

RESOLUTION NO. 092517-1

**A RESOLUTION ACCEPTING THE INDEPENDENT AUDIT OF THE FINANCIAL STATEMENTS OF THE CITY OF ABILENE, KANSAS FOR YEAR-ENDING DECEMBER 31, 2016, AS PREPARED BY VARNEY AND ASSOCIATES, CPAS, LLC**

WHEREAS, the City of Abilene ("City") approved, with the adoption of Resolution No. 042516-1, an Engagement Letter with Varney and Associates, CPAs, LLC ("Consultant") for the purposes of providing an audit of the financial statements for year-ending December 31, 2016.

WHEREAS, the Consultant has presented the audited financial statements for year-ending December 31, 2016 to the City Commission.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Abilene, as follows:

**SECTION ONE. Acceptance of Financial Statements.** That the Financial Statements and supplemental documents for year-ending December 31, 2016 are hereby accepted as attached hereto as **Exhibit A**.

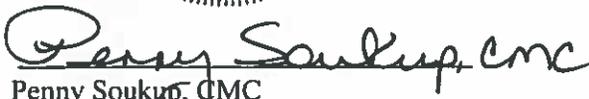
**SECTION TWO. Distribution.** That the Financial Statement, including supplemental documentation, shall be provided to the Kansas Department of Administration and published to the City's website. The City shall also provide the Financial Statement to such other entities as required by its Continuing Disclosure Policy, as adopted by Resolution No. 120814-1.

**SECTION THREE. Effective Date.** That the effects of this Resolution shall be in full force after its approval by the City Commission.

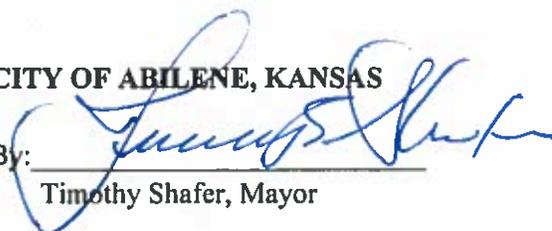
PASSED AND APPROVED by the Governing Body of the City of Abilene, Kansas this 25<sup>th</sup> day of September, 2017.



ATTEST

  
Penny Soukup, CMC  
City Clerk

CITY OF ABILENE, KANSAS

By: 

Timothy Shafer, Mayor

**EXHIBIT A**

**Independent Audit  
of the  
Financial Statements  
of the  
City of Abilene, Kansas**

**Year-Ending December 31, 2016**

**As Audited By  
Varney and Associates, CPAs, LLC**

**September 25, 2017**

**CITY OF ABILENE, KANSAS**

**FINANCIAL STATEMENT**

**WITH INDEPENDENT AUDITOR'S REPORT**

**AND**

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

December 31, 2016

**VARNEY & ASSOCIATES, CPAs, LLC**  
Manhattan, Kansas

**CITY OF ABILENE, KANSAS**  
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September 12, 2017

Mayor and City Council  
City of Abilene, Kansas

### Independent Auditor's Report

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Abilene, Kansas (the City), 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; 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

As described in Note 1 to 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 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.

September 12, 2017  
City of Abilene, Kansas  
(Continued)

**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, 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 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 Regulatory-Required Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of expenditures - actual and budget - regulatory basis and individual fund schedules of receipts and expenditures - actual and budget - regulatory basis (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 basic financial statement, however they 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.

**Additional Information**

The 2015 Actual column presented in the individual fund schedules of receipts and expenditures - actual and budget - regulatory basis (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 financial statement, upon which we rendered an unmodified opinion dated July 28, 2016. The 2015 basic financial statement and the 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 prior year 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 prior year 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.

*Varns & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

**CITY OF ABILENE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
 Regulatory Basis

For the Year Ended December 31, 2016

Fund	Beginning	Prior Year	Receipts	Expenditures	Ending	Add:	Ending
	Unencumbered				Cash		
	Balance	Cancelled	Cash		Cash	Encumbrances	Balance
	\$	\$	\$	\$	\$	Payable	\$
General Fund	1,388,099	-	4,420,077	4,415,770	1,392,406	17,483	1,409,889
Special Revenue Funds							
Airport Fund	35,785	-	130,925	57,521	109,189	200	109,389
Fire Apparatus Fund	48,147	-	56,163	77,084	27,226	-	27,226
Special Park and Recreation Fund	53,208	-	16,242	3,943	65,507	-	65,507
Special Alcohol and Drug Fund	74,195	-	15,553	12,500	77,248	-	77,248
Library Fund	-	-	384,199	383,756	443	-	443
Tourism and Convention Fund	74,061	-	215,169	245,074	44,156	200	44,356
Special Street Fund	96	-	318,966	353,996	(34,934)	-	(34,934)
Recreation Commission Fund	218,965	-	475,195	418,596	275,564	29	275,593
Capital Improvement Fund	479,825	-	260	19,600	460,485	-	460,485
Equipment Reserve Fund	163,597	-	111,072	122,759	151,910	-	151,910
Community Center Fund	153,924	-	32	3,180	150,776	-	150,776
Library/Pool Renovation Fund	347,718	-	455,341	474,876	328,183	-	328,183
Sales Tax Street Fund	193,147	-	325,262	564,685	(46,276)	-	(46,276)
Bond and Interest	42,159	-	746,034	756,092	32,101	-	32,101
Capital Projects Funds							
Dawson Cottage Division Fund	(74,824)	-	(5)	-	(74,829)	-	(74,829)
Business Funds							
Water Utility Fund	355,603	-	1,429,779	1,465,372	320,010	927	320,937
Sewer Utility Fund	1,159,970	-	1,247,213	1,431,703	975,480	1,077	976,557
Equipment Reserve - Water Fund	207,477	-	35,041	92,110	150,408	-	150,408

STATEMENT 1

The accompanying notes are an integral part of this financial statement.  
 See Independent Auditor's Report.

# Financial Statement

**CITY OF ABILENE, KANSAS**  
**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (CONTINUED)**  
 Regulatory Basis  
 For the Year Ended December 31, 2016

Fund	Beginning	Prior Year	Cash	Expenditures	Ending	Add:	Ending
	Unencumbered				Unencumbered		
	Cash	Cancelled	Receipts		Cash	Encumbrances	Cash
	Balance	Encumbrances			Balance	and Accounts	Balance
						Payable	
<b>Business Funds</b>							
Equipment Reserve - Sewer Fund	\$ 656,098	\$ -	136	\$ -	\$ 656,234	\$ -	\$ 656,234
Recycling Fund	201,181	-	76,912	117,571	160,522	6,987	167,509
Storm Drain Fund	423,449	-	66,648	25,873	464,224	-	464,224
<b>Related Municipal Entities</b>							
Public Building Commission	\$ 145,785	\$ -	\$ 874,236	\$ 873,684	\$ 146,337	\$ -	\$ 146,337
<b>Total Reporting Entity</b> <b>(Excluding Agency Funds)</b>	<b>\$ 6,347,665</b>	<b>\$ -</b>	<b>\$ 11,400,450</b>	<b>\$ 11,915,745</b>	<b>\$ 5,832,370</b>	<b>\$ 26,903</b>	<b>\$ 5,859,273</b>

**Composition of Cash**

Checking Account	\$ 1,381,788
Money Market	352,663
Certificates of Deposit	3,995,987
<b>Total Related Municipal Entities</b>	<b>146,337</b>
<b>Total Cash</b>	<b>\$ 5,876,775</b>
<b>Agency Funds Per Schedule 3</b>	<b>(17,502)</b>
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 5,859,273</b>

STATEMENT 1  
(CONTINUED)

The accompanying notes are an integral part of this financial statement.  
 See Independent Auditor's Report.

# Financial Statement

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2016

**Note 1: Summary of Significant Accounting Policies**

The City of Abilene, Kansas (the City) was chartered March 16, 1868 and provides the following services as authorized by its charter: public works, public safety, recreation and waterworks.

The Abilene Kansas Public Building Commission (PBC), a municipal corporation, was organized in 2007 by the governing body of the City pursuant to the Act and Ordinance No. 3098 of the City. The powers of the PBC were expanded by the governing body of the City pursuant to Charter Ordinance No. 21.

The USD #435 Recreation Commission activity is included in the City's financial information, as all transactions flow through the City of Abilene.

The more significant accounting policies of the City are described below:

***Municipal Financial Reporting Entity***

The City is a municipal corporation governed by an elected five-member Commission-Manager form of government. The regulatory financial statement presents the City, and a related municipal entity (RME), the PBC. The RME is included in the City's reporting entity because it was established to benefit the City and/or its constituents. The governing body of this RME is appointed by the governing body of the City and consists of five members who are the current members of the City's governing body.

***Regulatory Basis Fund Types***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. In the financial statement in this report, the various funds are grouped into generic fund types and broad fund categories as follows:

*General Fund* - The general fund is the chief operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.

*Special Purpose Funds* - Special purpose funds are used to account for the proceeds of specific tax levies and other specific revenue sources intended for specified purposes.

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

*Capital Project Funds* - Capital Project Funds are used to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

*Business Funds* - Business funds are used to account for funds financed in whole or in part by fees charged to users of the goods or services.

*Agency Funds* - Agency funds are used to report assets held by the municipal reporting entity in a purely custodial capacity.

***Basis of Accounting***

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 net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2016

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Basis of Accounting (Continued)***

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 municipality to use the regulatory basis of accounting.

***Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

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 and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: equipment reserve fund, capital improvement fund and reimbursed payroll fund.

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

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2016

**Note 2: 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 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.

As of December 31, 2016, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity Less than 1 Year</u>	<u>Rating</u>
Money Market Treasury	\$ 146,337	NA (weighted average maturity 49 days)	S&P AAAm

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. K.S.A. 10-131 limits the City's investment of bond proceeds. The money market treasury fund used by the City meets these requirements. The City has no investment policy that would further limit its investment choices. The rating of the City's investments is noted above.

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

*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 coverage is 50%. The City does not utilize "peak periods".

As of December 31, 2016, the City's carrying amount of the deposits was \$5,876,775 and the bank balance was \$6,644,032. The bank balance was held by three banks, resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance, and the balance of \$5,894,032 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2016

**Note 3: Stewardship, Compliance and Accountability**

K.S.A. 79-2935 provides that it shall be unlawful for the governing body to create indebtedness in any fund in excess of the adopted budget of expenditures of such fund. For the year ended December 31, 2016, there was one fund in violation of this statute. The Community Center Fund expended more than the amount budgeted. The overage was immaterial, and management made the decision to not prepare a budget amendment. Per Schedule 1, the Library/Pool Renovation Fund and the Sales Tax Street Fund expenditures exceeded the approved budget. However, there were unanticipated revenues in both of these funds; therefore, they are not considered budget violations.

K.S.A. 10-1113 requires that expenditures be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. For the year ended December 31, 2016, there were no violations of the cash basis law. There were three funds with negative cash, but they are all grant/reimbursement funds, which are allowed to have negative cash at year end.

**Note 4: Defined Benefit Pension Plan**

***Plan Description***

The City participates in the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by KSA 74-4901, *et seq.* KPERs & KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue publicly available financial reports that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas Avenue, Suite 100, Topeka, KS 66503-3803) or by calling 1-888-275-5737.

*Contributions.* KSA 74-4919, KSA 74-49,210 and KSA 74-4975 establish the KPERs and KP&F 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. Effective January 1, 2015, Kansas law establishes the KPERs member-employee contribution rate at 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. KSA 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.

State law provides that employer contribution rates for KPERs 1, KPERs 2 and KPERs 3, as well as KP&F, be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2016 for KPERs and 20.42%. Contributions to the KPERs pension plan by the City were \$153,760 and contributions to the KP&F pension plan by the City were \$228,783.

*Net Pension Liability.* At December 31, 2016, the City's proportionate share of the collective net pension liability reported by KPERs was \$1,487,067, and the City's proportionate share of the collective net pension liability reported by KP&F was \$2,139,388. 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. The City's portion of the net pension liability was based on the ratio of the City's contributions to KPERs and KP&F, relative to the total employer and non-employer contributions of the Local subgroup within KPERs and KP&F. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report, including all actuarial assumption and methods, and the report on the allocation of the KPERs collective net pension liability to all participating employers are publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2016

**Note 5: Other Long-Term Obligations from Operations**

Other Post Employment Benefits. As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. The City pays 50% of the premium until age 62 for retirees with 10 or more years of service and each retiree is responsible for the balance. During the year ended December 31, 2016, one retiree participated in this plan and the City paid \$3,242. The remaining subsidy to retirees due to the plan's level premium structure 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. There is no cost to the City under this program.

**Note 6: Capital Projects**

At year-end, there were no capital projects in process.

**Note 7: Interfund Transactions**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 111,047
General Fund	Convention & Tourism Fund	Commission Direction	25,000
Water Fund	General Fund	KSA 825d	81,162
Water Fund	Equipment Reserve Water Fund	KSA 825d	35,000
Sewer Fund	General Fund	KSA 825d	71,426
Storm Drainage Fund	General Fund	KSA 825d	3,400
			<u>\$ 327,035</u>

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2016

**Note 8: Long-Term Debt**

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance of Year	Additions	Reductions/Payments	Balance End of Year	2016 Interest Paid
<b>General Obligation Bonds</b>									
2009 Series A	Var - 4.3%	7/23/2009	1,780,000	9/1/2029	\$ 1,340,000	-	\$ 80,000	\$ 1,260,000	\$ 51,167
2010 Series A	Var - 4.6%	4/28/2010	4,055,000	9/1/1930	3,340,000	-	165,000	3,175,000	140,014
2011 Series A	Var - 3.0%	3/25/2011	2,200,000	9/1/2021	1,395,000	-	215,000	1,180,000	34,233
2013 Series A	Var - 1.9%	2/27/2013	1,570,000	9/1/2023	885,000	-	210,000	675,000	10,240
2015 Series A	Var-2.45%	8/13/2015	245,000	9/1/2025	245,000	-	20,000	225,000	4,426
2015 Series B	Var-1.30%	8/13/2015	1,365,000	6/1/2018	1,365,000	-	460,000	905,000	14,875
<b>Total General Obligation Bonds</b>					<b>\$ 8,570,000</b>	<b>\$ -</b>	<b>\$ 1,150,000</b>	<b>\$ 7,420,000</b>	<b>\$ 254,955</b>
<b>Revenue Bonds</b>									
Public Building Commission Bond									
Issue - Series 2011	Var - 4.3%	12/9/2011	7,760,000	12/1/2028	\$ 7,440,000	-	\$ 110,000	\$ 7,330,000	\$ 273,334
Issue - Series 2012	Var - 5.025%	1/5/2012	10,000,000	12/1/1935	10,000,000	-	-	10,000,000	490,023
<b>Total Revenue Bonds</b>					<b>\$ 17,440,000</b>	<b>\$ -</b>	<b>\$ 110,000</b>	<b>\$ 17,330,000</b>	<b>\$ 763,357</b>
<b>Revolving Loans</b>									
KDHE Waste Water Treatment Plan									
	2.58%	9/1/2006	8,620,417	9/1/2028	\$ 5,870,679	-	\$ 403,569	\$ 5,467,110	\$ 134,451
<b>Lease Purchase</b>									
Recycling Baler									
Road Grader	2.84%	8/24/2015	69,730	9/1/2020	\$ 57,314	-	\$ 10,827	\$ 46,487	\$ 1,632
Street Sweeper	3.20%	1/7/2015	160,300	1/1/2021	160,300	-	27,593	132,707	5,058
<b>Total Lease Purchase</b>	3.89%	12/12/2011	122,889	9/1/2017	43,611	-	21,426	22,185	1,700
					<b>\$ 261,225</b>	<b>\$ -</b>	<b>\$ 59,846</b>	<b>\$ 201,379</b>	<b>\$ 8,390</b>
<b>Total Contractual Indebtness</b>					<b>\$ 32,141,904</b>	<b>\$ -</b>	<b>\$ 1,723,415</b>	<b>\$ 30,418,489</b>	<b>\$ 1,161,153</b>

# Notes to Financial Statement

CITY OF ABILENE, KANSAS  
 NOTES TO FINANCIAL STATEMENT (CONTINUED)  
 December 31, 2016

**Note 8: Long-Term Debt (Continued)**  
 Current maturities of long-term debt and interest through maturity are as follows:

Principal	2017	2018	2019	2020	2021	2022 - 2026	2027 - 2031	2031 - 2035	Total
<b>General Obligation Bonds</b>									
2009 Series A	\$ 85,000	\$ 90,000	\$ 95,000	\$ 100,000	\$ 515,000	\$ 375,000	\$ -	\$ -	\$ 1,260,000
2010 Series A	175,000	180,000	190,000	195,000	200,000	1,135,000	1,100,000	-	3,175,000
2011 Series A	220,000	230,000	235,000	245,000	250,000	-	-	-	1,180,000
2013 Series A	215,000	180,000	90,000	190,000	-	-	-	-	675,000
2015 Series A	25,000	25,000	25,000	25,000	125,000	-	-	-	225,000
2015 Series B	470,000	435,000	-	-	-	-	-	-	905,000
<b>Total General Obligation Bonds</b>	<b>\$ 1,190,000</b>	<b>\$ 1,140,000</b>	<b>\$ 635,000</b>	<b>\$ 755,000</b>	<b>\$ 1,090,000</b>	<b>\$ 1,510,000</b>	<b>\$ 1,100,000</b>	<b>\$ -</b>	<b>\$ 7,420,000</b>
<b>Revenue Bonds</b>									
Public Building Commission Bond									
Issue - Series 2011	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ -	\$ 3,975,000	\$ 2,895,000	\$ -	\$ 7,330,000
Issue - Series 2012	-	-	-	-	-	-	2,835,000	7,165,000	10,000,000
<b>Total Revenue Bonds</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ 115,000</b>	<b>\$ -</b>	<b>\$ 3,975,000</b>	<b>\$ 5,730,000</b>	<b>\$ 7,165,000</b>	<b>\$ 17,330,000</b>
<b>Revolving Loans</b>									
KDHE Waste Water Treatment Plan	\$ 414,049	\$ 424,800	\$ 435,830	\$ 447,147	\$ 458,759	\$ 2,478,784	\$ 807,741	\$ -	\$ 5,467,110
<b>Lease Purchase</b>									
Recycling Baler	\$ 11,139	\$ 11,455	\$ 11,780	\$ 12,113	\$ -	\$ -	\$ -	\$ -	\$ 46,487
Road Grader	31,603	32,630	33,690	34,784	-	-	-	-	132,707
Street Sweeper	22,185	-	-	-	-	-	-	-	22,185
<b>Total Lease Purchase</b>	<b>\$ 64,927</b>	<b>\$ 44,085</b>	<b>\$ 45,470</b>	<b>\$ 46,897</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 201,379</b>
<b>Total Contractual Indebtedness</b>	<b>\$ 1,783,976</b>	<b>\$ 1,723,885</b>	<b>\$ 1,231,300</b>	<b>\$ 1,364,044</b>	<b>\$ 1,548,759</b>	<b>\$ 7,963,784</b>	<b>\$ 7,637,741</b>	<b>\$ 7,165,000</b>	<b>\$ 30,418,489</b>

# Notes to Financial Statement

CITY OF ABILENE, KANSAS  
 NOTES TO FINANCIAL STATEMENT (CONTINUED)  
 December 31, 2016

**Note 8: Long-Term Debt (Continued)**

Current maturities of long-term debt and interest through maturity are as follows:

Interest	2017	2018	2019	2020	2021	2022 - 2026	2027 - 2031	2032 - 2036	2037 - 2038	Total
<b>General Obligation Bonds</b>										
2009 Series A	\$ 48,848	\$ 46,213	\$ 43,243	\$ 39,918	\$ 36,318	\$ 120,884	\$ 25,155	\$ -	\$ -	\$ 360,579
2010 Series A	133,414	126,414	119,214	111,614	-	438,644	189,095	-	-	1,118,395
2011 Series A	30,255	25,635	20,230	14,238	-	7,500	-	-	-	97,858
2013 Series A	8,140	5,990	4,190	3,155	-	5,348	-	-	-	26,823
2015 Series A	4,075	3,825	3,488	3,125	-	8,477	-	-	-	22,990
2015 Series B	7,770	2,828	-	-	-	-	-	-	-	10,598
<b>Total General Obligation Bonds</b>	<b>\$ 232,502</b>	<b>\$ 210,905</b>	<b>\$ 190,365</b>	<b>\$ 172,050</b>	<b>\$ 36,318</b>	<b>\$ 580,853</b>	<b>\$ 214,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,637,241</b>
<b>Revenue Bonds</b>										
Public Building Commission Bond										
Issue - Series 2011	\$ 271,830	\$ 269,645	\$ 267,115	\$ 264,355	\$ -	\$ 1,100,996	\$ 229,191	\$ -	\$ -	\$ 2,403,132
Issue - Series 2012	490,039	490,036	490,039	490,039	-	2,450,195	2,359,260	1,112,524	-	7,882,132
<b>Total Revenue Bonds</b>	<b>\$ 761,869</b>	<b>\$ 759,681</b>	<b>\$ 757,154</b>	<b>\$ 754,394</b>	<b>\$ -</b>	<b>\$ 3,551,191</b>	<b>\$ 2,588,451</b>	<b>\$ 1,112,524</b>	<b>\$ -</b>	<b>\$ 10,285,264</b>
<b>Revolving Loans</b>										
KDHE Waste Water Treatment Plant	\$ 124,987	\$ 115,278	\$ 105,316	\$ 95,096	\$ -	\$ 306,719	\$ 31,367	\$ -	\$ -	\$ 778,763
<b>Total KDHE Loans</b>	<b>\$ 124,987</b>	<b>\$ 115,278</b>	<b>\$ 105,316</b>	<b>\$ 95,096</b>	<b>\$ -</b>	<b>\$ 306,719</b>	<b>\$ 31,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 778,763</b>
<b>Lease Purchase</b>										
Recycling Baler	\$ 1,320	\$ 1,004	\$ 679	\$ 345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,348
Road Grader	4,309	3,283	2,224	1,130	-	-	-	-	-	10,946
Street Sweeper	866	-	-	-	-	-	-	-	-	866
<b>Total Lease Purchases</b>	<b>\$ 6,495</b>	<b>\$ 4,287</b>	<b>\$ 2,903</b>	<b>\$ 1,475</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,160</b>
<b>Total Debt</b>	<b>\$ 1,125,853</b>	<b>\$ 1,090,151</b>	<b>\$ 1,055,738</b>	<b>\$ 1,023,015</b>	<b>\$ 36,318</b>	<b>\$ 4,438,763</b>	<b>\$ 2,834,068</b>	<b>\$ 1,112,524</b>	<b>\$ -</b>	<b>\$ 12,716,428</b>

# Notes to Financial Statement

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2016

**Note 9: 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no decreases in insurance coverage from the prior year.

**Note 10: Litigation**

The City knows of no actual or possible litigations, claims, or assessments whose effects should be considered in the preparation of the financial statement as of December 31, 2016.

**Note 11: Self-Insurance Program**

In 2010, the City implemented a partially funded self-insurance plan for its employees' health care costs. The plan is administered by Freedom Claims Management, Inc. The City is liable for losses on claims up to \$11,000 per family covered and \$5,500 per single insured employee and \$467,500 in total for the year. The plan has fixed costs of \$441,012. The City has third-party insurance coverage for any losses in excess of such amounts. Management believes claims incurred, but not reported, are insignificant at December 31, 2016. Changes in claims liability for 2016 and 2015 were as follows:

	2016	2015
<b>Beginning Balance</b>	\$ 97,612	\$ 83,594
Additions	577,323	569,448
Payments	459,087	555,430
<b>Ending Balance</b>	\$ 215,848	\$ 97,612

**Note 12: Compensated Absences**

The City's policy regarding vacation and leave allows employees to accumulate vacation and sick leave based on years of continuous service as follows:

Vacation leave is earned by the month. If an employee leaves the City, they are entitled to a payment of all accrued vacation pay earned prior to termination or resignation.

<u>Years of Continuous Service</u>	<u>Vacation Days Accrued (hours/year)</u>	
	<u>Regular</u>	<u>Fire Department</u>
0 - 5	80	74
5 - 10	100	92
10 - 15	120	111
15 - 20	140	129
20+	160	148

The dollar amount of accrued vacation at December 31, 2016 was \$120,160.

Sick leave is accrued at a rate of 8.0 hours per month for all employees, up to a maximum of 120 days (960 hours). Sick leave accumulated is not paid to employees except upon retirement or separation after twenty or more years of regular service, in which the employee shall receive payment for 25% of the unused sick leave, up to a maximum of one calendar month's salary.

The dollar amount of accrued sick leave at December 31, 2016 was \$31,935.

**CITY OF ABILENE, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
December 31, 2016

**Note 13: Abilene Recreation Commission**

The Abilene Recreation Commission amended its inter-local agreement with the City, effective December 19, 2007. Under this agreement, the City receives funds from and for the Abilene Recreation Commission and pays their expenditures per their budget at their direction within the Recreation Commission fund of the City. All Recreation Commission funds are held by the City.

Management of the Commission is carried out by an appointed five member Commission. The City appoints two members, the USD 435 Board of Education appoints two members, and the fifth member is appointed collectively by the other four members of the Commission. The primary source of funding is provided by tax levies through the USD 435 Board of Education. These tax levies are forwarded by the Recreation Commission to the City and are recorded as Contract Payments in the Recreation Commission fund on page 23 of the supplemental schedules.

The Commission utilizes the City's facilities at no cost to the Commission; however, the Commission does pay for certain repairs and maintenance of the facilities.

**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF ABILENE, KANSAS**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
 Regulatory Basis  
 For the Year Ended December 31, 2016

Fund	Certified Budget	Adjustment for Budget Credits/ Adjustments	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 5,881,171	\$ -	\$ 5,881,171	\$ 4,415,770	\$ (1,465,401)
Special Revenue Funds					
Airport Fund	344,450	-	344,450	57,521	(286,929)
Fire Apparatus Fund	112,473	-	112,473	77,084	(35,389)
Special Park and Recreation Fund	40,000	-	40,000	3,943	(36,057)
Special Alcohol and Drug Fund	12,500	-	12,500	12,500	-
Library Fund	405,775	-	405,775	383,756	(22,019)
Tourism and Convention Fund	337,996	-	337,996	245,074	(92,922)
Special Street Fund	413,500	-	413,500	353,996	(59,504)
Recreation Commission Fund	572,453	-	572,453	418,596	(153,857)
Capital Improvement Fund	506,569	-	506,569	19,600	(486,969)
Community Center Fund	-	-	-	3,180	3,180
Library/Pool Renovation Fund	454,325	-	454,325	474,876	20,551 *
Sales Tax Street Fund	325,000	-	325,000	564,685	239,685 *
Bond and Interest	1,089,989	-	1,089,989	756,092	(333,897)
Business Funds					
Water Utility Fund	1,751,404	-	1,751,404	1,465,372	(286,032)
Sewer Utility Fund	1,638,027	-	1,638,027	1,431,703	(206,324)
Recycling Fund	115,570	-	115,570	117,571	2,001
Storm Drain Fund	203,400	-	203,400	25,873	(177,527)

\* Neither of these funds had a budget violation. In both cases, there were unanticipated revenues in 2016.

SCHEDULE 1

See Independent Auditor's Report.

*Regulatory-Required Supplemental Information*

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

GENERAL FUND	2015	2016		Variance Over (Under)
	Actual	Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 1,289,993	\$ 1,402,296	\$ 1,463,495	\$ (61,199)
Delinquent Tax	26,981	26,608	15,000	11,608
Motor Vehicle Tax	224,583	167,563	175,328	(7,765)
Intergovernmental Revenue				
Local Sales Tax	1,307,005	1,228,733	1,302,744	(74,011)
Franchise Tax	683,207	750,306	700,000	50,306
KLINK - Highway Maintenance	30,750	30,771	130,000	(99,229)
Liquor Control Tax	25,413	15,088	15,000	88
Licenses and Fees				
Licenses and Permits	87,878	37,677	81,000	(43,323)
Fines and Penalties	170,679	151,144	160,000	(8,856)
Charges for Services	18,266	19,238	30,000	(10,762)
Use of Money and Property				
Interest Income	7,863	12,357	9,000	3,357
Rent	23,032	12,093	10,980	1,113
Other Receipts				
Grants	94,616	47,049	68,380	(21,331)
Contributions	1,500	12,300	-	12,300
Reimbursed Expenditures	25,990	171,955	-	171,955
Insurance Proceeds	75,567	30,240	-	30,240
Miscellaneous	39,629	148,671	15,000	133,671
Transfers From	112,982	155,988	150,000	5,988
<b>Total Receipts</b>	<b>\$ 4,245,934</b>	<b>\$ 4,420,077</b>	<b>\$ 4,325,927</b>	<b>\$ 94,150</b>

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

GENERAL FUND	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>Departmental Expenditures</b>					
<b>Administrative</b>					
Salaries and Benefits	\$ 189,406	\$ 191,466	\$ 193,462	\$ (1,996)	
Contractual Services	37,834	44,077	9,200	34,877	
Services and Supplies	204,866	182,724	116,075	66,649	
Capital Outlay	4,560	503	20,000	(19,497)	
Transfer to Convention & Tourism	-	-	25,000	(25,000)	
Other	5,054	137,709	-	137,709	
<b>Total</b>	<b>\$ 441,720</b>	<b>\$ 556,479</b>	<b>\$ 363,737</b>	<b>\$ 192,742</b>	
<b>Police</b>					
Salaries and Benefits	\$ 1,048,415	\$ 982,458	\$ 1,089,867	\$ (107,409)	
Services and Supplies	127,822	148,670	166,150	(17,480)	
Capital Outlay	6,404	5,744	70,200	(64,456)	
<b>Total</b>	<b>\$ 1,182,641</b>	<b>\$ 1,136,872</b>	<b>\$ 1,326,217</b>	<b>\$ (189,345)</b>	
<b>Fire</b>					
Salaries and Benefits	\$ 640,725	\$ 700,714	\$ 655,486	\$ 45,228	
Services and Supplies	74,722	86,853	82,700	4,153	
Capital Outlay	14,766	173,229	43,134	130,095	
<b>Total</b>	<b>\$ 730,213</b>	<b>\$ 960,796</b>	<b>\$ 781,320</b>	<b>\$ 179,476</b>	
<b>Streets and Alley</b>					
Salaries and Benefits	\$ 307,022	\$ 244,252	\$ 288,646	\$ (44,394)	
Contractual Services			\$ 57,721	\$ (57,721)	
Services and Supplies	297,882	376,629	322,650	53,979	
Capital Outlay	25,412	60,220	60,000	220	
<b>Total</b>	<b>\$ 630,316</b>	<b>\$ 681,101</b>	<b>\$ 729,017</b>	<b>\$ (47,916)</b>	
<b>Bindweed and Flood Maintenance</b>					
Salaries and Benefits	\$ 72,241	\$ 90,785	\$ 99,122	\$ (8,337)	
Services and Supplies	35,786	37,203	42,500	(5,297)	
<b>Total</b>	<b>\$ 108,027</b>	<b>\$ 127,988</b>	<b>\$ 141,622</b>	<b>\$ (13,634)</b>	
<b>Parks and Recreation</b>					
Salaries and Benefits	\$ 180,116	\$ 179,842	\$ 198,885	\$ (19,043)	
Services and Supplies	73,067	74,450	78,500	(4,050)	
Capital Outlay	2,900	10,262	10,700	(438)	
<b>Total</b>	<b>\$ 256,083</b>	<b>\$ 264,554</b>	<b>\$ 288,085</b>	<b>\$ (23,531)</b>	
<b>Pool</b>					
Services and Supplies	\$ 21,545	\$ 8,731	\$ 21,550	\$ (12,819)	

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**GENERAL FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

GENERAL FUND	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>Departmental Expenditures</b>					
<b>Community Development</b>					
Salaries and Benefits	\$ 139,057	\$ 141,142	\$ 229,686	\$ (88,544)	
Services and Supplies	14,006	17,318	32,160	(14,842)	
Economic Development	105,111	54,901	50,000	4,901	
<b>Total</b>	<u>\$ 258,174</u>	<u>\$ 213,361</u>	<u>\$ 311,846</u>	<u>\$ (98,485)</u>	
<b>Inspection</b>					
Salaries and Benefits	\$ 45,939	\$ 2,085	\$ -	\$ 2,085	
Contractual Services	260	-	-	-	
Services and Supplies	7,424	14,740	-	14,740	
<b>Total</b>	<u>\$ 53,623</u>	<u>\$ 16,825</u>	<u>\$ -</u>	<u>\$ 16,825</u>	
<b>Municipal Court</b>					
Salaries and Benefits	\$ 86,494	\$ 84,884	\$ 86,736	\$ (1,852)	
Contractual Services	30,740	38,594	31,000	7,594	
Services and Supplies	47,715	48,291	60,825	(12,534)	
<b>Total</b>	<u>\$ 164,949</u>	<u>\$ 171,769</u>	<u>\$ 178,561</u>	<u>\$ (6,792)</u>	
<b>Senior Center and Transportation</b>					
Salaries and Benefits	\$ 69,063	\$ 65,507	\$ 73,191	\$ (7,684)	
Contractual Services	6,600	7,800	7,200	600	
Services and Supplies	34,858	31,865	40,550	(8,685)	
Capital Outlay	53,962	-	-	-	
<b>Total</b>	<u>\$ 164,483</u>	<u>\$ 105,172</u>	<u>\$ 120,941</u>	<u>\$ (15,769)</u>	
<b>Civic Center</b>					
Services and Supplies	\$ 30,508	\$ 31,561	\$ 31,775	\$ (214)	
Capital Outlay	1,921	4,514	-	4,514	
<b>Total</b>	<u>\$ 32,429</u>	<u>\$ 36,075</u>	<u>\$ 31,775</u>	<u>\$ 4,300</u>	
<b>Other Expenditures</b>					
Transfers To Other Funds	\$ 98,236	\$ 136,047	\$ -	\$ 136,047	
Balance reserve	-	-	1,586,500	(1,586,500)	
<b>Total</b>	<u>\$ 98,236</u>	<u>\$ 136,047</u>	<u>\$ 1,586,500</u>	<u>\$ (1,450,453)</u>	
<b>Total Expenditures</b>	<u>\$ 4,142,439</u>	<u>\$ 4,415,770</u>	<u>\$ 5,881,171</u>	<u>\$ (1,465,401)</u>	
<b>Receipts Over (Under)</b>					
Expenditures	\$ 103,495	\$ 4,307			
Unencumbered Cash, January 1	1,284,604	1,388,099			
Unencumbered Cash, December 31	<u>\$ 1,388,099</u>	<u>\$ 1,392,406</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
AIRPORT FUND**

For the Year Ended December 31, 2016  
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016	
	Actual	Actual	Budget	Variance Over (Under)
<b>AIRPORT FUND</b>				
<b>Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 61,354	\$ 67,152	\$ 70,076	\$ (2,924)
Delinquent Tax	1,648	1,533	-	1,533
Motor Vehicle Tax	5,864	7,174	7,423	(249)
Intergovernmental Revenue				
Grants - FAA	2,249,441	38,989	-	38,989
Other Receipts				
Contract Payments	17,750	14,987	17,800	(2,813)
Reimbursed Expenses	104	1,045	-	1,045
Refunds Received	180	27	-	27
Interest Income	42	18	50	(32)
<b>Total Receipts</b>	<b>\$ 2,336,383</b>	<b>\$ 130,925</b>	<b>\$ 95,349</b>	<b>\$ 35,576</b>
<b>Expenditures</b>				
Contractual Services	\$ -	\$ -	\$ 1,500	\$ (1,500)
Services and Supplies	17,761	24,687	33,000	(8,313)
Capital Outlay	2,493,156	32,834	309,950	(277,116)
Qualifying budget credits	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,510,917</b>	<b>\$ 57,521</b>	<b>\$ 344,450</b>	<b>\$ (286,929)</b>
<b>Receipts Over (Under)</b>				
Expenditures	\$ (174,534)	\$ 73,404		
Unencumbered Cash, January 1	210,319	35,785		
Unencumbered Cash, December 31	<b>\$ 35,785</b>	<b>\$ 109,189</b>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**SPECIAL PURPOSE FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>FIRE APPARATUS FUND</b>					
Receipts					
Ad Valorem Property Tax	\$ 48,269	\$ 49,150	\$ 51,241	\$ (2,091)	
Delinquent Tax	888	890	500	390	
Motor Vehicle Tax	6,130	6,110	6,323	(213)	
Interest Income	14	13	-	13	
<b>Total Receipts</b>	<b>\$ 55,301</b>	<b>\$ 56,163</b>	<b>\$ 58,064</b>	<b>\$ (1,901)</b>	
Expenditures					
Principal Payment on Bond	\$ 45,000	\$ 73,500	\$ 45,000	\$ 28,500	
Interest Payment on Bond	4,548	3,584	5,473	(1,889)	
Commission and Postage	-	-	100	(100)	
Capital Outlay/Special Projects	-	-	61,900	(61,900)	
<b>Total Expenditures</b>	<b>\$ 49,548</b>	<b>\$ 77,084</b>	<b>\$ 112,473</b>	<b>\$ (35,389)</b>	
Receipts Over (Under)					
Expenditures	\$ 5,753	\$ (20,921)			
Unencumbered Cash, January 1	42,394	48,147			
Unencumbered Cash, December 31	<b>\$ 48,147</b>	<b>\$ 27,226</b>			
<b>SPECIAL PARK AND RECREATION FUND</b>					
Receipts					
Alcohol Tax	\$ 26,167	\$ 15,626	\$ 16,712	\$ (1,086)	
Interest Income	9	11	25	(14)	
Gifts and Donations	10,744	605	-	605	
<b>Total Receipts</b>	<b>\$ 36,920</b>	<b>\$ 16,242</b>	<b>\$ 16,737</b>	<b>\$ (495)</b>	
Expenditures					
Capital Outlay	\$ 34,233	\$ 3,943	\$ 40,000	\$ (36,057)	
Receipts Over (Under)					
Expenditures	\$ 2,687	\$ 12,299			
Unencumbered Cash, January 1	50,521	53,208			
Unencumbered Cash, December 31	<b>\$ 53,208</b>	<b>\$ 65,507</b>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>SPECIAL ALCOHOL AND DRUG FUND</b>					
Receipts					
Alcohol Tax	\$ 25,413	\$ 15,088	\$ 16,000	\$ (912)	
Interest Income	15	13	10	3	
Reimbursed Expense	-	452	-	452	
<b>Total Receipts</b>	<b>\$ 25,428</b>	<b>\$ 15,553</b>	<b>\$ 16,010</b>	<b>\$ (457)</b>	
Expenditures					
Awards and Contributions	\$ 6,500	\$ 6,500	\$ -	\$ 6,500	
Capital Outlay	-	-	5,000	(5,000)	
D.A.R.E Activities	-	6,000	-	6,000	
Services and Supplies	-	-	7,500	(7,500)	
<b>Total Expenditures</b>	<b>\$ 6,500</b>	<b>\$ 12,500</b>	<b>\$ 12,500</b>	<b>\$ -</b>	
Receipts Over (Under)					
Expenditures	\$ 18,928	\$ 3,053			
Unencumbered Cash, January 1	55,267	74,195			
Unencumbered Cash, December 31	<b>\$ 74,195</b>	<b>\$ 77,248</b>			
<b>LIBRARY FUND</b>					
Receipts					
Ad Valorem Property Tax	\$ 304,659	\$ 337,932	\$ 352,434	\$ (14,502)	
Delinquent Tax	15,848	6,378	-	6,378	
Motor Vehicle Tax	43,116	39,446	41,131	(1,685)	
Non Tax Revenue	-	-	4,210	(4,210)	
Grants	-	-	8,000	(8,000)	
Transfer from General Fund	44	-	-	-	
Reimbursed expense	-	443	-	443	
<b>Total Receipts</b>	<b>\$ 363,667</b>	<b>\$ 384,199</b>	<b>\$ 405,775</b>	<b>\$ (21,576)</b>	
Expenditures					
Appropriation to Library	\$ 363,667	\$ 383,756	\$ 405,775	\$ (22,019)	
Receipts Over (Under)					
Expenditures	\$ -	\$ 443			
Unencumbered Cash, January 1	-	-			
Unencumbered Cash, December 31	<b>\$ -</b>	<b>\$ 443</b>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis**

For the Year Ended December 31, 2016  
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

TOURISM AND CONVENTION FUND	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>Receipts</b>					
Transient Guest Tax	\$ 183,570	\$ 149,197	\$ 130,000	\$ 19,197	
Arts Festival Revenue	-	-	90,000	(90,000)	
Charges for Services	23,392	11,909	21,641	(9,732)	
Interest Income	12	12	-	12	
Reimbursed Expenses	35,211	26,213	55,000	(28,787)	
Refunds Received	329	45	-	45	
Miscellaneous Revenue	24,874	2,793	10,510	(7,717)	
Transfer from General	25,000	25,000	25,000	-	
<b>Total Receipts</b>	<b>\$ 292,388</b>	<b>\$ 215,169</b>	<b>\$ 332,151</b>	<b>\$ (116,982)</b>	
<b>Expenditures</b>					
Salaries and Benefits	\$ 131,092	\$ 122,790	\$ 145,596	\$ (22,806)	
Services and Supplies	113,513	112,448	186,400	(73,952)	
Capital Outlay	1,655	3,045	6,000	(2,955)	
Trolley Expenses	7,315	6,791	-	6,791	
<b>Total Expenditures</b>	<b>\$ 253,575</b>	<b>\$ 245,074</b>	<b>\$ 337,996</b>	<b>\$ (92,922)</b>	
<b>Receipts Over (Under)</b>					
Expenditures	\$ 38,813	\$ (29,905)			
Unencumbered Cash, January 1	35,248	74,061			
Unencumbered Cash, December 31	<u>\$ 74,061</u>	<u>\$ 44,156</u>			
<b>SPECIAL STREET FUND</b>					
<b>Receipts</b>					
Fuel Tax	\$ 174,073	\$ 174,425	\$ 175,830	\$ (1,405)	
KDOT Funds	116,892	143,211	200,000	(56,789)	
Interest Income	820	1,330	1,200	130	
Reimbursed Expenses	2,677	-	65,000	(65,000)	
<b>Total Receipts</b>	<b>\$ 294,462</b>	<b>\$ 318,966</b>	<b>\$ 442,030</b>	<b>\$ (123,064)</b>	
<b>Expenditures</b>					
Services and Supplies	\$ 24,191	\$ 25,925	\$ 26,500	\$ (575)	
Capital Outlay	238,638	328,071	387,000	(58,929)	
<b>Total Expenditures</b>	<b>\$ 262,829</b>	<b>\$ 353,996</b>	<b>\$ 413,500</b>	<b>\$ (59,504)</b>	
<b>Receipts Over (Under)</b>					
Expenditures	\$ 31,633	\$ (35,030)			
Unencumbered Cash, January 1	(31,537)	96			
Unencumbered Cash, December 31	<u>\$ 96</u>	<u>\$ (34,934)</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
RECREATION COMMISSION FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

RECREATION COMMISSION FUND	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>Receipts</b>					
Contract Payments	\$ 258,261	\$ 274,710	\$ 243,545	\$ 31,165	
Fees	201,381	200,430	188,300	12,130	
Interest Income	60	55	100	(45)	
Grants	1,296	-	15,000	(15,000)	
<b>Total Receipts</b>	<b>\$ 460,998</b>	<b>\$ 475,195</b>	<b>\$ 446,945</b>	<b>\$ 28,250</b>	
<b>Expenditures</b>					
<b>Administration</b>					
Salaries and Benefits	\$ 170,235	\$ 173,659	\$ 170,953	\$ 2,706	
Contractual Services	3,050	150	-	150	
Services and Supplies	23,746	25,435	-	25,435	
Capital Outlay	278	540	-	540	
<b>Aquatics</b>					
Salaries and Benefits	57,394	59,218	85,000	(25,782)	
Services and Supplies	15,371	15,873	-	15,873	
<b>Athletics</b>					
Salaries and Benefits	17,666	22,338	82,250	(59,912)	
Services and Supplies	58,032	51,439	-	51,439	
<b>Community Education</b>					
Salaries and Benefits	13,261	11,942	31,250	(19,308)	
Services and Supplies	3,871	2,699	-	2,699	
<b>Community Center</b>					
Salaries and Benefits	246	-	78,000	(78,000)	
Contractual Services	-	3,200	-	3,200	
Services and Supplies	48,109	52,103	-	52,103	
<b>Special Projects</b>					
	-	-	125,000	(125,000)	
<b>Total Expenditures</b>	<b>\$ 411,259</b>	<b>\$ 418,596</b>	<b>\$ 572,453</b>	<b>\$ (153,857)</b>	
<b>Receipts Over (Under)</b>					
Expenditures	\$ 49,739	\$ 56,599			
Unencumbered Cash, January 1	169,226	218,965			
Unencumbered Cash, December 31	<u>\$ 218,965</u>	<u>\$ 275,564</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
CAPITAL IMPROVEMENT FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>CAPITAL IMPROVEMENT FUND</b>					
<b>Receipts</b>					
Ad Valorem Property Tax	\$ 1,042	\$ -	\$ -	\$ -	\$ -
Delinquent Tax	244	160	-	-	160
Motor Vehicle Tax	25	-	-	-	-
Interest Income	106	100	-	-	100
<b>Total Receipts</b>	<u>\$ 1,417</u>	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260</u>
<b>Expenditures</b>					
Special Projects	\$ -	\$ 19,600	\$ 506,569	\$ -	\$ (486,969)
Transfer to General Fund	6,057	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 6,057</u>	<u>\$ 19,600</u>	<u>\$ 506,569</u>	<u>\$ -</u>	<u>\$ (486,969)</u>
<b>Receipts Over (Under)</b>					
Expenditures	\$ (4,640)	\$ (19,340)			
Unencumbered Cash, January 1	484,465	479,825			
Unencumbered Cash, December 31	<u>\$ 479,825</u>	<u>\$ 460,485</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis**

For the Year Ended December 31, 2016  
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

<b>EQUIPMENT RESERVE FUND</b>	<u>2015</u>	<u>2016</u>
Receipts		
Interest Income	\$ 18	\$ 25
Sale of Equipment	-	-
Transfer from General	73,192	111,047
<b>Total Receipts</b>	<u>\$ 73,210</u>	<u>\$ 111,072</u>
Expenditures		
Capital Outlay	<u>\$ 73,192</u>	<u>\$ 122,759</u>
Receipts Over (Under)		
Expenditures	\$ 18	\$ (11,687)
Unencumbered Cash, January 1	163,579	163,597
Unencumbered Cash, December 31	<u>\$ 163,597</u>	<u>\$ 151,910</u>

	<u>2015</u>	<u>2016</u>	
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
			<u>Variance</u>
			<u>Over</u>
			<u>(Under)</u>
<b>COMMUNITY CENTER FUND</b>			
Receipts			
Interest Income	\$ 33	\$ 32	\$ 60
Expenditures			
Capital Outlay	\$ -	\$ 3,180	\$ -
Receipts Over (Under)			
Expenditures	\$ 33	\$ (3,148)	
Unencumbered Cash, January 1	153,891	153,924	
Unencumbered Cash, December 31	<u>\$ 153,924</u>	<u>\$ 150,776</u>	

<b>LIBRARY/POOL RENOVATION FUND</b>				
Receipts				
Sales Tax Distribution	\$ 480,197	\$ 455,277	\$ 473,310	\$ (18,033)
Bond Issuance Costs	19,432	-	-	-
Interest Income	49	64	100	(36)
<b>Total Receipts</b>	<u>\$ 499,678</u>	<u>\$ 455,341</u>	<u>\$ 473,410</u>	<u>\$ (18,069)</u>
Expenditures				
Bond Principal	\$ 395,000	\$ 460,000	\$ 395,000	\$ 65,000
Bond Interest	36,921	14,876	59,225	(44,349)
Bond Issuance Costs	17,842	-	100	(100)
<b>Total Expenditures</b>	<u>\$ 449,763</u>	<u>\$ 474,876</u>	<u>\$ 454,325</u>	<u>\$ 20,551</u>
Receipts Over (Under)				
Expenditures	\$ 49,915	\$ (19,535)		
Unencumbered Cash, January 1	297,803	347,718		
Unencumbered Cash, December 31	<u>\$ 347,718</u>	<u>\$ 328,183</u>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
SALES TAX STREET FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>SALES TAX STREET FUND</b>					
<b>Receipts</b>					
Sales Tax	\$ 343,019	\$ 325,218	\$ 325,000	\$	218
Interest Income	63	44	70	\$	(26)
<b>Total Receipts</b>	<u>\$ 343,082</u>	<u>\$ 325,262</u>	<u>\$ 325,070</u>	<u>\$</u>	<u>192</u>
<b>Expenditures</b>					
Capital Outlay	\$ 296,636	\$ 564,685	\$ 325,000	\$	239,685
<b>Receipts Over (Under)</b>					
Expenditures	\$ 46,446	\$ (239,423)			
Unencumbered Cash, January 1	146,701	193,147			
Unencumbered Cash, December 31	<u>\$ 193,147</u>	<u>\$ (46,276)</u>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
BOND AND INTEREST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis  
BOND AND INTEREST FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016	
	Actual	Actual	Budget	Variance Over (Under)
<b>BOND AND INTEREST FUND</b>				
<b>Receipts</b>				
Ad Valorem Property Tax	\$ 478,560	\$ 479,599	\$ 499,948	\$ (20,349)
Delinquent Tax	8,403	9,180	4,000	5,180
Motor Vehicle Tax	75,468	60,128	65,044	(4,916)
Special Assessments	298,273	195,852	120,425	75,427
Interest Income	1,540	1,275	1,500	(225)
<b>Total Receipts</b>	<b>\$ 862,244</b>	<b>\$ 746,034</b>	<b>\$ 690,917</b>	<b>\$ 55,117</b>
<b>Expenditures</b>				
Bond Principal	\$ 540,000	\$ 524,100	\$ 564,989	\$ (40,889)
Bond Interest	238,830	231,992	-	231,992
Debt Service Balance Reserve	-	-	525,000	(525,000)
<b>Total Expenditures</b>	<b>\$ 778,830</b>	<b>\$ 756,092</b>	<b>\$ 1,089,989</b>	<b>\$ (333,897)</b>
<b>Receipts Over (Under)</b>				
Expenditures	\$ 83,414	\$ (10,058)		
Unencumbered Cash, January 1	(41,255)	42,159		
Unencumbered Cash, December 31	<u>\$ 42,159</u>	<u>\$ 32,101</u>		

**Regulatory-Required Supplemental Information**

CITY OF ABILENE, KANSAS  
 CAPITAL PROJECT FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES  
 Regulatory Basis

DAWSON COTTAGE ADDITION FUND

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015 <u>Actual</u>	2016 <u>Actual</u>
<b>DAWSON COTTAGE ADDITION FUND</b>		
Receipts		
Interest Income	\$ 2	\$ (5)
Transfers in	48,721	-
<b>Total Receipts</b>	<u>\$ 48,723</u>	<u>\$ (5)</u>
Expenditures		
Administrative Fees	\$ 327	\$ -
Note Interest	1,710	-
Issuance Costs Series 2015A/B	153,166	-
<b>Total Expenditures</b>	<u>\$ 155,203</u>	<u>\$ -</u>
Receipts Over (Under)		
Expenditures	\$ (106,480)	\$ (5)
Unencumbered Cash, January 1	31,656	(74,824)
Unencumbered Cash, December 31	<u>\$ (74,824)</u>	<u>\$ (74,829)</u>

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**BUSINESS FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**WATER UTILITY FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget	Budget	
<b>WATER UTILITY FUND</b>					
<b>Receipts</b>					
Charges for Services	\$ 1,425,899	\$ 1,370,827	\$ 1,623,240		\$ (252,413)
Sales Tax	8	117	650		(533)
Fines and Penalties	23,386	14,200	22,000		(7,800)
Reimbursed Expenses	2,043	14,818	5,000		9,818
Interest Income	5,143	4,721	4,500		221
Antenna Fees	-	14,737	12,500		2,237
Miscellaneous Fees	31,532	10,359	12,000		(1,641)
<b>Total Receipts</b>	<b>\$ 1,488,011</b>	<b>\$ 1,429,779</b>	<b>\$ 1,679,890</b>		<b>\$ (250,111)</b>
<b>Expenditures</b>					
<b>Wells Production and Water Treatment Plan</b>					
Salaries and Benefits	\$ 184,856	\$ 192,581	\$ 531,173		\$ (338,592)
Services and Supplies	239,437	257,352	-		257,352
Capital Outlay	-	336	-		336
<b>Water Distribution</b>					
Salaries and Benefits	211,087	230,760	692,762		(462,002)
Services and Supplies	294,832	333,725	-		333,725
Capital Outlay	57,951	78,345	-		78,345
<b>Commercial</b>					
Salaries and Benefits	117,856	122,871	241,739		(118,868)
Contractual Services	10,233	8,596	-		8,596
Services and Supplies	82,500	59,128	-		59,128
Capital Outlay	12,000	1,646	-		1,646
<b>Debt Service</b>					
Principal Payments	90,000	60,900	169,568		(108,668)
Interest Payments	3,693	2,970	-		2,970
<b>Transfer to General</b>					
	125,242	116,162	116,162		-
<b>Total Expenditures</b>	<b>\$ 1,429,687</b>	<b>\$ 1,465,372</b>	<b>\$ 1,751,404</b>		<b>\$ (286,032)</b>
<b>Receipts Over (Under)</b>					
Expenditures	\$ 58,324	\$ (35,593)			
Unencumbered Cash, January 1	297,279	355,603			
Unencumbered Cash, December 31	<b>\$ 355,603</b>	<b>\$ 320,010</b>			

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS**  
**BUSINESS FUNDS**  
**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**Regulatory Basis**  
**SEWER UTILITY FUND**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016	
	Actual	Actual	Budget	Variance Over (Under)
<b>SEWER UTILITY FUND</b>				
<b>Receipts</b>				
Charges for Services	\$ 1,330,562	\$ 1,230,998	\$ 1,428,510	\$ (197,512)
Interest Income	2,672	4,260	-	4,260
Reimbursed Expenses	2,016	11,858	7,200	4,658
Refunds	7,127	97	-	97
<b>Total Receipts</b>	<b>\$ 1,342,377</b>	<b>\$ 1,247,213</b>	<b>\$ 1,435,710</b>	<b>\$ (188,497)</b>
<b>Expenditures</b>				
<b>Collection</b>				
Salaries and Benefits	\$ 89,893	\$ 95,088	\$ 282,779	\$ (187,691)
Services and Supplies	41,252	52,661	-	52,661
Capital Outlay	77,383	7,687	-	7,687
<b>Wastewater Treatment Plant</b>				
Salaries and Benefits	152,015	152,932	535,003	(382,071)
Services and Supplies	263,088	284,724	-	284,724
Capital Outlay	15,359	1,300	-	1,300
<b>Commercial</b>				
Salaries and Benefits	117,846	123,013	196,372	(73,359)
Contractual Services	10,233	8,602	-	8,602
Services and Supplies	50,791	47,142	-	47,142
Capital Outlay	15,000	1,646	-	1,646
<b>Debt Service</b>				
Principal Payments	433,355	435,069	552,447	(117,378)
Interest Payments	145,675	135,987	-	135,987
Commissions and Postage	15,416	14,426	-	14,426
Transfer to General	95,379	71,426	71,426	-
<b>Total Expenditures</b>	<b>\$ 1,522,685</b>	<b>\$ 1,431,703</b>	<b>\$ 1,638,027</b>	<b>\$ (206,324)</b>
<b>Receipts Over (Under)</b>				
Expenditures	\$ (180,308)	\$ (184,490)		
Unencumbered Cash, January 1	1,340,278	1,159,970		
Unencumbered Cash, December 31	<b>\$ 1,159,970</b>	<b>\$ 975,480</b>		

**Regulatory-Required Supplemental Information**

**CITY OF ABILENE, KANSAS  
SPECIAL PURPOSE FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES  
Regulatory Basis**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	<u>2015</u>	<u>2016</u>
<b>EQUIPMENT RESERVE - WATER FUND</b>		
Interest Income	\$ 37	\$ 41
Transfer from other funds	50,000	35,000
	<u>\$ 50,037</u>	<u>\$ 35,041</u>
Expenditures		
Capital Outlay	\$ 5,096	\$ 92,110
Receipts Over (Under)		
Expenditures	\$ 44,941	\$ (57,069)
Unencumbered Cash, January 1	162,536	207,477
Unencumbered Cash, December 31	<u>\$ 207,477</u>	<u>\$ 150,408</u>
 <b>EQUIPMENT RESERVE - SEWER FUND</b>		
Receipts		
Interest Income	\$ 138	\$ 136
Transfer from Sewer	25,000	-
Total Receipts	<u>\$ 25,138</u>	<u>\$ 136</u>
Expenditures	<u>\$ -</u>	<u>\$ -</u>
Receipts Over (Under)		
Expenditures	\$ 25,138	\$ 136
Unencumbered Cash, January 1	630,960	656,098
Unencumbered Cash, December 31	<u>\$ 656,098</u>	<u>\$ 656,234</u>

*Regulatory-Required Supplemental Information*

**CITY OF ABILENE, KANSAS  
BUSINESS FUNDS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
Regulatory Basis**

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

	2015		2016		Variance Over (Under)
	Actual	Actual	Budget		
<b>RECYCLING FUND</b>					
Receipts					
Charges for Services	\$ 56,437	\$ 59,322	\$ 59,160	\$	162
Interest Income	51	44	80	\$	(36)
Refunds Received	266	9	-		9
Reimbursed expenses	69,939	170	-		170
Miscellaneous Income	22,715	17,367	25,000		(7,633)
<b>Total Receipts</b>	<b>\$ 149,408</b>	<b>\$ 76,912</b>	<b>\$ 84,240</b>	<b>\$</b>	<b>(7,328)</b>
Expenditures					
Salaries and Benefits	\$ 23,095	\$ 1,482	\$ -	\$	1,482
Contractual Services	67,833	80,176	74,000		6,176
Services and Supplies	22,938	21,813	27,470		(5,657)
Capital Outlay	83,830	14,100	14,100		-
<b>Total Expenditures</b>	<b>\$ 197,696</b>	<b>\$ 117,571</b>	<b>\$ 115,570</b>	<b>\$</b>	<b>2,001</b>
Receipts Over (Under)					
Expenditures	\$ (48,288)	\$ (40,659)			
Unencumbered Cash, January 1	249,469	201,181			
Unencumbered Cash, December 31	<u>\$ 201,181</u>	<u>\$ 160,522</u>			
<b>STORM DRAIN FUND</b>					
Receipts					
Charges for Services	\$ 67,717	\$ 66,568	\$ 68,000	\$	(1,432)
Reimbursed Expenses	1,583	-	-		-
Interest Income	86	80	100		(20)
<b>Total Receipts</b>	<b>\$ 69,386</b>	<b>\$ 66,648</b>	<b>\$ 68,100</b>	<b>\$</b>	<b>(1,452)</b>
Expenditures					
Contractual Services	\$ -	\$ 17,975	\$ -	\$	17,975
Capital Outlay	401	4,498	200,000		(195,502)
Transfer from General	6,375	3,400	3,400		-
<b>Total Expenditures</b>	<b>\$ 6,776</b>	<b>\$ 25,873</b>	<b>\$ 203,400</b>	<b>\$</b>	<b>(177,527)</b>
Receipts Over (Under)					
Expenditures	\$ 62,610	\$ 40,775			
Unencumbered Cash, January 1	360,839	423,449			
Unencumbered Cash, December 31	<u>\$ 423,449</u>	<u>\$ 464,224</u>			

**Regulatory-Required Supplemental Information**

CITY OF ABILENE, KANSAS  
 AGENCY FUNDS  
 SUMMARY OF RECEIPTS AND DISBURSEMENTS  
 Regulatory Basis  
 For the Year Ended December 31, 2016

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Municipal Court	\$ 12,350	\$ 17,275	\$ 15,020	\$ 14,605
Payroll Clearing Funds	2,897	-	-	2,897
<b>Total Agency Funds</b>	<b>\$ 15,247</b>	<b>\$ 17,275</b>	<b>\$ 15,020</b>	<b>\$ 17,502</b>

**Regulatory-Required Supplemental Information**

CITY OF ABILENE, KANSAS  
 RELATED MUNICIPAL ENTITY  
 PUBLIC BUILDING COMMISSION  
 SCHEDULE OF RECEIPTS AND EXPENDITURES  
 Regulatory Basis

For the Year Ended December 31, 2016

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED DECEMBER 31, 2015)

**PBC HOSPITAL PROJECT**

	2015	2016
<b>Receipts</b>		
Lease Payments	\$ 870,712	\$ 874,183
Interest Income	36	53
<b>Total Receipts</b>	<b>\$ 870,748</b>	<b>\$ 874,236</b>
<b>Expenditures</b>		
Construction Costs	\$ 240,413	\$ -
2011 Bond Principal	105,000	110,000
2011 Bond Interest	275,115	273,645
2012 Bond Interest	490,039	490,039
<b>Total Expenditures</b>	<b>\$ 1,110,567</b>	<b>\$ 873,684</b>
Receipts Over (Under) Expenditures	\$ (239,819)	\$ 552
Unencumbered Cash, January 1	385,604	145,785
Unencumbered Cash, December 31	<b>\$ 145,785</b>	<b>\$ 146,337</b>

**Regulatory-Required Supplemental Information**



September 12, 2017

Mayor and Governing Body Members  
City of Abilene, Kansas  
P.O. Box 519  
Abilene, KS 67410

We have audited the financial statement of City of Abilene, Kansas (the City) as of and for the year ended December 31, 2016, and have issued our report thereon dated September 12, 2017. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated January 3, 2017 our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statement that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the regulatory basis of accounting prescribed by the State of Kansas in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement are free of material misstatement. An audit of financial statement includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

**Planned Scope and Timing of the Audit**

We began our audit consistent with the planned scope and timing we previously communicated to you. However, due to software conversion issues, the completion of the audit was delayed.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

**Qualitative Aspects of the Entity's Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statement. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2016. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)**

*Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting them may differ markedly from management's current judgments.

There are no particularly sensitive accounting estimates affecting the financial statement.

*Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statement relate to the following:

Note 4 – Defined Benefit Pension Plan. We draw your attention to the following information that is particularly relevant in reviewing this note disclosure.

The net pension liability is an estimate which is determined by actuarial valuation. The actuarial valuation uses assumption related to future return on plan assets and the cost of benefits which could be significantly different than the actual amounts.

**Identified or Suspected Fraud**

We have not identified or obtained information that indicates fraud may have occurred.

**Significant Difficulties Encountered during the Audit**

We encountered significant difficulties related to the software conversion that the City made. Management was very helpful investigating the errors and making entries to correct the records.

**Uncorrected and Corrected Misstatement**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. There were no uncorrected misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements noted during the audit are summarized on the attached Schedule A.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statement or the auditor's report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in a letter dated September 12, 2017.

September 12, 2017  
City of Abilene, Kansas  
Page three

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Sincerely,

*Vany & Associates, CPAs, LLC*

Certified Public Accountants  
Manhattan, Kansas

City of Abilene, Kansas  
 Schedule A  
 December 31, 2016

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
Client posted entry to adjust cash balances.			
001-000-109000	General Fund - Nondepartmental - Fund Balance	500,436.00	
001-000-109000	General Fund - Nondepartmental - Fund Balance	515,864.00	
001-000-109000	General Fund - Nondepartmental - Fund Balance	781,854.00	
002-000-109000	Water Fund - Nondepartmental - Fund Balance	141,609.00	
002-000-109000	Water Fund - Nondepartmental - Fund Balance	403,344.00	
004-000-109000	Sewer Fund - Nondepartmental - Fund Balance	337,100.00	
001-000-002000	General Fund - Nondepartmental - Cash In Bank		500,436.00
001-000-002000	General Fund - Nondepartmental - Cash In Bank		515,864.00
001-000-002000	General Fund - Nondepartmental - Cash In Bank		781,854.00
002-000-002000	Water Fund - Nondepartmental - Cash In Bank		141,609.00
002-000-002000	Water Fund - Nondepartmental - Cash In Bank		403,344.00
004-000-002000	Sewer Fund - Nondepartmental - Cash In Bank		337,100.00
<b>Total</b>		<b>2,680,207.00</b>	<b>2,680,207.00</b>
<b>Adjusting Journal Entries JE # 2</b>			
Client entries to adjust money markets.			
001-000-109000	General Fund - Nondepartmental - Fund Balance	85,326.00	
001-000-109000	General Fund - Nondepartmental - Fund Balance	97,612.00	
001-000-002000	General Fund - Nondepartmental - Cash In Bank		85,326.00
001-000-002000	General Fund - Nondepartmental - Cash In Bank		97,612.00
<b>Total</b>		<b>182,938.00</b>	<b>182,938.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
Client entry to adjust AP balances.			
001-000-110100	General Fund - Nondepartmental - Accounts Payable	75,492.00	
002-000-109000	Water Fund - Nondepartmental - Fund Balance	81,218.00	
003-000-109000	Recycling Fund - Nondepartmental - Fund Balance	6,661.00	
004-000-109000	Sewer Fund - Nondepartmental - Fund Balance	13,374.00	
005-000-109000	Airport Fund - Nondepartmental - Fund Balance	93,479.00	
008-000-109000	Special Parks & Rec - Nondepartmental - Fund Balance	5,000.00	
011-000-109000	Library Fund - Nondepartmental - Fund Balance	51.00	
013-000-109000	Tourism & Convention Fund - Nondepartmental - Fund Balance	912.00	
014-000-109000	Special Street Fund - Nondepartmental - Fund Balance	7,755.00	
015-000-109000	Recreation Commission - Nondepartmental - Fund Balance	4,773.00	
028-000-109000	Equipment Reserve - Water - Nondepartmental - Fund Balance	74,595.00	
046-000-109000	Dawson Cottage Addition - Nondepartmental - Fund Balance	30,550.00	
001-000-109000	General Fund - Nondepartmental - Fund Balance		75,492.00
002-000-110100	Water Fund - Nondepartmental - Accounts Payable		81,218.00
003-000-110100	Recycling Fund - Nondepartmental - Accounts Payable		6,661.00
004-000-110100	Sewer Fund - Nondepartmental - Accounts Payable		13,374.00
005-000-110100	Airport Fund - Nondepartmental - Accounts Payable		93,479.00
008-000-110100	Special Parks & Rec - Nondepartmental - Accounts Payable		5,000.00
011-000-110100	Library Fund - Nondepartmental - Accounts Payable		51.00
013-000-110100	Tourism & Convention Fund - Nondepartmental - Accounts Payable		912.00
014-000-110100	Special Street Fund - Nondepartmental - Accounts Payable		7,755.00
015-000-110100	Recreation Commission - Nondepartmental - Accounts Payable		4,773.00
028-000-110100	Equipment Reserve - Water - Nondepartmental - Accounts Payable		74,595.00
046-000-110100	Dawson Cottage Addition - Nondepartmental - Accounts Payable		30,550.00
<b>Total</b>		<b>393,860.00</b>	<b>393,860.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
To remove Hospital bond from books.			
032-000-109000	Public Building Comm-Hospital - Nondepartmental - Fund Balance	943,886.00	
032-000-001906	Public Building Comm-Hospital - Nondepartmental - Hospital Bond		943,886.00
<b>Total</b>		<b>943,886.00</b>	<b>943,886.00</b>
<b>Adjusting Journal Entries JE # 5</b>			
To reclass interest and principal payments to correct accounts per discussion with Marcus and review of confirmation from Security Bank.			
032-000-002000	Public Building Comm-Hospital - Nondepartmental - Cash In Bank	545.00	
032-000-109000	Public Building Comm-Hospital - Nondepartmental - Fund Balance	72,252.00	
032-000-430750	Public Building Comm-Hospital-Nondepartmental-Misc Service Char	72,811.00	
032-000-540201	Public Building Comm-Hospital - Nondepartmental - 2011 Pbc Bond Interest	273,645.00	
032-000-540202	Public Building Comm-Hospital - Nondepartmental - 2012 Pbc Bond Interest	245,026.00	
032-000-001906	Public Building Comm-Hospital - Nondepartmental - Hospital Bond		
032-000-430620	Public Building Comm-Hospital - Nondepartmental - Interest Income		13.00
032-000-430789	Public Building Comm-Hospital - Nondepartmental - Hospital Lease Payments		145,608.00
032-000-520970	Public Building Comm - Hospital - Nondepartmental - Miscellaneous SE		381,842.00
032-000-540101	Public Building Comm-Hospital - Nondepartmental - Debt Service 2011 Pbc		136,816.00

Client: 58320 - City of Abilene, Kansas  
 Engagement: 58320 - 12/31/16 Audit City of Abilene  
 Trial Balance: TB  
 Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	Debit	Credit
<b>Total</b>		<b>664,279.00</b>	<b>664,279.00</b>
<b>Adjusting Journal Entries JE # 6</b>			
To remove AR and adjust fund balance to PY report.			
002-000-109000	Water Fund - Nondepartmental - Fund Balance	15,980.00	
002-000-430800	Water Fund - Nondepartmental - Metered Sales	316,293.00	
003-000-109000	Recycling Fund - Nondepartmental - Fund Balance	12,350.00	
003-000-430590	Recycling Fund - Nondepartmental - Recycling Fee	10,612.00	
004-000-109000	Sewer Fund - Nondepartmental - Fund Balance	71,519.00	
004-000-430830	Sewer Fund - Nondepartmental - Sewer Fees	305,029.00	
002-000-002000	Water Fund - Nondepartmental - Cash In Bank		15,980.00
002-000-003000	Water Fund - Non Departmental - Accounts Receivable		316,293.00
003-000-002000	Recycling Fund - Nondepartmental - Cash In Bank		12,350.00
003-000-003000	Recycling Fund - Nondepartmental - Accounts Receivable		10,612.00
004-000-002000	Sewer Fund - Nondepartmental - Cash In Bank		71,519.00
004-000-003000	Sewer Fund - Nondepartmental - Accounts Receivable		305,029.00
<b>Total</b>		<b>731,783.00</b>	<b>731,783.00</b>

**Adjusting Journal Entries JE # 7**  
 To adjust fund balance to PY report

001-000-109000	General Fund - Nondepartmental - Fund Balance	4,634.00	
005-000-002000	Airport Fund - Nondepartmental - Cash In Bank	8,526.00	
006-000-109000	Bond & Interest - Nondepartmental - Fund Balance	2,521.00	
006-000-430620	Bond & Interest - Nondepartmental - Interest Income	1.00	
007-000-109000	Fire Apparatus Fund - Nondepartmental - Fund Balance	2,879.00	
008-000-109000	Special Parks & Rec - Nondepartmental - Fund Balance	3,179.00	
009-000-002000	Special Alcohol & Drug - Nondepartmental - Cash In Bank	1,566.00	
011-000-002000	Library Fund - Nondepartmental - Cash In Bank	51.00	
013-000-002000	Tourism & Convention Fund - Nondepartmental - Cash In Bank	4,081.00	
014-000-002000	Special Street Fund - Nondepartmental - Cash In Bank	20,179.00	
015-000-109000	Recreation Commission - Nondepartmental - Fund Balance	12,692.00	
018-000-109000	Capital Improvement - Nondepartmental - Fund Balance	28,674.00	
020-000-109000	Equipment Reserve Fund - Nondepartmental - Fund Balance	9,777.00	
027-000-109000	Storm Drainage - Nondepartmental - Fund Balance	25,306.00	
027-000-430870	Storm Drainage - Nondepartmental - Storm Drain Fees	17,625.00	
028-000-109000	Equipment Reserve - Water - Nondepartmental - Fund Balance	12,400.00	
029-000-109000	Equipment Reserve - Sewer - Nondepartmental - Fund Balance	39,209.00	
035-000-109000	Special Revenue Comm Ctr - Nondepartmental - Fund Balance	9,198.00	
037-000-109000	Sales Tax Street Fund - Nondepartmental - Fund Balance	1.00	
048-000-002000	Dawson Cottage Addition - Nondepartmental - Cash In Bank	1.00	
001-000-430750	General Fund - Nondepartmental - Misc Service Charge		4,634.00
005-000-109000	Airport Fund - Nondepartmental - Fund Balance		8,526.00
006-000-002000	Bond & Interest - Nondepartmental - Cash In Bank		2,522.00
007-000-002000	Fire Apparatus Fund - Nondepartmental - Cash In Bank		2,878.00
007-000-430620	Fire Apparatus Fund - Nondepartmental - Interest Income		1.00
008-000-002000	Special Parks & Rec - Nondepartmental - Cash In Bank		3,179.00
009-000-109000	Special Alcohol & Drug - Nondepartmental - Fund Balance		1,566.00
011-000-109000	Library Fund - Nondepartmental - Fund Balance		51.00
013-000-109000	Tourism & Convention Fund - Nondepartmental - Fund Balance		4,081.00
014-000-109000	Special Street Fund - Nondepartmental - Fund Balance		20,179.00
015-000-002000	Recreation Commission - Nondepartmental - Cash In Bank		12,692.00
018-000-002000	Capital Improvement - Nondepartmental - Cash In Bank		28,674.00
020-000-002000	Equipment Reserve Fund - Nondepartmental - Cash In Bank		9,777.00
027-000-002000	Storm Drainage - Nondepartmental - Cash In Bank		25,306.00
027-000-003000	Storm Drainage - Nondepartmental - Accounts Receivable		17,625.00
028-000-002000	Equipment Reserve - Water - Nondepartmental - Cash In Bank		12,400.00
029-000-002000	Equipment Reserve - Sewer - Nondepartmental - Cash In Bank		39,209.00
035-000-002000	Special Revenue Comm Ctr - Nondepartmental - Cash In Bank		9,198.00
037-000-002000	Sales Tax Street Fund - Nondepartmental - Cash In Bank		1.00
048-000-109000	Dawson Cottage Addition - Nondepartmental - Fund Balance		1.00
<b>Total</b>		<b>202,500.00</b>	<b>202,500.00</b>

**Adjusting Journal Entries JE # 9**

To remove flex and health accounts not maintained on city books. Set up incorrectly during software conversion.

010-000-109000	Self-Insured Account - Nondepartmental - Fund Balance	113,386.00	
010-000-430620	Self-Insured Account - Nondepartmental - Interest Income	29.00	
010-000-430970	Self-Insured Account - Nondepartmental - Health Insur Reimb	4,961.00	
010-000-430971	Self-Insured Account - Nondepartmental - Health Ins. Premium	50,633.00	
010-000-430972	Self-Insured Account - Nondepartmental - Health Ins Premium	3,512.00	
010-000-430975	Self-Insured Account - Nondepartmental - Health Ins. from P	518,727.00	
010-000-430977	Self-Insured Account - Nondepartmental - Flex Spending	32,400.00	
010-000-430980	Self-Insured Account - Nondepartmental - Health Insurance	1,815.00	
010-000-002000	Self-Insured Account - Nondepartmental - Cash In Bank		99,520.00

Client: 58320 - City of Abilene, Kansas  
 Engagement: 58320 - 12/31/16 Audit City of Abilene  
 Trial Balance: TB  
 Workpaper: 3700.01 - Adjusting Journal Entries Report

Account	Description	Debit	Credit
010-000-002200	Self-Insured Account - Nondepartmental - Health Plan		117,502.00
010-000-002300	Self-Insured Account - Nondepartmental - Flexible Spending		17,763.00
010-000-520416	Self-Insured Account - Nondepartmental - Health Self-Insu		459,638.00
010-000-520417	Self-Insured Account - Nondepartmental - Flex Spending		31,040.00
<b>Total</b>		<b>725,483.00</b>	<b>725,463.00</b>
<b>Adjusting Journal Entries JE # 10</b>			
To correct initial conversion in clearing fund.			
999-000-110300	Clearing Fund - Nondepartmental - Withholding Payable	139,471.00	
999-000-002000	Clearing Fund - Nondepartmental - Cash In Bank		130,168.00
999-000-003000	Clearing Fund - Nondepartmental - Accounts Receivable		9,303.00
<b>Total</b>		<b>139,471.00</b>	<b>139,471.00</b>
<b>Adjusting Journal Entries JE # 11</b>			
To post client entry to balance cash after conversion.			
001-000-002000	General Fund - Nondepartmental - Cash In Bank	11,307.00	
001-000-434271	General Fund - Nondepartmental - Insurance 2011/2014 Storms		11,307.00
<b>Total</b>		<b>11,307.00</b>	<b>11,307.00</b>
<b>Adjusting Journal Entries JE # 14</b>			
To record accounts payable provided by client.			
001-001-520610	General Fund - General Government - Building Maintenance	213.00	
001-002-520700	General Fund - Police Dept - Rent-Contracts-Maint Agree	10,396.00	
001-002-521040	General Fund - Police Dept - Janitor Supplies	213.00	
001-002-521060	General Fund - Police Dept - Gasoline-Oil-Lubricants	1,672.00	
001-003-520270	General Fund - Fire Dept - Travel-Schools & Training	488.00	
001-003-521060	General Fund - Fire Dept - Gasoline-Oil-Lubricants	262.00	
001-004-520610	General Fund - Streets & Alley - Building Maintenance	143.00	
001-004-521060	General Fund - Streets & Alley - Gasoline-Oil-Lubricants	71.00	
001-004-521060	General Fund - Streets & Alley - Gasoline-Oil-Lubricants	136.00	
001-004-521060	General Fund - Streets & Alley - Gasoline-Oil-Lubricants	567.00	
001-004-521060	General Fund - Streets & Alley - Gasoline-Oil-Lubricants	1,177.00	
001-004-521150	General Fund - Streets & Alley - Uniforms & Alterations	555.00	
001-005-521150	General Fund - Bindweed/Flood Maint - Uniforms & Alterations	101.00	
001-006-521060	General Fund - Parks Dept - Gasoline-Oil-Lubricants	168.00	
001-013-521040	General Fund - Senior Center - Janitor Supplies	71.00	
001-013-521260	General Fund - Senior Center - Contract Labor	600.00	
001-015-520410	General Fund - Civic Center - Insurance	650.00	
002-022-521060	Water Fund - Distribution-Towers & Line - Tools & Minor Equipment	165.00	
002-022-521150	Water Fund - Distribution-Towers & Line - Uniforms & Alterations	261.00	
002-023-520610	Water Fund - Wells-Production-Wtp - Building Maintenance	13.00	
002-023-521150	Water Fund - Wells-Production-Wtp - Uniforms & Alterations	275.00	
002-024-520610	Water Fund - Commercial - Building Maintenance	213.00	
003-000-520490	Recycling Fund - Nondepartmental - Occk Services	6,167.00	
003-000-520610	Recycling Fund - Nondepartmental - Building Maintenance	820.00	
004-041-521060	Sewer Fund - Collection System - Gasoline-Oil-Lubricants	185.00	
004-041-521150	Sewer Fund - Collection System - Uniforms & Alterations	150.00	
004-042-520610	Sewer Fund - Wwtp-Sewer Facility - Building Maintenance	176.00	
004-042-521150	Sewer Fund - Wwtp-Sewer Facility - Uniforms & Alterations	353.00	
004-043-520610	Sewer Fund - Commercial - Building Maintenance	213.00	
005-000-520610	Airport Fund - Nondepartmental - Building Maintenance	200.00	
013-131-520721	Tourism & Convention Fund - Tourism Admin Expense - Sign Advertisign	200.00	
015-157-520610	Recreation Commission - Community Center - Building Maintenance	29.00	
001-000-110100	General Fund - Nondepartmental - Accounts Payable		71.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		488.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		600.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		702.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		870.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		1,077.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		3,279.00
001-000-110100	General Fund - Nondepartmental - Accounts Payable		10,396.00
002-000-110100	Water Fund - Nondepartmental - Accounts Payable		165.00
002-000-110100	Water Fund - Nondepartmental - Accounts Payable		213.00
002-000-110100	Water Fund - Nondepartmental - Accounts Payable		549.00
003-000-110100	Recycling Fund - Nondepartmental - Accounts Payable		820.00
003-000-110100	Recycling Fund - Nondepartmental - Accounts Payable		6,167.00
004-000-110100	Sewer Fund - Nondepartmental - Accounts Payable		185.00
004-000-110100	Sewer Fund - Nondepartmental - Accounts Payable		213.00
004-000-110100	Sewer Fund - Nondepartmental - Accounts Payable		679.00
005-000-110100	Airport Fund - Nondepartmental - Accounts Payable		200.00
013-000-110100	Tourism & Convention Fund - Nondepartmental - Accounts Payable		200.00
015-000-110100	Recreation Commission - Nondepartmental - Accounts Payable		29.00
<b>Total</b>		<b>26,903.00</b>	<b>26,903.00</b>