<u>50,090</u>
Total Expenditures	<u>10,570,049</u>	<u>5,038,467</u>	<u>\$ 6,668,870</u>	<u>\$ 1,630,403</u>
Receipts Over [Under] Expenditures	<u>[156,538]</u>	<u>121,231</u>		
Unencumbered Cash, Beginning	1,693,139	1,536,601		
Prior Period Adjustment	<u>-</u>	<u>15,048</u>		
Unencumbered Cash, Beginning, Restated	<u>1,693,139</u>	<u>1,551,649</u>		
Unencumbered Cash, Ending	<u>\$ 1,536,601</u>	<u>\$ 1,672,880</u>		

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

CITY OF BALDWIN CITY, KANSAS

Electric Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ 400,000	\$ 633,000
Total Receipts	<u>400,000</u>	<u>633,000</u>
Expenditures		
Contractual service	26,897	-
Capital outlay	114,548	114,360
Total Expenditures	<u>141,445</u>	<u>114,360</u>
Receipts Over [Under] Expenditures	258,555	518,640
Unencumbered Cash, Beginning	<u>83,590</u>	<u>342,145</u>
Unencumbered Cash, Ending	<u>\$ 342,145</u>	<u>\$ 860,785</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Water System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015
 (With Comparative Actual Amounts for the Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 1,475,721	\$ 1,383,103	\$ 1,690,890	\$ [307,787]
Miscellaneous	4,328	124,238	-	124,238
Use of money and property	<u>2,451</u>	<u>4,134</u>	<u>2,544</u>	<u>1,590</u>
Total Receipts	<u>1,482,500</u>	<u>1,511,475</u>	<u>\$ 1,693,434</u>	<u>\$ [181,959]</u>
Expenditures				
Acquisition and distribution	708,895	772,641	\$ 964,366	\$ 191,725
General administration	542,285	605,258	689,451	84,193
Capital outlay	7,457	50,000	641,341	591,341
Principal	90,000	90,000	90,000	-
Interest	14,785	14,335	14,335	-
Bond issuance costs	270	-	-	-
Transfers out	<u>275,304</u>	<u>158,951</u>	<u>360,109</u>	<u>201,158</u>
Total Expenditures	<u>1,638,996</u>	<u>1,691,185</u>	<u>\$ 2,759,602</u>	<u>\$ 1,068,417</u>
Receipts Over [Under] Expenditures	<u>[156,496]</u>	<u>[179,710]</u>		
Unencumbered Cash, Beginning	1,329,254	1,172,758		
Prior Period Adjustment	-	<u>5,150</u>		
Unencumbered Cash, Beginning, Restated	<u>1,329,254</u>	<u>1,177,908</u>		
Unencumbered Cash, Ending	<u>\$ 1,172,758</u>	<u>\$ 998,198</u>		

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

CITY OF BALDWIN CITY, KANSAS

Water Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Water connection fees	\$ 3,851	\$ 4,950
Transfer in	<u>100,000</u>	<u>-</u>
Total Receipts	<u>103,851</u>	<u>4,950</u>
Expenditures		
Capital projects	<u>25,209</u>	<u>170,201</u>
Total Expenditures	<u>25,209</u>	<u>170,201</u>
Receipts Over [Under] Expenditures	78,642	[165,251]
Unencumbered Cash, Beginning	<u>299,804</u>	<u>378,446</u>
Unencumbered Cash, Ending	<u>\$ 378,446</u>	<u>\$ 213,195</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Sewer Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2015 and 2014

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 5,600	\$ 9,900
Bond proceeds	<u>-</u>	<u>3,268,682</u>
Total Receipts	<u>5,600</u>	<u>3,278,582</u>
Expenditures		
Bond issuance costs	-	75,525
Capital outlay	-	140,010
Transfers out	<u>52,712</u>	<u>100,000</u>
Total Expenditures	<u>52,712</u>	<u>315,535</u>
Receipts Over [Under] Expenditures	[47,112]	2,963,047
Unencumbered Cash, Beginning	<u>154,912</u>	<u>107,800</u>
Unencumbered Cash, Ending	<u>\$ 107,800</u>	<u>\$ 3,070,847</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Wastewater 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 Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 763,761	\$ 809,569	\$ 786,196	\$ 23,373
Miscellaneous	8,189	4,051	9,047	[4,996]
Transfer in	52,712	100,000	100,000	-
Use of money and property	<u>883</u>	<u>352</u>	<u>1,298</u>	<u>[946]</u>
Total Receipts	<u>825,545</u>	<u>913,972</u>	<u>\$ 896,541</u>	<u>\$ 17,431</u>
Expenditures				
Treatment and collection	152,535	121,547	\$ 176,600	\$ 55,053
General administration	289,637	355,361	470,827	115,466
Principal	288,854	324,908	324,908	-
Interest	99,348	57,778	75,546	17,768
Transfers out	<u>33,878</u>	<u>53,767</u>	<u>400,454</u>	<u>346,687</u>
Total Expenditures	<u>864,252</u>	<u>913,361</u>	<u>\$ 1,448,335</u>	<u>\$ 534,974</u>
Receipts Over [Under] Expenditures	<u>[38,707]</u>	<u>611</u>		
Unencumbered Cash, Beginning	497,979	203,970		
Prior Period Adjustment - Capital Improvement Sales Tax Fund Fund Previously Reported With Wastewater Utility Fund	<u>[255,302]</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>242,677</u>	<u>203,970</u>		
Unencumbered Cash, Ending	<u>\$ 203,970</u>	<u>\$ 204,581</u>		

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

CITY OF BALDWIN CITY, KANSAS

Refuse 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 Year Ended December 31, 2014)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 219,902	\$ 234,828	\$ 241,772	\$ [6,944]
Total Receipts	<u>219,902</u>	<u>234,828</u>	<u>\$ 241,772</u>	<u>\$ [6,944]</u>
Expenditures				
Personal services	5,299	7,465	\$ 8,175	\$ 710
Contractual services	186,656	201,893	207,314	5,421
Capital outlay	1,037	795	1,492	697
Transfers out	<u>9,585</u>	<u>21,852</u>	<u>21,852</u>	<u>-</u>
Total Expenditures	<u>202,577</u>	<u>232,005</u>	<u>\$ 238,833</u>	<u>\$ 6,828</u>
Receipts Over [Under] Expenditures	17,325	2,823		
Unencumbered Cash, Beginning	<u>14,545</u>	<u>31,870</u>		
Unencumbered Cash, Ending	<u>\$ 31,870</u>	<u>\$ 34,693</u>		

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

CITY OF BALDWIN CITY, KANSAS

Schedule of Receipts and Expenditures - Actual
Regulatory Basis
Related Municipal Entity - Baldwin City Library
For the Year Ended December 31, 2015

Receipts	
City appropriations	\$ 25,000
Charges for services	6,528
Grants and donations	31,452
Use of money and property	<u>3,660</u>
Total Receipts	<u>66,640</u>
Expenditures	
Culture and recreation	<u>78,560</u>
Total Expenditures	<u>78,560</u>
Receipts Over [Under] Expenditures	[11,920]
Unencumbered Cash, Beginning	<u>343,970</u>
Unencumbered Cash, Ending	<u>\$ 332,050</u>

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