

**CITY OF PARSONS, KANSAS**

Independent Auditors' Report and  
Financial Statement with  
Supplemental Information

For the Year Ended December 31, 2013

**CITY OF PARSONS, KANSAS**

For the Year Ended December 31, 2013

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**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Commissioners  
City of Parsons, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Parsons, Kansas, a municipality, as of and for the year ended December 31, 2013, 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 2 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.

***Auditors' Responsibility***

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

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

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

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

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

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

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of City of Parsons, Kansas as of December 31, 2013, 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 City of Parsons, Kansas as of December 31, 2013, 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 Supplemental Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2012 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 1 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2013 basic financial statement upon which we rendered an unmodified opinion dated April 10, 2013. The 2012 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2012 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 2012 basic financial statement. The 2012 comparative information was subjected to the auditing procedures applied in the audit of the 2012 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 2012 basic financial statement or to the 2012 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 2012 comparative information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2014, on our consideration of the City of Parsons, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Parsons, Kansas' internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
March 14, 2014

**CITY OF PARSONS, KANSAS**  
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2013

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add		Cash Balance December 31, 2013
						Encumbrances and Accounts Payable	Payable	
General Fund	\$ 443,258.17	\$ -	\$ 5,671,626.68	\$ 5,692,479.59	\$ 422,405.26	\$ 98,027.26	\$ -	\$ 520,432.52
Special Purpose Funds:								
Industrial	401,007.16	-	55,959.06	-	456,966.22	-	-	456,966.22
Library	-	-	298,232.15	298,232.15	-	-	-	-
Library Employee Benefits	-	-	54,085.21	54,085.21	-	-	-	-
Special Highway	177,318.48	-	261,758.08	157,767.02	281,309.54	-	-	281,309.54
Special Parks	90,844.84	-	17,551.92	-	108,396.76	-	-	108,396.76
Special Alcohol	13,023.62	-	17,551.92	17,938.01	12,637.53	-	-	12,637.53
Tourism	122,366.96	-	174,876.44	208,835.74	88,407.66	5,858.68	-	94,266.34
Drug Seizure	9,456.59	-	7,309.73	9,644.88	7,121.44	-	-	7,121.44
Economic Development Sales Tax	264,649.07	-	504,193.95	581,786.77	187,056.25	3,834.16	-	190,890.41
Park Facilities Sales Tax	446,314.66	-	218,052.25	250,111.02	414,255.89	-	-	414,255.89
Street Sales Tax	511,361.90	-	275,276.78	185,325.74	601,312.94	3,139.66	-	604,452.60
Union Pacific Proceeds	1,153,548.65	57,994.00	15,150.47	2,650.00	1,224,043.12	-	-	1,224,043.12
Carnegie Building	10,439.25	-	1,279.98	-	11,719.23	-	-	11,719.23
Municipal Auditorium Reserve	128,065.54	-	59.74	7,435.00	120,690.28	-	-	120,690.28
Parsons Museum	8,190.64	-	9,233.25	9,018.28	8,405.61	111.18	-	8,516.79
Capital Improvements Reserve	(913,894.08)	-	1,104,963.13	81,062.69	110,006.36	-	-	110,006.36
Municipal Equipment Reserve	17,069.18	-	6,400.00	14,550.00	8,919.18	-	-	8,919.18
Community Organizations	5,916.20	-	847.75	72.12	6,691.83	-	-	6,691.83
Community Revitalization and Development	36,549.36	-	134,793.14	106,429.86	64,912.64	58,885.58	-	123,798.22
FEMA	(180,279.00)	-	191,423.54	-	11,144.54	-	-	11,144.54
Bond and Interest Funds:								
Bond and Interest	50,400.13	-	3,479,621.99	2,702,087.10	827,935.02	107,291.60	-	935,226.62
Capital Projects Funds:								
FCIP Project	121,880.46	-	538,041.69	658,247.58	1,674.57	-	-	1,674.57
Business Funds:								
Water Utility	1,954,803.48	-	2,871,374.73	3,827,019.37	999,158.84	544,274.03	-	1,543,432.87
CIP Water Reserve	114,378.80	-	-	-	114,378.80	-	-	114,378.80
Sewer Utility	479,866.76	-	1,826,674.27	1,886,896.37	419,644.66	30,012.33	-	449,656.99
COPC CIP Sewer Reserve	20,571.69	-	-	-	20,571.69	-	-	20,571.69
Sanitation Utility	405,548.48	-	1,089,049.13	1,000,818.86	493,778.75	25,773.20	-	519,551.95
Stormwater Utility	362,748.16	-	154,459.91	228,772.38	288,435.69	6,628.50	-	295,064.19

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

Statement 1 (Continued)

CITY OF PARSONS, KANSAS  
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2013

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add	
						Encumbrances and Accounts Payable	Cash Balance December 31, 2013
Business Funds: (Continued)							
EPA Compliance Utility	\$ 67,155.78	-	\$ 660,294.69	\$ 483,866.97	\$ 243,583.50	\$ 1,007.29	\$ 244,590.79
Utility Reserve	17,333.21	-	85,500.00	-	102,833.21	-	102,833.21
Equipment Maintenance	290.14	-	222,283.03	222,537.98	35.19	6,762.24	6,797.43
Health Insurance Reserve	693,210.63	-	875,979.35	922,589.88	646,600.10	-	646,600.10
Trust Funds:							
D.V. Reed Trust	74.43	-	12,017.98	12,042.00	50.41	-	50.41
Oakwood Cemetery							
Perpetual Care	75,308.35	-	7,575.00	-	82,883.35	-	82,883.35
Total Reporting Entity (Excluding Agency Funds)	\$ 7,108,777.69	\$ 57,994.00	\$ 20,843,496.94	\$ 19,622,302.57	\$ 8,387,966.06	\$ 891,605.71	\$ 9,279,571.77

Composition of Cash:

Cash on Hand	\$ 1,300.00
Checking Accounts:	
City Treasurer	323,332.64
Arts and Humanities Account	5,446.65
Tree Advisory Board Account	878.55
Operations Brighter Touch	1,259.96
Senior Center Account	10,501.37
Senior Center Savings Account	25.42
Lake Advisory Board Account	23,992.67
DV Reed Trust Account	50.41
Investments:	
Certificates of Deposit	3,000,000.00
Money Markets and Savings Accounts	5,470,915.42
Money Market Launch Account	519,841.73
Senior Center Certificates of Deposit	83,567.71
FCIP COP Issuance Trust Account	1,662.25
Total Cash	9,442,774.78
Agency Funds Per Schedule 3	(163,203.01)
Total Reporting Entity (Excluding Agency Funds)	\$ 9,279,571.77

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

## CITY OF PARSONS, KANSAS

Notes to the Financial Statement  
For the Year Ended December 31, 2013

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Parsons, Kansas, (the City) is incorporated as a City of the first class, under the provisions of K.S.A. 13-101 *et seq.* The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, electric, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Parsons, Kansas has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

#### Financial Reporting Entity

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

*Related Municipal Entity.* A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

#### Parsons Public Library

The City of Parsons Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate audited financial statements are available at the Library.

Parsons Housing Authority – The Parsons Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. Separate audited financial statements are available at the Authority.

#### Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Parsons, Kansas, for the year of 2013:

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

Regulatory Basis Fund Types (Continued)

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

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

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

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

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

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

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, or the State of Kansas Police and Fire Retirement System, both of which are a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

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

### Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

### Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

### Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

### 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, and business funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2013 the City amended the budget for the Tourism Fund, Community Revitalization and Development Fund, Economic Development Sales Tax Fund, Park Facilities Sales Tax Fund, Street Sales Tax Fund, Water Utility Fund, Sewer Utility Fund, Stormwater Utility Fund, and Sanitation Utility Fund.

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, permanent funds, and the following special purpose funds:

- Parsons Museum Fund
- Capital Improvement Reserve Fund
- Municipal Equipment Reserve Fund

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

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in compliance with Kansas cash basis laws. As shown in Schedule 1 the City was in apparent violation of K.S.A. 79-2934, as the City has obligated expenditure in excess of budget in the Bond and Interest Fund.

Management is not aware of any other statutory violations.

**3. DEPOSITS AND INVESTMENTS**

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the bank provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

**3. DEPOSITS AND INVESTMENTS** (Continued)

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2013.

*Deposits:* At year-end, the City's carrying amount of deposits was \$9,441,474.78 and the bank balance was \$9,685,587.92. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$1,033,877.74 was covered by FDIC insurance and \$8,650,147.93 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name and letters of credit with the Federal Home Loan Bank of Topeka, Kansas, and \$1,662.25 was held as a Certificate of Participation with Security Bank Corporation and Trust Services, which was self securing at year end.

**4. LONG-TERM DEBT**

Changes in long-term debt for the City for the year ended December 31, 2013, were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid With Sales Tax Revenue									
Series 2009-A	0.00%	November 24, 2009	\$ 740,000.00	November 1, 2019	\$ 632,074.00	-	\$ (84,799.00)	\$ 547,275.00	\$ -
Series 2009-B	0.00%	November 24, 2009	300,000.00	November 1, 2019	256,250.00	-	(34,375.00)	221,875.00	-
Paid With Utility Revenues									
Series 2012-A	1.15-2.30%	February 1, 2012	9,175,000.00	August 1, 2025	8,925,000.00	-	(895,000.00)	8,030,000.00	128,850.00
Paid With State Fuel Tax									
Series 2013	1.00-2.00%	January 2, 2013	2,500,000.00	September 1, 2028	-	2,500,000.00	-	2,500,000.00	-
KDHE Loans:									
Kansas Water Pollution Control	2.94%	October 31, 2003	7,100,000.00	September 1, 2025	5,117,197.33	-	(328,454.95)	4,788,742.38	148,028.09
EPA Compliance (C20-1957-02)	2.23%	November 15, 2012	500,000.00	September 1, 2023	-	150,278.93	-	150,278.93	-
Capital Leases:									
COP Series A & B	4.25-5.875%	September 1, 2007	6,885,000.00	October 1, 2022	5,105,000.00	-	(410,000.00)	4,695,000.00	248,232.05
Street Sweeper & Crack Sealer	3.714%	October 9, 2009	190,284.10	July 9, 2013	37,644.87	-	(37,644.87)	-	713.33
Vactor Truck	3.20%	April 5, 2010	256,685.00	April 5, 2013	44,505.65	-	(44,505.65)	-	564.59
Total Contractual Indebtedness					<u>\$ 20,117,671.85</u>	<u>\$ 2,650,278.93</u>	<u>\$ (1,834,779.47)</u>	<u>\$ 20,933,171.31</u>	<u>\$ 526,388.06</u>

**4. LONG-TERM DEBT (Continued)**

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

Issue	2014	2015	2016	2017	2018	2019-2023	2024-2028	2029-2033	Less Proceeds not Drawndown	Total
<b>Principal</b>										
General Obligation Bonds										
Series 2009-A	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 84,735.00	\$ -	\$ -	\$ -	\$ 547,275.00
Series 2009-B	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	34,375.00	-	-	-	221,875.00
Series 2012-A	915,000.00	930,000.00	875,000.00	895,000.00	915,000.00	2,695,000.00	805,000.00	-	-	8,030,000.00
Series 2013	120,000.00	155,000.00	155,000.00	155,000.00	160,000.00	830,000.00	925,000.00	-	-	2,500,000.00
Revolving Loans										
Kansas Water Pollution Control	338,161.36	348,176.39	358,488.00	369,105.01	380,036.47	2,075,826.80	918,948.35	-	-	4,788,742.38
EPA Compliance	20,086.24	20,536.66	20,997.19	21,468.04	21,949.43	117,354.69	131,116.20	146,491.55	(349,721.07)	150,278.93
Capital Leases										
COP Series A & B	430,000.00	455,000.00	470,000.00	495,000.00	515,000.00	2,330,000.00	-	-	-	4,695,000.00
Total Principal Payments	1,953,255.60	2,038,721.05	2,009,493.19	2,065,581.05	2,121,993.90	8,167,291.49	2,780,064.55	146,491.55	(349,721.07)	20,933,171.31
<b>Interest</b>										
General Obligation Bonds										
Series 2012-A	117,662.50	106,225.00	94,600.00	83,662.50	72,475.00	209,612.50	27,550.00	-	-	711,787.50
Series 2013	65,016.48	37,875.00	36,325.00	34,775.00	33,225.00	133,005.00	56,500.00	-	-	396,721.48
Revolving Loans										
Kansas Water Pollution Control	138,321.68	128,306.65	117,995.04	107,378.03	96,446.57	306,588.40	34,017.73	-	-	929,054.10
EPA Compliance	11,038.64	10,588.22	10,127.69	9,656.84	9,175.45	38,269.71	24,508.20	9,132.85	-	122,497.60
Capital Leases										
COP Series A & B	225,858.76	205,008.76	182,913.76	160,083.76	136,871.26	261,330.02	-	-	-	1,172,066.32
Total Interest Payments	375,219.08	343,903.63	311,036.49	277,118.63	242,493.28	606,188.13	58,525.93	9,132.85	-	2,223,618.02
Total Principal and Interest	\$ 2,328,474.68	\$ 2,382,624.68	\$ 2,320,529.68	\$ 2,342,699.68	\$ 2,364,487.18	\$ 8,773,479.62	\$ 2,838,590.48	\$ 155,624.40	\$ (349,721.07)	\$23,156,789.33

## **5. CAPITAL LEASE OBLIGATIONS**

The City has entered into a capital lease agreement in order to provide for the altering, improving and equipping of certain public buildings and to make certain energy conservation and management improvements to existing city utilities and public infrastructure. Payments are made on April 1 and October 1, including interest ranging from 4.25-5.875%. Final maturity of the lease is October 1, 2022. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2014	\$ 655,858.76
2015	660,008.76
2016	652,913.76
2017	655,083.76
2018	651,871.26
2019-2022	<u>2,591,330.02</u>
	5,867,066.32
Less imputed interest	<u>(1,172,066.32)</u>
Net Present Value of Minimum Lease Payments	4,695,000.00
Less: Current Maturities	<u>(430,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$4,265,000.00</u>

## **6. OPERATING LEASES**

As of December 31, 2013 the City has entered into a number of operating leases for the placement of billboard advertisements on a month to month basis, with no future obligations. Rent expense for the year ended December 31, 2013, was \$4,900.04.

## **7. ECONOMIC DEVELOPMENT BONDS**

The City has entered into various agreements to induce businesses to locate or expand operations in Parsons, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2013, there were five industrial revenue bond issues with principal balances due totaling \$2,931,848.30.

The City has entered into an agreement to induce businesses to locate or expand operations in Parsons, Kansas. In connection therewith, the City has issued a multi-family housing revenue bond, which require the business to make lease payments to trust accounts sufficient to pay debt service on the revenue bond. The City is under no obligation to pay the revenue bond debt, which is to be paid from the lease payments made by the related business. At December 31, 2013, there was one multi-family housing revenue bond issue with principal balance due totaling \$1,850,000.00.

**8. DEFINED BENEFIT PENSION PLAN**

*Plan description:* The (non-school municipality) 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 Kansas law. KPERS and 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 a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy:* K.S.A. 74-4919 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary from January 1, 2013 to June 30, 2013 and 7.15% from July 1, 2013 to December 31, 2013 of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City’s employer contribution to KPERS and KP&F for the year ending December 31, 2013 was \$239,645.02 and \$305,280.78, respectively equal to the statutory required contributions for the year.

**9. CAPITAL PROJECTS**

The following is a summary of capital project authorizations and expenditures to date:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/13</u>	<u>ESTIMATED COMPLETION</u>
Labette Creek Low Head Dam Rehabilitation	\$ 345,866.70	\$ 345,866.70	Complete
Lake Parsons DamValve Rehabilitation	513,980.00	486,191.00	2014
Street Repairs	158,369.42	158,369.42	Complete
Airport Taxilane and Drainage Improvements	276,053.15	276,053.15	Complete
Storm Mapping and Smoke Testing	201,410.00	172,847.10	2014
Concrete Street and Guardrail	15,450.00	15,450.00	Complete
18” and Larger Sewerline CCTV	253,064.33	211,195.58	2014
13 <sup>th</sup> Street Reconstruction	869,066.00	861,416.00	2014
Union Avenue Reconstruction	760,441.25	751,441.25	2014
Swimming Pool Deck	11,279.00	11,279.00	Complete
Asphalt Street Improvements	313,966.15	310,826.49	2014
Demolition and Site Clearance	91,600.00	78,750.00	2014
Main Street Water Tower Waterline Improvements	415,649.00	0.00	2014

**10. NOTES RECEIVABLE AND LOANS RECEIVABLE**

The City has established a Sales Tax Economic Development Revolving Loan Fund. The fund is the recipient of money paid back to the City of Parsons by industries which received Community Development Block Grants in earlier years. As repayment is made by these industries, the City makes loans to other qualifying industries. The loans due to the City at December 31, 2013, through the Sales Tax Economic Development Revolving Loan Fund are as follows:

ACME Cinema	\$ 161,553.34
Beachner Grain	43,200.00
Burger King	31,331.19
Canterbury Inn	15,294.66
CDL Electric	81,000.00
Chinese Chef	7,789.96
Cytocheck	36,000.00
ELC Surplus	9,977.94
Hickory Hole	15,000.00
H&H Design	24,000.00
Insight Restorative	4,845.04
Kolette Smith	26,000.00
Parsons Bowl	44,493.49
Parsons Chiropractic	9,379.27
Radius	3,867.35
Radius Salon	170.65
Robert Caldwell	2,317.40
Ron and Judy Salley	66,749.90
SKL Packaging	17,826.81
Speaker Hardware	1,357.79
Speaker Hardware 2 <sup>nd</sup>	4,907.25
Sunflower Motel	1,319.90
Ten in the Pit Pro Shop	4,836.20
The Mix	17,856.69
Timber Creek Meat	50,000.00
Vintage Heirlooms	<u>341.09</u>
TOTAL NOTES RECEIVABLE	\$ <u>681,415.92</u>

These notes receivable are not reflected in these regulatory basis financial statements of the City of Parsons, Kansas.

The City has made Community Development Loans through the Community Development Fund. The fund was the recipient of various HUD Grants in earlier years. Loans made with these monies are repaid and the City makes additional development loans from these repayments. The Community Development loans due to the City at December 31, 2013, are as follows:

Mary Ashcraft	\$ 2,587.48
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These loans are not reflected in these regulatory basis financial statements of the City of Parsons, Kansas.

**11. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*Compensated Absences:*

All full-time employees of the City with one year of employment are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

Years Continuous Employment:	1-7	8-14	15+
Days Granted per Year:	12	15	18
Maximum Days Accrued	17	20	23

Vacation hours for sworn police officers:

Years Continuous Employment:	1-7	8-14	15+
Days Granted per Year:	12	15	18
Maximum Days Accrued	17	20	23

Vacation hours for firefighters:

Years Continuous Employment:	1-7	8-14	15+
Shifts Granted per Year:	5	7	9
Maximum Shifts Accrued	7	9	11

In the event of termination, an employee may in the discretion of the City Manager be compensated for unused vacation leave.

Sick leave accrues to all full-time employees at the rate of 3.69 hours per pay period to a maximum of 1,040 hours. Regular full time firefighters will accumulate sick leave at the rate of 4.89 hours per pay period to a maximum of 1,378 hours. Regular full time police officers will accrue sick leave at the rate of 3.81 hours per pay period to a maximum of 1,112 hours. Employees who terminate by other than retirement will not be paid for accumulated sick leave. Upon retirement 20% of any remaining sick leave will be paid if the total accrued is at least 40% of the maximum hours allowed.

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

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

In accordance with the above criteria, the City has accrued a liability for annual leave which has been earned, but not taken, by City employees. The estimated liability for accrued annual leave at December 31, 2013, was \$134,148.01. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated.

*Other Post Employment Benefits:*

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

**12. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

**13. INTERFUND TRANSFERS**

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Economic Development			
Sales Tax	Tourism	K.S.A. 12-197	\$ 25,000.00
General	FCIP Project	K.S.A. 12-1,118	157,772.50
Special Highway	Capital Improvements Reserve	K.S.A. 12-1,118	50,000.00
Economic Development			
Sales Tax	FCIP Project	K.S.A. 12-197	57,440.50
Water Utility	Bond and Interest	K.S.A. 12-825d	998,765.67
Water Utility	FCIP Project	K.S.A. 12-825d	201,710.00
Sewer Utility	Bond and Interest	K.S.A. 12-825d	25,084.33
Sewer Utility	FCIP Project	K.S.A. 12-825d	85,730.00

**14. SUBSEQUENT EVENTS**

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

## **SUPPLEMENTAL INFORMATION**

**CITY OF PARSONS, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2013

Funds	Certified Budget	Adjustments for		Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
		Qualifying Budget Credits	Budget Credits			
General Fund	\$ 6,068,912.00	\$ 163,787.00	\$ 6,232,699.00	\$ 5,692,479.59	\$ (540,219.41)	
Special Purpose Funds:						
Industrial	293,289.00	-	293,289.00	-	(293,289.00)	
Library	315,938.00	-	315,938.00	298,232.15	(17,705.85)	
Library Employee Benefits	56,573.00	-	56,573.00	54,085.21	(2,487.79)	
Special Highway	310,000.00	-	310,000.00	157,767.02	(152,232.98)	
Special Parks	25,500.00	-	25,500.00	-	(25,500.00)	
Special Alcohol	25,500.00	-	25,500.00	17,938.01	(7,561.99)	
Tourism	220,935.00	-	220,935.00	208,835.74	(12,099.26)	
Drug Seizure	12,000.00	-	12,000.00	9,644.88	(2,355.12)	
Economic Development Sales Tax	675,214.00	5,005.38	680,219.38	581,786.77	(98,432.61)	
Park Facilities Sales Tax	354,300.00	-	354,300.00	250,111.02	(104,188.98)	
Street Sales Tax	562,100.00	-	562,100.00	185,325.74	(376,774.26)	
Union Pacific Proceeds	50,000.00	-	50,000.00	2,650.00	(47,350.00)	
Community Revitalization and Development	134,692.00	-	134,692.00	106,429.86	(28,262.14)	
Bond and Interest Funds:						
Bond and Interest	-	2,454,670.70	2,454,670.70	2,702,087.10	247,416.40	
Business Funds:						
Water Utility	4,253,348.00	18,472.45	4,271,820.45	3,827,019.37	(444,801.08)	
Sewer Utility	2,026,025.00	423.28	2,026,448.28	1,886,896.37	(139,551.91)	
Sanitation Utility	1,317,913.00	2,671.85	1,320,584.85	1,000,818.86	(319,765.99)	
Stormwater Utility	380,847.00	-	380,847.00	228,772.38	(152,074.62)	
EPA Compliance Utility	1,460,000.00	-	1,460,000.00	483,866.97	(976,133.03)	

**CITY OF PARSONS, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
<b>Taxes and Shared Revenue</b>				
Ad Valorem Property Tax	\$ 1,990,955.68	\$ 2,069,239.57	\$ 2,190,606.00	\$ (121,366.43)
Delinquent Tax	73,117.06	58,298.91	40,000.00	18,298.91
Motor Vehicle Tax	278,449.47	276,357.11	275,676.00	681.11
Recreational Vehicle Tax	1,713.19	1,391.80	2,010.00	(618.20)
16-20M Truck Tax	4,264.64	1,602.05	4,348.00	(2,745.95)
Vehicle Rental Tax	-	-	200.00	(200.00)
Sales Tax	1,742,505.57	1,800,219.46	1,760,000.00	40,219.46
Franchise Taxes	652,123.54	717,964.13	695,500.00	22,464.13
In Lieu of Taxes	4,284.99	9,788.80	2,000.00	7,788.80
Special Assessments	8,728.49	11,277.96	15,000.00	(3,722.04)
<b>Intergovernmental</b>				
Local Alcoholic Liquor Tax	17,765.49	17,551.93	17,100.00	451.93
Federal Grant - Step	4,000.00	8,118.65	-	8,118.65
State Grant - Hwy Lane Maint.	37,351.71	37,300.30	37,326.00	(25.70)
<b>Licenses and Permits</b>				
Licenses, Permits & Fees	34,867.72	31,734.85	53,325.00	(21,590.15)
<b>Charges for Services</b>				
Cemetery Permits/Deeds	17,110.00	20,325.00	13,500.00	6,825.00
Fire Contracts	8,650.04	8,675.04	7,875.00	800.04
Auditorium Receipts	97,632.10	41,462.39	7,186.00	34,276.39
Vehicle Inspections	9,464.00	8,778.00	7,126.00	1,652.00
<b>Fines, Forfeitures and Penalties</b>				
Fines	218,995.86	210,742.09	184,700.00	26,042.09
<b>Use of Money and Property</b>				
Interest	5,479.51	1,669.74	26,000.00	(24,330.26)
Royalties	2,693.13	7,373.17	9,250.00	(1,876.83)
Sale of Assets	38,850.00	-	100.00	(100.00)
Rental Income	28,591.67	30,430.51	29,700.00	730.51

**CITY OF PARSONS, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts (Continued)</b>				
<b>Other Receipts</b>				
Neighborhood Revitalization	\$ 325.00	\$ 475.00	\$ -	\$ 475.00
Reimbursed Expense	94,236.76	163,787.00	120,359.00	43,428.00
Money from Other Entities	25,667.18	63,932.10	54,441.00	9,491.10
Supplemental Insurance	26,761.70	27,605.39	28,000.00	(394.61)
Miscellaneous	15,158.67	18,875.73	13,270.00	5,605.73
Employee Leasing	22,550.00	26,650.00	-	26,650.00
Residual Transfers from Utility Service Fund	34,000.00	-	-	-
<b>Total Receipts</b>	<b>5,496,293.17</b>	<b>5,671,626.68</b>	<b>\$ 5,594,598.00</b>	<b>\$ 77,028.68</b>
<b>Expenditures</b>				
<b>General Administrative Services</b>				
Personal Services	110,281.32	81,170.18	\$ 114,129.00	\$ (32,958.82)
Contractual Services	846,333.53	820,694.69	715,439.00	105,255.69
Commodities	40,047.15	42,557.53	36,146.00	6,411.53
Capital Outlay	1,116.17	5,765.08	104,095.00	(98,329.92)
<b>City Manager</b>				
Personal Services	166,476.72	138,632.23	110,365.00	28,267.23
Contractual Services	24,259.58	23,949.43	19,359.00	4,590.43
Commodities	11,994.34	17,560.65	11,138.00	6,422.65
Capital Outlay	8,608.00	1,414.80	168,641.00	(167,226.20)
<b>Legal and Court</b>				
Personal Services	62,882.12	63,114.46	79,595.00	(16,480.54)
Contractual Services	54,757.70	56,651.25	43,436.00	13,215.25
Commodities	3,718.91	1,750.43	1,569.00	181.43
<b>Engineering</b>				
Personal Services	165,998.32	152,193.60	161,640.00	(9,446.40)
Contractual Services	15,680.20	13,808.25	11,193.00	2,615.25
Commodities	3,150.83	3,023.45	4,151.00	(1,127.55)
Capital Outlay	544.44	229.00	-	229.00

**CITY OF PARSONS, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Expenditures (Continued)</b>				
<b>Police</b>				
Personal Services	\$ 1,516,958.95	\$ 1,629,419.32	\$ 1,609,055.00	\$ 20,364.32
Contractual Services	318,202.38	321,831.02	153,260.00	168,571.02
Commodities	102,488.30	69,030.51	92,756.00	(23,725.49)
Capital Outlay	91,218.66	58,281.25	60,000.00	(1,718.75)
<b>Fire</b>				
Personal Services	834,326.72	753,961.43	1,119,786.00	(365,824.57)
Contractual Services	214,131.88	179,132.66	37,450.00	141,682.66
Commodities	23,213.29	26,424.53	42,000.00	(15,575.47)
Capital Outlay	60,933.67	25,156.20	46,000.00	(20,843.80)
<b>Street</b>				
Personal Services	240,909.73	253,247.65	303,336.00	(50,088.35)
Contractual Services	33,790.89	111,578.97	72,724.00	38,854.97
Commodities	27,809.10	136,474.41	86,366.00	50,108.41
Capital Outlay	13,609.00	3,584.97	-	3,584.97
<b>Parks</b>				
Personal Services	70,655.20	85,976.39	116,337.00	(30,360.61)
Contractual Services	42,231.45	62,967.45	55,283.00	7,684.45
Commodities	23,396.57	31,863.80	36,440.00	(4,576.20)
<b>Airport</b>				
Contractual Services	71,883.93	63,010.68	67,169.00	(4,158.32)
Commodities	4,828.98	14,579.18	14,934.00	(354.82)
Capital Outlay	78.82	733.65	-	733.65
<b>Auditorium/Carnegie Arts Center</b>				
Personal Services	156,252.31	136,716.75	193,708.00	(56,991.25)
Contractual Services	19,461.03	12,498.14	20,959.00	(8,460.86)
Commodities	6,245.38	7,587.58	7,898.00	(310.42)
Capital Outlay	-	1,402.00	-	1,402.00
<b>Cemetery</b>				
Personal Services	77,353.48	104,786.45	96,643.00	8,143.45
Contractual Services	8,364.34	7,292.94	11,543.00	(4,250.06)
Commodities	11,584.57	14,212.86	13,264.00	948.86
Capital Outlay	29,051.76	441.27	-	441.27

**CITY OF PARSONS, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
FCIP Project Fund	\$ 239,330.00	\$ 157,772.50	\$ 161,105.00	\$ (3,332.50)
Union Pacific Proceeds Fund	-	-	20,000.00	(20,000.00)
Municipal Equipment Reserve Fund	-	-	50,000.00	(50,000.00)
Total Certified Budget			6,068,912.00	(376,432.41)
Adjustments for Qualifying Budget Credits			163,787.00	(163,787.00)
Total Expenditures	5,754,159.72	5,692,479.59	\$ 6,232,699.00	\$ (540,219.41)
Receipts Over(Under) Expenditures	(257,866.55)	(20,852.91)		
Unencumbered Cash, Beginning	701,124.72	443,258.17		
Unencumbered Cash, Ending	\$ 443,258.17	\$ 422,405.26		

**CITY OF PARSONS, KANSAS**  
**UTILITY SERVICE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Actual
<b>Receipts</b>		
Taxes and Shared Revenue		
Ad Valorem Property Tax	\$ -	\$ -
<b>Total Receipts</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>		
General Government		
Residual Transfers from:		
General Fund	34,000.00	-
<b>Total Expenditures</b>	<b>34,000.00</b>	<b>-</b>
Receipts Over(Under) Expenditures	(34,000.00)	-
Unencumbered Cash, Beginning	34,000.00	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**CITY OF PARSONS, KANSAS**  
**INDUSTRIAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 48,892.36	\$ 47,426.18	\$ 50,200.00	\$ (2,773.82)
Delinquent Tax	1,814.04	1,435.43	1,800.00	(364.57)
Motor Vehicle Tax	6,848.73	6,797.27	6,773.00	24.27
Recreational Vehicle Tax	42.11	34.26	49.00	(14.74)
16-20M Truck Tax	106.20	39.48	107.00	(67.52)
In Lieu of Taxes	102.75	226.44	-	226.44
<b>Total Receipts</b>	<u>57,806.19</u>	<u>55,959.06</u>	<u>\$ 58,929.00</u>	<u>\$ (2,969.94)</u>
<b>Expenditures</b>				
General Government				
Contractual Services	-	-	\$ 293,289.00	\$ (293,289.00)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>\$ 293,289.00</u>	<u>\$ (293,289.00)</u>
Receipts Over(Under) Expenditures	57,806.19	55,959.06		
Unencumbered Cash, Beginning	<u>343,200.97</u>	<u>401,007.16</u>		
Unencumbered Cash, Ending	<u>\$ 401,007.16</u>	<u>\$ 456,966.22</u>		

**CITY OF PARSONS, KANSAS**  
**LIBRARY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 222,267.98	\$ 259,601.10	\$ 274,808.00	\$ (15,206.90)
Delinquent Tax	8,321.83	6,671.22	9,642.00	(2,970.78)
Motor Vehicle Tax	30,648.17	30,417.86	30,778.00	(360.14)
Recreational Vehicle Tax	188.59	153.17	224.00	(70.83)
16-20M Truck Tax	463.64	176.32	486.00	(309.68)
In Lieu of Taxes	467.10	1,212.48	-	1,212.48
<b>Total Receipts</b>	<u>262,357.31</u>	<u>298,232.15</u>	<u>\$ 315,938.00</u>	<u>\$ (17,705.85)</u>
<b>Expenditures</b>				
Culture and Recreation				
Appropriations	<u>262,366.80</u>	<u>298,232.15</u>	<u>\$ 315,938.00</u>	<u>\$ (17,705.85)</u>
<b>Total Expenditures</b>	<u>262,366.80</u>	<u>298,232.15</u>	<u>\$ 315,938.00</u>	<u>\$ (17,705.85)</u>
Receipts Over(Under) Expenditures	(9.49)	-		
Unencumbered Cash, Beginning	<u>9.49</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**CITY OF PARSONS, KANSAS**  
**LIBRARY EMPLOYEE BENEFITS FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 48,007.18	\$ 45,066.88	\$ 47,722.00	\$ (2,655.12)
Delinquent Tax	1,559.31	1,286.83	-	1,286.83
Motor Vehicle Tax	7,492.48	7,436.13	6,651.00	785.13
Recreational Vehicle Tax	46.09	37.44	48.00	(10.56)
16-20M Truck Tax	133.28	43.09	105.00	(61.91)
In Lieu of Taxes	-	214.84	-	214.84
<b>Total Receipts</b>	<u>57,238.34</u>	<u>54,085.21</u>	<u>\$ 54,526.00</u>	<u>\$ (440.79)</u>
<b>Expenditures</b>				
General Government				
Personal Services	<u>57,242.90</u>	<u>54,085.21</u>	<u>\$ 56,573.00</u>	<u>\$ (2,487.79)</u>
<b>Total Expenditures</b>	<u>57,242.90</u>	<u>54,085.21</u>	<u>\$ 56,573.00</u>	<u>\$ (2,487.79)</u>
Receipts Over(Under) Expenditures	(4.56)	-		
Unencumbered Cash, Beginning	<u>4.56</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**CITY OF PARSONS, KANSAS**  
**SPECIAL HIGHWAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Highway Gas Tax	\$ 271,417.22	\$ 261,758.08	\$ 273,280.00	\$ (11,521.92)
Other Receipts				
Reimbursed Expense	3,611.79	-	-	-
<b>Total Receipts</b>	<b>275,029.01</b>	<b>261,758.08</b>	<b>\$ 273,280.00</b>	<b>\$ (11,521.92)</b>
<b>Expenditures</b>				
General Government				
Contractual Services	93,680.14	-	\$ 10,000.00	\$ (10,000.00)
Commodities	103,665.84	-	-	-
Capital Outlay	101,344.66	82,175.44	-	82,175.44
Debt Service				
Principal	32,187.30	25,591.58	35,000.00	(9,408.42)
Interest	1,765.82	-	-	-
Operating Transfers to:				
Capital Improvements				
Reserve Fund	-	50,000.00	245,000.00	(195,000.00)
Municipal Equipment				
Reserve Fund	-	-	20,000.00	(20,000.00)
<b>Total Expenditures</b>	<b>332,643.76</b>	<b>157,767.02</b>	<b>\$ 310,000.00</b>	<b>\$ (152,232.98)</b>
Receipts Over(Under) Expenditures	(57,614.75)	103,991.06		
Unencumbered Cash, Beginning	234,933.23	177,318.48		
Unencumbered Cash, Ending	<u>\$ 177,318.48</u>	<u>\$ 281,309.54</u>		

**CITY OF PARSONS, KANSAS**  
**SPECIAL PARKS FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Local Alcoholic Liquor Tax	\$ 17,765.51	\$ 17,551.92	\$ 17,239.00	\$ 312.92
<b>Total Receipts</b>	<u>17,765.51</u>	<u>17,551.92</u>	<u>\$ 17,239.00</u>	<u>\$ 312.92</u>
<b>Expenditures</b>				
Culture and Recreation				
Contractual Services	33,782.19	-	\$ 8,000.00	\$ (8,000.00)
Capital Outlay	-	-	17,500.00	(17,500.00)
<b>Total Expenditures</b>	<u>33,782.19</u>	<u>-</u>	<u>\$ 25,500.00</u>	<u>\$ (25,500.00)</u>
Receipts Over(Under) Expenditures	(16,016.68)	17,551.92		
Unencumbered Cash, Beginning	<u>106,861.52</u>	<u>90,844.84</u>		
Unencumbered Cash, Ending	<u>\$ 90,844.84</u>	<u>\$ 108,396.76</u>		

**CITY OF PARSONS, KANSAS**  
**SPECIAL ALCOHOL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Local Alcoholic Liquor Tax	\$ 17,765.51	\$ 17,551.92	\$ 17,239.00	\$ 312.92
<b>Total Receipts</b>	<u>17,765.51</u>	<u>17,551.92</u>	<u>\$ 17,239.00</u>	<u>\$ 312.92</u>
<b>Expenditures</b>				
Culture and Recreation				
Contractual Services	19,708.02	16,684.51	\$ 22,500.00	\$ (5,815.49)
Commodities	3,608.46	1,253.50	3,000.00	(1,746.50)
<b>Total Expenditures</b>	<u>23,316.48</u>	<u>17,938.01</u>	<u>\$ 25,500.00</u>	<u>\$ (7,561.99)</u>
Receipts Over(Under) Expenditures	(5,550.97)	(386.09)		
Unencumbered Cash, Beginning	<u>18,574.59</u>	<u>13,023.62</u>		
Unencumbered Cash, Ending	<u>\$ 13,023.62</u>	<u>\$ 12,637.53</u>		

**CITY OF PARSONS, KANSAS**  
**TOURISM FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
State Guest Tax	\$ 148,047.09	\$ 144,460.44	\$ 144,460.00	\$ 0.44
Other Receipts				
Miscellaneous	4,797.00	1,600.00	1,600.00	-
Reimbursed Expenses	1,958.76	606.00	800.00	(194.00)
BBBB Fees	-	3,210.00	3,210.00	-
Operating Transfer from Economic Development Sales Tax Fund	50,000.00	25,000.00	50,000.00	(25,000.00)
<b>Total Receipts</b>	<b>204,802.85</b>	<b>174,876.44</b>	<b>\$ 200,070.00</b>	<b>\$ (25,193.56)</b>
<b>Expenditures</b>				
Culture and Recreation				
Personal Services	56,329.89	99,643.44	\$ 103,305.00	\$ (3,661.56)
Contractual Services	126,661.60	103,270.82	111,060.00	(7,789.18)
Commodities	1,158.36	660.57	1,250.00	(589.43)
Capital Outlay	24,311.96	5,260.91	5,320.00	(59.09)
<b>Total Expenditures</b>	<b>208,461.81</b>	<b>208,835.74</b>	<b>\$ 220,935.00</b>	<b>\$ (12,099.26)</b>
Receipts Over(Under) Expenditures	(3,658.96)	(33,959.30)		
Unencumbered Cash, Beginning	126,025.92	122,366.96		
Unencumbered Cash, Ending	\$ 122,366.96	\$ 88,407.66		

**CITY OF PARSONS, KANSAS**  
**DRUG SEIZURE FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Property Seizure	\$ 1,656.09	\$ 7,305.21	\$ 5,000.00	\$ 2,305.21
Use of Money and Property				
Interest Income	21.68	4.52	150.00	(145.48)
Other Receipts				
Miscellaneous	657.50	-	-	-
<b>Total Receipts</b>	<u>2,335.27</u>	<u>7,309.73</u>	<u>\$ 5,150.00</u>	<u>\$ 2,159.73</u>
<b>Expenditures</b>				
General Government				
Contractual Services	5,544.71	1,025.00	\$ -	\$ 1,025.00
Commodities	1,770.40	8,619.88	9,000.00	(380.12)
Capital Outlay	-	-	3,000.00	(3,000.00)
<b>Total Expenditures</b>	<u>7,315.11</u>	<u>9,644.88</u>	<u>\$ 12,000.00</u>	<u>\$ (2,355.12)</u>
Receipts Over(Under) Expenditures	(4,979.84)	(2,335.15)		
Unencumbered Cash, Beginning	<u>14,436.43</u>	<u>9,456.59</u>		
Unencumbered Cash, Ending	<u>\$ 9,456.59</u>	<u>\$ 7,121.44</u>		

**CITY OF PARSONS, KANSAS**  
**ECONOMIC DEVELOPMENT SALES TAX FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Sales Tax	\$ 381,983.80	\$ 392,494.05	\$ 388,500.00	\$ 3,994.05
Intergovernmental				
Federal Grant - USDA	26,666.67	-	33,850.00	(33,850.00)
Use of Money and Property				
Rent	33,450.00	30,650.00	32,000.00	(1,350.00)
Notes Receivable				
Principal Payments - E Cubator	3,012.34	3,050.96	3,100.00	(49.04)
Interest Income - E Cubator	64.58	111.43	-	111.43
Principal Payments - Econ Dev.	18,869.55	30,183.77	-	30,183.77
Interest Income - Econ Dev.	3,203.48	3,832.13	-	3,832.13
Principal Payments - Rural Dev.	32,796.47	15,212.38	17,500.00	(2,287.62)
Interest Income - Rural Dev.	6,325.27	1,415.86	-	1,415.86
Principal Payment - FHLB	2,316.81	420.83	-	420.83
Interest Payment - FHLB	41.01	6.52	-	6.52
Sale of Assets	-	21,421.31	22,200.00	(778.69)
Other Receipts				
Miscellaneous	340.24	389.33	-	389.33
Reimbursed Expense	11,289.78	5,005.38	5,405.00	(399.62)
<b>Total Receipts</b>	<b>520,360.00</b>	<b>504,193.95</b>	<b>\$ 502,555.00</b>	<b>\$ 1,638.95</b>
<b>Expenditures</b>				
Capital Improvements				
Personal Services	86,123.89	96,869.54	\$ 88,944.00	\$ 7,925.54
Contractual Services	252,200.96	267,935.80	294,221.00	(26,285.20)

**CITY OF PARSONS, KANSAS**  
**ECONOMIC DEVELOPMENT SALES TAX FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
Commodities	\$ 100.66	\$ 481.96	\$ 500.00	\$ (18.04)
Capital Outlay	-	4,050.97	54,100.00	(50,049.03)
Debt Service				
Principal	130,008.00	130,008.00	130,008.00	-
Operating Transfers to:				
Tourism Fund	50,000.00	25,000.00	50,000.00	(25,000.00)
FCIP Project Fund	51,145.00	57,440.50	57,441.00	(0.50)
Total Certified Budget			675,214.00	(93,427.23)
Adjustments for Qualifying Budget Credits			5,005.38	(5,005.38)
Total Expenditures	569,578.51	581,786.77	\$ 680,219.38	\$ (98,432.61)
Receipts Over(Under) Expenditures	(49,218.51)	(77,592.82)		
Unencumbered Cash, Beginning	313,867.58	264,649.07		
Unencumbered Cash, Ending	\$ 264,649.07	\$ 187,056.25		

**CITY OF PARSONS, KANSAS**  
**PARK FACILITIES SALES TAX FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Sales Tax	\$ 212,213.24	\$ 218,052.25	\$ 210,000.00	\$ 8,052.25
Intergovernmental				
KDOT Grant - Frisco Trail	500.00	-	-	-
Other Receipts				
Donations	2,000.00	-	-	-
<b>Total Receipts</b>	<u>214,713.24</u>	<u>218,052.25</u>	<u>\$ 210,000.00</u>	<u>\$ 8,052.25</u>
<b>Expenditures</b>				
Capital Improvements				
Contractual Services	25,129.27	3,342.28	\$ 354,300.00	\$ (350,957.72)
Capital Outlay	109,755.09	246,768.74	-	246,768.74
<b>Total Expenditures</b>	<u>134,884.36</u>	<u>250,111.02</u>	<u>\$ 354,300.00</u>	<u>\$ (104,188.98)</u>
Receipts Over(Under) Expenditures	79,828.88	(32,058.77)		
Unencumbered Cash, Beginning	<u>366,485.78</u>	<u>446,314.66</u>		
Unencumbered Cash, Ending	<u>\$ 446,314.66</u>	<u>\$ 414,255.89</u>		

**CITY OF PARSONS, KANSAS**  
**STREET SALES TAX FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Sales Tax	\$ 254,655.88	\$ 261,662.71	\$ 260,000.00	\$ 1,662.71
Other Receipts				
Reimbursed Expense	54,750.00	13,614.07	-	13,614.07
<b>Total Receipts</b>	<b>309,405.88</b>	<b>275,276.78</b>	<b>\$ 260,000.00</b>	<b>\$ 15,276.78</b>
<b>Expenditures</b>				
Capital Improvements				
Commodities	-	-	\$ 512,100.00	\$ (512,100.00)
Capital Outlay	91,992.36	185,325.74	50,000.00	135,325.74
<b>Total Expenditures</b>	<b>91,992.36</b>	<b>185,325.74</b>	<b>\$ 562,100.00</b>	<b>\$ (376,774.26)</b>
Receipts Over(Under) Expenditures	217,413.52	89,951.04		
Unencumbered Cash, Beginning	293,948.38	511,361.90		
Unencumbered Cash, Ending	<u>\$ 511,361.90</u>	<u>\$ 601,312.94</u>		

**CITY OF PARSONS, KANSAS**  
**UNION PACIFIC PROCEEDS FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Use of Money and Property				
Interest Income	\$ 2,083.87	\$ 577.67	\$ 10,500.00	\$ (9,922.33)
Notes Receivable				
Principal Payments	20,104.48	11,122.29	25,850.00	(14,727.71)
Interest Payments	3,367.32	3,450.51	-	3,450.51
Operating Transfer from General Fund	-	-	20,000.00	(20,000.00)
<b>Total Receipts</b>	<u>25,555.67</u>	<u>15,150.47</u>	<u>\$ 56,350.00</u>	<u>\$ (41,199.53)</u>
<b>Expenditures</b>				
Capital Improvements				
Contractual Services	-	2,650.00	\$ 50,000.00	\$ (47,350.00)
<b>Total Expenditures</b>	<u>-</u>	<u>2,650.00</u>	<u>\$ 50,000.00</u>	<u>\$ (47,350.00)</u>
Receipts Over(Under) Expenditures	25,555.67	12,500.47		
Unencumbered Cash, Beginning	1,127,992.98	1,153,548.65		
Prior Year Cancelled Encumbrances	-	57,994.00		
<b>Unencumbered Cash, Ending</b>	<u>\$ 1,153,548.65</u>	<u>\$ 1,224,043.12</u>		

**CITY OF PARSONS, KANSAS**  
**CARNEGIE BUILDING FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 18.17	\$ 4.98
Other Receipts		
Donations	-	1,275.00
Total Receipts	<u>18.17</u>	<u>1,279.98</u>
Expenditures		
Capital Improvements		
Contractual Services	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over(Under) Expenditures	18.17	1,279.98
Unencumbered Cash, Beginning	<u>10,421.08</u>	<u>10,439.25</u>
Unencumbered Cash, Ending	<u>\$ 10,439.25</u>	<u>\$ 11,719.23</u>

**CITY OF PARSONS, KANSAS**  
**MUNICIPAL AUDITORIUM RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>Prior</u> <u>Year</u> <u>Actual</u>	<u>Current</u> <u>Year</u> <u>Actual</u>
Receipts		
Use of Money and Property		
Interest Income	\$ 258.86	\$ 59.74
Total Receipts	<u>258.86</u>	<u>59.74</u>
Expenditures		
Capital Improvements		
Capital Outlay	<u>26,948.37</u>	<u>7,435.00</u>
Total Expenditures	<u>26,948.37</u>	<u>7,435.00</u>
Receipts Over(Under) Expenditures	(26,689.51)	(7,375.26)
Unencumbered Cash, Beginning	<u>154,755.05</u>	<u>128,065.54</u>
Unencumbered Cash, Ending	<u>\$ 128,065.54</u>	<u>\$ 120,690.28</u>

**CITY OF PARSONS, KANSAS**  
**PARSONS MUSEUM FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 12.93	\$ 5.25
Other Receipts		
Donations	10,616.15	9,228.00
Total Receipts	<u>10,629.08</u>	<u>9,233.25</u>
Expenditures		
Culture and Recreation		
Personal Services	-	93.65
Contractual Services	6,066.09	6,987.15
Commodities	710.34	1,937.48
Total Expenditures	<u>6,776.43</u>	<u>9,018.28</u>
Receipts Over(Under) Expenditures	3,852.65	214.97
Unencumbered Cash, Beginning	<u>4,337.99</u>	<u>8,190.64</u>
Unencumbered Cash, Ending	<u>\$ 8,190.64</u>	<u>\$ 8,405.61</u>

**CITY OF PARSONS, KANSAS**  
**CAPITAL IMPROVEMENTS RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants - FAA Grant	\$ 281,918.00	\$ 4,351.00
Federal Grants - FEMA Grant	484,390.00	515,610.00
State Grants - KDOT	-	300,854.43
State Grants - KLINK	-	176,569.06
Other Receipts		
Reimbursed Expense	48,457.27	57,578.64
Operating Transfers from Special Highway Fund	-	50,000.00
Total Receipts	<u>814,765.27</u>	<u>1,104,963.13</u>
Expenditures		
General Government		
Capital Outlay	<u>1,818,778.98</u>	<u>81,062.69</u>
Total Expenditures	<u>1,818,778.98</u>	<u>81,062.69</u>
Receipts Over(Under) Expenditures	(1,004,013.71)	1,023,900.44
Unencumbered Cash, Beginning	<u>90,119.63</u>	<u>(913,894.08)</u>
Unencumbered Cash, Ending	<u>\$ (913,894.08)</u>	<u>\$ 110,006.36</u>

**CITY OF PARSONS, KANSAS**  
**MUNICIPAL EQUIPMENT RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	\$ -	\$ 6,400.00
Total Receipts	-	6,400.00
Expenditures		
Capital Equipment		
Capital Outlay	-	14,550.00
Total Expenditures	-	14,550.00
Receipts Over(Under) Expenditures	-	(8,150.00)
Unencumbered Cash, Beginning	17,069.18	17,069.18
Unencumbered Cash, Ending	<u>\$ 17,069.18</u>	<u>\$ 8,919.18</u>

**CITY OF PARSONS, KANSAS**  
**COMMUNITY ORGANIZATIONS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Donations	\$ 837.00	\$ 847.75
Total Receipts	<u>837.00</u>	<u>847.75</u>
Expenditures		
Culture and Recreation		
Contractual Services	<u>-</u>	<u>72.12</u>
Total Expenditures	<u>-</u>	<u>72.12</u>
Receipts Over(Under) Expenditures	837.00	775.63
Unencumbered Cash, Beginning	<u>5,079.20</u>	<u>5,916.20</u>
Unencumbered Cash, Ending	<u>\$ 5,916.20</u>	<u>\$ 6,691.83</u>

**CITY OF PARSONS, KANSAS**  
**COMMUNITY REVITALIZATION AND DEVELOPMENT FUND**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenue				
Neighborhood Tax Distribution	\$ 3,883.31	\$ 1,682.62	\$ 1,800.00	\$ (117.38)
Federal Grants - Ks Housing	106,795.00	112,447.65	112,447.00	0.65
Local Grants	350.00	-	-	-
Use of Money and Property				
Interest Income	217.81	56.48	60.00	(3.52)
Notes Receivable				
Principal Payments	506.84	163.27	260.00	(96.73)
Interest Income	93.34	61.73	-	61.73
Sale of Fixed Assets	250.00	20,326.61	19,495.00	831.61
Other Receipts				
Miscellaneous	3,650.00	-	-	-
Reimbursed Expense	36,562.21	54.78	55.00	(0.22)
<b>Total Receipts</b>	<b>152,308.51</b>	<b>134,793.14</b>	<b>\$ 134,117.00</b>	<b>\$ 676.14</b>
<b>Expenditures</b>				
Community Development				
Personal Services	45,503.66	3,487.70	\$ 3,692.00	\$ (204.30)
Contractual Services	8,500.00	13,978.29	131,000.00	(117,021.71)
Capital Outlay	133,462.04	88,963.87	-	88,963.87
<b>Total Expenditures</b>	<b>187,465.70</b>	<b>106,429.86</b>	<b>\$ 134,692.00</b>	<b>\$ (28,262.14)</b>
Receipts Over(Under) Expenditures	(35,157.19)	28,363.28		
Unencumbered Cash, Beginning	71,706.55	36,549.36		
Unencumbered Cash, Ending	<u>\$ 36,549.36</u>	<u>\$ 64,912.64</u>		

**CITY OF PARSONS, KANSAS**  
**FEMA FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grant - FEMA	\$ -	\$ 168,903.12
State Grant - FEMA	-	22,520.42
Total Receipts	-	191,423.54
Expenditures		
Community Development		
Contractual Services	45,775.66	-
Capital Outlay	5,040.00	-
Total Expenditures	50,815.66	-
Receipts Over(Under) Expenditures	(50,815.66)	191,423.54
Unencumbered Cash, Beginning	(129,463.34)	(180,279.00)
Unencumbered Cash, Ending	<u>\$ (180,279.00)</u>	<u>\$ 11,144.54</u>

**CITY OF PARSONS, KANSAS**  
**BOND AND INTEREST FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Use of Money and Property				
Bond Proceeds - 2013	\$ 50,000.00	\$ 2,454,670.70	\$ -	\$ 2,454,670.70
Bond Proceeds - 2012	9,175,000.00	-	-	-
Interest Income	-	1,101.29	-	1,101.29
Operating Transfers from:				
Water Utility Fund	861,903.06	998,765.67	-	998,765.67
Sewer Utility Fund	21,679.38	25,084.33	-	25,084.33
<b>Total Receipts</b>	<b>10,108,582.44</b>	<b>3,479,621.99</b>	<b>\$ -</b>	<b>\$ 3,479,621.99</b>
<b>Expenditures</b>				
Capital Improvements				
Capital Outlay	-	1,678,237.10	\$ -	\$ 1,678,237.10
Debt Service				
Principal - 2012A	250,000.00	895,000.00	-	895,000.00
Principal - Sewer 1995	232,858.86	-	-	-
Principal - Water 2000	4,554,805.97	-	-	-
Principal - Water 2004	4,687,773.72	-	-	-
Interest	253,813.89	128,850.00	-	128,850.00
Bond Issuance Costs	78,929.87	-	-	-
<b>Total Certified Budget</b>			<b>-</b>	<b>2,702,087.10</b>
Adjustments for Qualifying				
Budget Credits			2,454,670.70	(2,454,670.70)
<b>Total Expenditures</b>	<b>10,058,182.31</b>	<b>2,702,087.10</b>	<b>\$ 2,454,670.70</b>	<b>\$ 247,416.40</b>
Receipts Over(Under) Expenditures	50,400.13	777,534.89		
Unencumbered Cash, Beginning	-	50,400.13		
Unencumbered Cash, Ending	<u>\$ 50,400.13</u>	<u>\$ 827,935.02</u>		

**CITY OF PARSONS, KANSAS**  
**FCIP PROJECT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 24.19	\$ 9.69
Other Revenue		
Reimbursed Expense	35,379.00	35,379.00
Operating Transfers from:		
General Fund	239,330.00	157,772.50
Economic Development		
Sales Tax Fund	51,145.00	57,440.50
Water Utility Fund	190,000.00	201,710.00
Sewer Utility Fund	65,000.00	85,730.00
Total Receipts	<u>580,878.19</u>	<u>538,041.69</u>
Expenditures		
Debt Service		
Principal	395,000.00	290,000.00
Interest	266,742.34	365,747.58
Commissions and Fees	128.92	2,500.00
Total Expenditures	<u>661,871.26</u>	<u>658,247.58</u>
Receipts Over(Under) Expenditures	(80,993.07)	(120,205.89)
Unencumbered Cash, Beginning	<u>202,873.53</u>	<u>121,880.46</u>
Unencumbered Cash, Ending	<u>\$ 121,880.46</u>	<u>\$ 1,674.57</u>

**CITY OF PARSONS, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
Water Receipts	\$ 2,654,265.18	\$ 2,508,742.13	\$ 2,535,500.00	\$ (26,757.87)
Connection Fees	36,952.89	25,798.90	31,000.00	(5,201.10)
Use of Money and Property				
Rental and Farm Income	25,719.46	20,317.31	4,500.00	15,817.31
Interest Income	3,822.38	1,026.86	1,500.00	(473.14)
Sale of Assets	14,375.00	-	-	-
Other Receipts				
Miscellaneous	20,562.48	17,784.77	18,000.00	(215.23)
Lawsuit Settlement	-	227,850.10	227,850.00	0.10
Reimbursed Expenses	30,151.03	18,472.45	18,000.00	472.45
Permits and Fees	12,632.00	12,996.00	13,000.00	(4.00)
State Sales Tax	41,800.63	38,386.21	39,000.00	(613.79)
<b>Total Receipts</b>	<b>2,840,281.05</b>	<b>2,871,374.73</b>	<b>\$ 2,888,350.00</b>	<b>\$ (16,975.27)</b>
<b>Expenditures</b>				
Treatment				
Personal Services	227,176.74	220,424.74	\$ 240,339.00	\$ (19,914.26)
Contractual Services	163,239.39	166,294.96	173,000.00	(6,705.04)
Commodities	182,511.28	195,617.56	206,145.00	(10,527.44)
Capital Outlay	394,549.82	32,706.74	55,000.00	(22,293.26)
Distribution				
Personal Services	185,906.94	182,625.89	199,100.00	(16,474.11)
Contractual Services	104,976.35	93,744.04	88,970.00	4,774.04
Commodities	152,753.74	163,254.94	188,750.00	(25,495.06)
Capital Outlay	40,742.75	478,516.41	478,850.00	(333.59)
Administration				
Personal Services	241,201.30	297,405.24	310,125.00	(12,719.76)
Contractual Services	126,865.88	127,553.49	133,985.00	(6,431.51)
Commodities	19,483.97	19,079.15	17,500.00	1,579.15
Capital Outlay	60,362.63	7,916.16	70,000.00	(62,083.84)

**CITY OF PARSONS, KANSAS**  
**WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
Lake				
Personal Services	\$ 92,559.88	\$ 93,573.14	\$ 94,865.00	\$ (1,291.86)
Contractual Services	24,340.14	28,931.90	29,123.00	(191.10)
Commodities	35,234.81	32,708.41	22,000.00	10,708.41
Capital Outlay	-	486,190.93	513,980.00	(27,789.07)
Operating Transfers to:				
Bond and Interest Fund	861,903.06	998,765.67	998,766.00	(0.33)
Municipal Equipment				
Reserve Fund	-	-	227,850.00	(227,850.00)
FCIP Project Fund	190,000.00	201,710.00	205,000.00	(3,290.00)
Total Certified Budget			4,253,348.00	(426,328.63)
Adjustments for Qualifying				
Budget Credits			18,472.45	(18,472.45)
Total Expenditures	<u>3,103,808.68</u>	<u>3,827,019.37</u>	<u>\$ 4,271,820.45</u>	<u>\$ (444,801.08)</u>
Receipts Over(Under) Expenditures	(263,527.63)	(955,644.64)		
Unencumbered Cash, Beginning	<u>2,218,331.11</u>	<u>1,954,803.48</u>		
Unencumbered Cash, Ending	<u>\$ 1,954,803.48</u>	<u>\$ 999,158.84</u>		

**CITY OF PARSONS, KANSAS**  
**CIP WATER RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Reimbursed Expense	\$ 114,378.80	\$ -
Total Receipts	<u>114,378.80</u>	<u>-</u>
Expenditures		
Capital Improvements		
Capital Outlay	<u>2,781.12</u>	<u>-</u>
Total Expenditures	<u>2,781.12</u>	<u>-</u>
Receipts Over(Under) Expenditures	111,597.68	-
Unencumbered Cash, Beginning	(65,369.44)	114,378.80
Prior Year Cancelled Encumbrances	<u>68,150.56</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 114,378.80</u>	<u>\$ 114,378.80</u>

**CITY OF PARSONS, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
Wastewater Receipts	\$ 1,838,595.90	\$ 1,761,208.09	\$ 1,775,000.00	\$ (13,791.91)
Sewer District	23,467.06	28,181.87	25,700.00	2,481.87
Sewer Taps	2,250.00	2,000.00	2,200.00	(200.00)
Use of Money and Property				
Interest Income	788.68	223.96	275.00	(51.04)
Other Receipts				
Miscellaneous	60,683.14	34,637.07	32,100.00	2,537.07
Reimbursed Expenses	139.86	423.28	450.00	(26.72)
<b>Total Receipts</b>	<b>1,925,924.64</b>	<b>1,826,674.27</b>	<b>\$ 1,835,725.00</b>	<b>\$ (9,050.73)</b>
<b>Expenditures</b>				
Treatment				
Personal Services	255,854.26	283,420.73	\$ 286,729.00	\$ (3,308.27)
Contractual Services	281,083.14	274,122.66	301,575.00	(27,452.34)
Commodities	35,444.28	39,461.74	46,565.00	(7,103.26)
Capital Outlay	34,578.49	2,500.00	50,000.00	(47,500.00)
Collections				
Personal Services	168,526.66	212,597.81	216,250.00	(3,652.19)
Contractual Services	23,959.74	71,498.05	73,050.00	(1,551.95)
Commodities	83,464.70	65,622.52	99,775.00	(34,152.48)
Capital Outlay	51,328.67	45,070.24	45,070.00	0.24
Administration				
Personal Services	191,987.46	246,438.96	257,736.00	(11,297.04)
Contractual Services	46,865.39	45,091.71	44,592.00	499.71
Commodities	2,568.64	3,144.53	4,100.00	(955.47)
Capital Outlay	-	10,630.05	11,500.00	(869.95)

**CITY OF PARSONS, KANSAS**  
**SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
Debt Service				
Principal	\$ 414,032.67	\$ 328,454.95	\$ 476,483.00	\$ (148,028.05)
Interest	158,353.88	148,028.09	-	148,028.09
Operating Transfers to:				
FCIP Project Fund	65,000.00	85,730.00	87,500.00	(1,770.00)
Bond and Interest Fund	21,679.38	25,084.33	25,100.00	(15.67)
Total Certified Budget			2,026,025.00	(139,128.63)
Adjustments for Qualifying Budget Credits			423.28	(423.28)
Total Expenditures	<u>1,834,727.36</u>	<u>1,886,896.37</u>	<u>\$ 2,026,448.28</u>	<u>\$ (139,551.91)</u>
Receipts Over(Under) Expenditures	91,197.28	(60,222.10)		
Unencumbered Cash, Beginning	<u>388,669.48</u>	<u>479,866.76</u>		
Unencumbered Cash, Ending	<u>\$ 479,866.76</u>	<u>\$ 419,644.66</u>		

**CITY OF PARSONS, KANSAS**  
**COPC CIP SEWER RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grants - CDBG	\$ 50,893.00	\$ -
Use of Money and Property		
Revolving Loan Proceeds	85,045.43	-
Total Receipts	<u>135,938.43</u>	<u>-</u>
Expenditures		
Capital Improvements		
Capital Outlay	72,464.24	-
Total Expenditures	<u>72,464.24</u>	<u>-</u>
Receipts Over(Under) Expenditures	63,474.19	-
Unencumbered Cash, Beginning	<u>(42,902.50)</u>	<u>20,571.69</u>
Unencumbered Cash, Ending	<u>\$ 20,571.69</u>	<u>\$ 20,571.69</u>

**CITY OF PARSONS, KANSAS**  
**SANITATION UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
Sanitation Fees	\$ 1,003,416.87	\$ 1,016,763.79	\$ 1,016,250.00	\$ 513.79
Polycart Rentals	53,536.00	55,761.60	55,013.00	748.60
Use of Money and Property				
Interest Income	1,293.66	266.74	300.00	(33.26)
Royalties	-	3,881.46	3,881.00	0.46
Other Receipts				
Miscellaneous	5,557.50	4,905.65	5,116.00	(210.35)
State Sales Tax	4,805.98	4,798.04	4,750.00	48.04
Reimbursed Expenses	5,450.59	2,671.85	2,700.00	(28.15)
<b>Total Receipts</b>	<b>1,074,060.60</b>	<b>1,089,049.13</b>	<b>\$ 1,088,010.00</b>	<b>\$ 1,039.13</b>
<b>Expenditures</b>				
General Utility Services				
Personal Services	501,165.74	544,050.16	\$ 572,383.00	\$ (28,332.84)
Contractual Services	426,983.62	383,610.65	366,603.00	17,007.65
Commodities	95,864.35	53,979.35	73,670.00	(19,690.65)
Capital Outlay	336,114.76	19,178.70	305,257.00	(286,078.30)
<b>Total Certified Budget</b>			<b>1,317,913.00</b>	<b>(317,094.14)</b>
Adjustments for Qualifying Budget Credits			2,671.85	(2,671.85)
<b>Total Expenditures</b>	<b>1,360,128.47</b>	<b>1,000,818.86</b>	<b>\$ 1,320,584.85</b>	<b>\$ (319,765.99)</b>
Receipts Over(Under) Expenditures	(286,067.87)	88,230.27		
Unencumbered Cash, Beginning	691,616.35	405,548.48		
Unencumbered Cash, Ending	<u>\$ 405,548.48</u>	<u>\$ 493,778.75</u>		

**CITY OF PARSONS, KANSAS**  
**STORMWATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
Stormwater Receipts	\$ 153,961.40	\$ 154,286.93	\$ 155,000.00	\$ (713.07)
Use of Money and Property				
Interest Income	541.31	172.98	250.00	(77.02)
<b>Total Receipts</b>	<u>154,502.71</u>	<u>154,459.91</u>	<u>\$ 155,250.00</u>	<u>\$ (790.09)</u>
<b>Expenditures</b>				
General Utility Services				
Personal Services	-	-	\$ 30,000.00	\$ (30,000.00)
Contractual Services	1,332.34	-	260,410.00	(260,410.00)
Commodities	26,845.13	-	8,500.00	(8,500.00)
Capital Outlay	9,691.00	228,772.38	81,937.00	146,835.38
Debt Service				
Principal	16,055.06	-	-	-
Interest	883.82	-	-	-
<b>Total Expenditures</b>	<u>54,807.35</u>	<u>228,772.38</u>	<u>\$ 380,847.00</u>	<u>\$ (152,074.62)</u>
Receipts Over(Under) Expenditures	99,695.36	(74,312.47)		
Unencumbered Cash, Beginning	<u>263,052.80</u>	<u>362,748.16</u>		
Unencumbered Cash, Ending	<u>\$ 362,748.16</u>	<u>\$ 288,435.69</u>		

**CITY OF PARSONS, KANSAS**  
**EPA COMPLIANCE UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Charges for Services				
EPA Compliance Receipts	\$ 210,849.05	\$ 509,923.22	\$ 492,000.00	\$ 17,923.22
Intergovernmental				
Federal Grants - CDBG	-	-	500,000.00	(500,000.00)
Use of Money and Property				
Interest Income	35.73	92.54	-	92.54
KDHE Loan Proceeds	-	150,278.93	500,000.00	(349,721.07)
Other Receipts				
Private Loan Paybacks	-	-	5,000.00	(5,000.00)
<b>Total Receipts</b>	<u>210,884.78</u>	<u>660,294.69</u>	<u>\$ 1,497,000.00</u>	<u>\$ (836,705.31)</u>
<b>Expenditures</b>				
General Utility Services				
Contractual Services	-	3,500.00	\$ 40,000.00	\$ (36,500.00)
Capital Outlay	143,729.00	480,366.97	1,220,000.00	(739,633.03)
Debt Service				
KDHE Loan Payments	-	-	200,000.00	(200,000.00)
<b>Total Expenditures</b>	<u>143,729.00</u>	<u>483,866.97</u>	<u>\$ 1,460,000.00</u>	<u>\$ (200,000.00)</u>
Receipts Over(Under) Expenditures	67,155.78	176,427.72		
Unencumbered Cash, Beginning	-	67,155.78		
Unencumbered Cash, Ending	<u>\$ 67,155.78</u>	<u>\$ 243,583.50</u>		

**CITY OF PARSONS, KANSAS**  
**UTILITY RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Sale of Assets	\$ -	\$ 85,500.00
Total Receipts	-	85,500.00
Expenditures		
Capital Improvements		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	85,500.00
Unencumbered Cash, Beginning	17,333.21	17,333.21
Unencumbered Cash, Ending	\$ 17,333.21	\$ 102,833.21

**CITY OF PARSONS, KANSAS**  
**EQUIPMENT MAINTENANCE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Maintenance Internal Charges	\$ 216,912.59	\$ 222,283.03
Total Receipts	<u>216,912.59</u>	<u>222,283.03</u>
Expenditures		
General Government		
Personal Services	110,958.54	113,471.93
Contractual Services	80,903.01	83,533.67
Commodities	24,883.75	25,033.38
Capital Outlay	<u>-</u>	<u>499.00</u>
Total Expenditures	<u>216,745.30</u>	<u>222,537.98</u>
Receipts Over(Under) Expenditures	167.29	(254.95)
Unencumbered Cash, Beginning	<u>122.85</u>	<u>290.14</u>
Unencumbered Cash, Ending	<u>\$ 290.14</u>	<u>\$ 35.19</u>

**CITY OF PARSONS, KANSAS**  
**HEALTH INSURANCE RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended December 31, 2013  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Employer Internal Charges	\$ 744,320.77	\$ 854,454.46
Use of Money and Property		
Interest Income	1,191.03	306.32
Other Receipts		
Flexible Spending	14,567.00	13,062.93
Reimbursed Expense	23,700.23	8,155.64
Total Receipts	783,779.03	875,979.35
Expenditures		
General Government		
Contractual Services	823,338.24	922,589.88
Total Expenditures	823,338.24	922,589.88
Receipts Over(Under) Expenditures	(39,559.21)	(46,610.53)
Unencumbered Cash, Beginning	732,769.84	693,210.63
Unencumbered Cash, Ending	\$ 693,210.63	\$ 646,600.10

**CITY OF PARSONS, KANSAS**  
**D.V. REED TRUST FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 12.26	\$ 7.04
Other Receipts		
Donations	11,032.52	12,010.94
Total Receipts	<u>11,044.78</u>	<u>12,017.98</u>
Expenditures		
Culture and Recreation		
Contractual Services	12,436.00	12,042.00
Total Expenditures	<u>12,436.00</u>	<u>12,042.00</u>
Receipts Over(Under) Expenditures	(1,391.22)	(24.02)
Unencumbered Cash, Beginning	<u>1,465.65</u>	<u>74.43</u>
Unencumbered Cash, Ending	<u>\$ 74.43</u>	<u>\$ 50.41</u>

**CITY OF PARSONS, KANSAS**  
**OAKWOOD CEMETERY PERPETUAL CARE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Donations	\$ 4,510.00	\$ 7,575.00
Total Receipts	<u>4,510.00</u>	<u>7,575.00</u>
Expenditures		
Perpetual Care		
Capital Outlay	<u>18,647.43</u>	<u>-</u>
Total Expenditures	<u>18,647.43</u>	<u>-</u>
Receipts Over(Under) Expenditures	(14,137.43)	7,575.00
Unencumbered Cash, Beginning	<u>89,445.78</u>	<u>75,308.35</u>
Unencumbered Cash, Ending	<u>\$ 75,308.35</u>	<u>\$ 82,883.35</u>

**CITY OF PARSONS, KANSAS**  
**AGENCY FUNDS**  
Schedule of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended December 31, 2013

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Fire Insurance Proceeds	\$ 38,421.73	\$ 18,900.00	\$ 22,806.75	\$ 34,514.98
Farm History Center	28,475.80	4,925.00	6,093.36	27,307.44
Arts and Humanities Board	6,446.15	2,001.50	3,001.00	5,446.65
Tree Board	878.55	-	-	878.55
Senior Center Board	85,794.79	11,001.80	4,742.09	92,054.50
Operations Bright Touch	1,785.75	995.00	1,520.79	1,259.96
Memorials/Donations	3,932.64	61,047.50	55,875.37	9,104.77
Grants	1,090.95	36,282.81	44,737.60	(7,363.84)
	<u>\$ 166,826.36</u>	<u>\$ 135,153.61</u>	<u>\$ 138,776.96</u>	<u>\$ 163,203.01</u>

**CITY OF PARSONS, KANSAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Cash Receipts	Federal Expenditures
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
Edward Byrne Memorial Formula Grant Program 2011	N/A	16.579	\$ 4,627.60	\$ 4,627.60
Community Oriented Policing Services - ARRA	N/A	16.710	29,595.21	42,180.72
Total U.S. Department of Justice			34,222.81	46,808.32
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through the Kansas Housing Resources Corporation				
Home Investment Partnership Program	HR09-0153	14.239	112,447.65	-
Total U.S. Department of Housing and Urban Development			112,447.65	-
<b><u>U.S. Department of Transportation</u></b>				
Direct Programs:				
Airport Improvement Program 3-20-0067-08	N/A	20.106	4,351.00	-
Airport Improvement Program 3-20-0067-09	N/A	20.106	-	42,772.00
Total U.S. Department of Transportation		Total 20.106	4,351.00	42,772.00
Passed through the Kansas Department of Transportation				
Click Step Special Program	SP-1300-13	20.600	6,960.78	6,960.78
Occupant Protection Incentive Grants	OP-1463-13	20.602	2,031.55	2,031.55
Total U.S. Department of Transportation			13,343.33	51,764.33

**CITY OF PARSONS, KANSAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Cash Receipts	Federal Expenditures
<b><u>U.S. Department of Homeland Security</u></b>				
Direct Grant				
Assistance to Firefighters Grant - Radios Passed through Southeast Regional Homeland Security Council	N/A	97.044 (M)	\$ 515,610.00	\$ 516,699.45
State Homeland Security Program - Noncash Passed through the Kansas Division of Emergency Management	NONE	97.067	82,907.96	82,907.96
Public Disaster Assistance	FEMA-1849-DR-KS	97.036	<u>168,903.12</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>767,421.08</u>	<u>599,607.41</u>
Total Expenditures of Federal Awards			<u>\$ 927,434.87</u>	<u>\$ 698,180.06</u>

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Parsons, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(M) = Major Program

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and City Commissioners  
City of Parsons, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Parsons, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise City of Parsons, Kansas' basic financial statements, and have issued our report thereon dated March 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Parsons, Kansas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Parsons, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Parsons, Kansas' internal control.

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
March 14, 2014

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

Honorable Mayor and City Commissioners  
City of Parsons, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited City of Parsons, Kansas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of City of Parsons, Kansas' major federal programs for the year ended December 31, 2013. City of Parsons, Kansas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Parsons, Kansas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Parsons, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, City of Parsons, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

**Report on Internal Control Over Compliance**

Management of City of Parsons, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Parsons, Kansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Parsons, Kansas' internal control over compliance.

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

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

**Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
March 14, 2014

**CITY OF PARSONS, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2013

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

The auditors' report expresses an adverse opinion on the financial statements of City of Parsons, Kansas in accordance with generally accepted accounting principles and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified that are not considered to be a material weakness?	_____	Yes	_____ <u>X</u> _____	None Reported
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____ <u>X</u> _____	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

**U.S. Department of Homeland Security**

Assistance to Firefighters Grant – CFDA No. 97.044

The threshold for distinguishing Types A and B programs was \$300,000.00.

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

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**CITY OF PARSONS, KANSAS**

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2013

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December 31, 2012:

No Findings in the Prior Year Audit