

**CITY OF LAHARPE, KANSAS**

Financial Statement and  
Independent Auditors' Report with  
Supplemental Information

For the Year Ended December 31, 2011

**CITY OF LAHARPE, KANSAS**

December 31, 2011

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

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
City of LaHarpe, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of LaHarpe, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of LaHarpe, Kansas' management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year summarized comparative information has been derived from the City's 2010 financial statement and, in our report dated March 30, 2011, we expressed an unqualified opinion on the financial statement of the City of LaHarpe, Kansas, prepared in accordance with the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the City of LaHarpe, Kansas has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of LaHarpe, Kansas, as of December 31, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of LaHarpe, Kansas, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-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 statutory 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.



JARRED GILMORE & PHILLIPS, PA  
Certified Public Accountants

March 6, 2012  
Chanute, Kansas

CITY OF LAHARPE, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance	
						December 31 2011	2010
General Fund	\$ 31,681.00	\$ 166,251.24	\$ 152,519.59	\$ 45,412.65	\$ 2,048.87	\$ 47,461.52	\$ 53,904.17
Special Revenue Funds							
Special Highway	49,251.25	16,438.18	34,287.92	31,401.51	559.05	31,960.56	49,251.25
Equipment Reserve	5,683.72	5,000.00	5,500.00	5,183.72	-	5,183.72	5,683.72
Debt Service Fund	-	51,186.34	51,186.34	-	-	-	-
Bond and Interest	-	-	-	-	-	-	-
Enterprise Funds							
Water Utility	96.92	107,980.36	106,208.89	1,868.39	5,533.86	7,402.25	900.42
Electric Utility	29,048.63	340,426.13	316,785.23	52,689.53	20,403.63	73,093.16	59,032.56
Sewer Utility	7,224.42	83,254.84	77,920.89	12,558.37	742.53	13,300.90	7,900.27
Trash Utility	3,449.59	16,072.14	15,076.85	4,444.88	-	4,444.88	3,449.59
Total Reporting Entity ( Excluding Agency Funds)	\$ 126,435.53	\$ 786,609.23	\$ 759,485.71	\$ 153,559.05	\$ 29,287.94	\$ 182,846.99	\$ 180,121.98
Composition of Cash:							
Cash on Hand						\$ 300.00	\$ 300.00
Checking Accounts - Piqua State Bank						152,346.52	130,234.83
Certificates of Deposit						46,427.52	65,633.43
Total Cash						199,074.04	196,168.26
Agency Funds Per Statement 4						(16,227.05)	(16,046.28)
Total Reporting Entity						\$ 182,846.99	\$ 180,121.98

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

## **CITY OF LAHARPE, KANSAS**

Notes to Financial Statement  
December 31, 2011

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

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

#### Reporting Entity

The City of LaHarpe, Kansas, is a municipal corporation governed by an elected five-member council. The City has developed criteria to determine whether outside agencies with activities which benefit the residents of the City should be included within its financial reporting entity. The criteria include, but are not limited to, 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.

The City has determined that no outside agency meets the above criteria and, therefore, no outside agency has been include as a component unit in this financial statement.

#### Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of LaHarpe, Kansas, for the year of 2011:

### **GOVERNMENTAL FUNDS**

General Fund -- to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds -- to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditures for only specified purposes.

Debt Service Funds -- to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City of LaHarpe, Kansas.

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

Basis of Presentation - Fund Accounting (Continued)

**PROPRIETARY FUNDS**

Enterprise Funds -- to account for operations that are financed and operated in a manner similar to private business enterprises -- where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges -- or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**FIDUCIARY FUNDS**

Trust and Agency Funds -- To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds and Agency Funds.

Basis of Presentation – Statutory Basis of Accounting

The statutory basis of accounting, as used in preparation of this statutory basis financial statement and schedules, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

Departures from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

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

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 1 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 the 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 1 of the ensuing year. Consequently, for the revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

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

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statement in order to provide an understanding of changes in the City’s financial position and operations. However, complete comparative data, i.e., presentation of prior year totals by fund type in the statement have not been presented since their inclusion would make the statement unduly complex and difficult to read.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is 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.

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal 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; then
4. Adoption of the final budget on or before August 25.

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY** (Continued)

### Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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 statutory 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, fiduciary funds, permanent funds and the following special revenue fund:

- Equipment Reserve Fund.

In addition, an operating budget is not required for enterprise principal and interest funds and enterprise reserve funds.

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

### 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 and Schedule 1, the City was in apparent compliance with the Kansas cash basis laws and budget laws.

## **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 banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2011.

At year-end, the City's carrying amount of deposits was \$198,774.04 and the bank balance was \$236,105.97. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$236,105.97 was covered by FDIC insurance.

### **4. DEFINED BENEFIT PENSION PLAN**

#### Plan Description

The City contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3803) or by calling 1-888-275-5737.

#### Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on results of an annual actuarial valuation. KPERS is funded on an actuarial reserve bases. State law sets a limitation on annual increases in the employer contribution rates. The employer rate established for 2011 was 7.74%. The City of LaHarpe, Kansas, employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$6,519.95, \$6,073.70, and \$5,352.71 respectively, equal to the required contributions for each year.

## 5. Long-Term Liabilities

Changes in long-term liabilities for the City of LaHarpe for the year ended December 31, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Sewer System Revolving Loan										
Paid by Utility Revenues:										
Series 1998	2.86%	June 26, 1999	\$ 760,000.00	Sept. 1, 2019	\$ 399,139.68	\$ -	\$ 39,074.56		\$ 360,065.12	\$ 12,111.78
Capital Lease										
Police Car	3.50%	June 29, 2011	9,488.00	May 29, 2014	-	9,487.50	1,800.87		7,686.63	145.13
<b>Total Contractual Indebtedness</b>					<u>399,139.68</u>	<u>9,487.50</u>	<u>40,875.43</u>		<u>367,751.75</u>	<u>12,256.91</u>
Other Long-Term Debt										
General Accrued Compensated Absences										
Vacation Pay	N/A	N/A	N/A	N/A	2,676.96			\$ 201.33	2,878.29	N/A
<b>Total Long-Term Liabilities</b>					<u>\$ 401,816.64</u>	<u>\$ 18,975.00</u>	<u>\$ 81,750.86</u>	<u>\$ 201.33</u>	<u>\$ 370,630.04</u>	<u>\$ 24,513.82</u>

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

Issue	2012	2013	2014	2015	2016	2017 - 2019	Total
Principal							
General Obligation Bonds							
Sewer System Revolving Loan							
Series 1998	\$ 40,299.23	\$ 41,562.28	\$ 42,864.91	\$ 44,208.37	\$ 45,593.94	\$ 145,536.39	\$ 360,065.12
Capital Lease							
Police Car	3,119.71	3,230.14	1,336.78	-	-	-	7,686.63
<b>Total Principal Payments</b>	<u>43,418.94</u>	<u>44,792.42</u>	<u>44,201.69</u>	<u>44,208.37</u>	<u>45,593.94</u>	<u>145,536.39</u>	<u>367,751.75</u>
Interest							
General Obligation Bonds							
Sewer System Revolving Loan							
Series 1998	10,887.10	9,624.05	8,321.42	6,977.96	5,592.39	8,022.70	49,425.62
Capital Lease							
Police Car	216.29	106.86	11.32	-	-	-	334.47
<b>Total Interest Payments</b>	<u>11,103.39</u>	<u>9,730.91</u>	<u>8,332.74</u>	<u>6,977.96</u>	<u>5,592.39</u>	<u>8,022.70</u>	<u>49,760.09</u>
<b>Total Principal and Interest</b>	<u>\$ 54,522.33</u>	<u>\$ 54,523.33</u>	<u>\$ 52,534.43</u>	<u>\$ 51,186.33</u>	<u>\$ 51,186.33</u>	<u>\$ 153,559.09</u>	<u>\$ 417,511.84</u>

## **6. COMPENSATED ABSENCES**

Regular employees earn and accumulate vacation leave from the beginning of employment. The maximum number of vacation days which can be accumulated by employees is based upon number of years of full-time service and varies from 5-15 days. Vacation days cannot be carried over if not used during the year earned.

Regular employees earn and accumulate sick leave from the beginning of employment at the rate of 10 days per year. Sick leave may be accumulated to a maximum of 20 days. Any unused sick leave above 20 days is lost. Sick leave is not paid to terminated employees.

The City accrues a liability for compensated absences which meet the following criteria:

- (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 and is material to the financial statement.

In accordance with the above criteria, the City has estimated a liability for vacation pay and sick pay in Note 5, Long-Term Debt, and not accrued a liability for sick pay which has been earned, but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

## **7. SEWER TREATMENT SYSTEM AGREEMENT**

On April 14, 1999 the City of LaHarpe, the City of Gas, and the Allen County Commissioners entered into a sewer treatment system agreement. The following items were agreed upon:

- a) The City of LaHarpe owns and operates a sewer treatment system and provides service to the City of Gas.
- b) The Kansas Department of Commerce would provide funds to build a replacement lagoon system that will be jointly owned by the City of LaHarpe and the City of Gas.
- c) An interlocal agreement was entered into between the City of LaHarpe and the City of Gas to establish a joint sewer board.
- d) The agreement terminates on September 30, 2019, unless extended by the written agreement of all parties. No parties may terminate this agreement prior to September 30, 2019, without the consent of all parties.

## **8. ECONOMIC DEPENDENCY**

During 2011, the City collected 18.18% of its sewer utility revenue from the City of Gas, Kansas. During 2011, the City purchased 100% of its water sold from Public Wholesale Water Supply District #5.

**9. 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 premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

**10. 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.

**11. INTERFUND TRANSFERS**

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Sewer Utility	Bond & Interest Fund	K.S.A. 12-825d	\$ 32,682.58
General	Equipment Reserve	K.S.A. 12-1,117	5,000.00

**12. SUBSEQUENT EVENTS**

There were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

## **SUPPLEMENTAL INFORMATION**

**CITY OF LAHARPE, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2011

Funds	Total Certified Budget	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 160,527.00	\$ 152,519.59	\$ (8,007.41)
Special Revenue Funds			
Special Highway	53,092.00	34,287.92	(18,804.08)
Debt Service Fund			
Bond and Interest	55,756.00	51,186.34	(4,569.66)
Enterprise Funds			
Water Utility	111,988.00	106,208.89	(5,779.11)
Electric Utility	465,714.00	316,785.23	(148,928.77)
Sewer Utility	122,526.00	77,920.89	(44,605.11)
Trash Utility	20,169.00	15,076.85	(5,092.15)

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
**GENERAL FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 69,776.92	\$ 77,691.68	\$ 81,466.00	\$ (3,774.32)
Delinquent Tax	2,832.86	4,449.49	1,630.00	2,819.49
Motor Vehicle Tax	17,775.94	17,598.53	18,971.00	(1,372.47)
Recreational Vehicle Tax	294.87	170.89	374.00	(203.11)
16/20 Vehicle Tax	250.31	179.20	161.00	18.20
Special Assessment	800.00	-	300.00	(300.00)
Intergovernmental				
Franchise Tax	10,210.29	9,375.43	11,170.00	(1,794.57)
Sales Tax	24,643.70	26,076.24	24,000.00	2,076.24
State of Kansas - Siren Grant	-	6,500.00	-	6,500.00
Licenses and Permits	550.00	390.00	1,660.00	(1,270.00)
Fines, Forfeitures and Penalties				
	3,210.50	4,750.04	2,000.00	2,750.04
Use of Money and Property				
Interest Income	1,343.83	941.15	1,990.00	(1,048.85)
Loan Proceeds	-	9,487.50	-	9,487.50
Other Revenue				
Miscellaneous	12,066.31	8,641.09	3,600.00	5,041.09
Residual Transfers from Housing Grant Fund				
	5,903.70	-	-	-
<b>Total Cash Receipts</b>	<b>149,659.23</b>	<b>166,251.24</b>	<b>\$ 147,322.00</b>	<b>\$ 18,929.24</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
General and Administrative				
Personal Services	17,795.38	23,351.36	\$ 28,224.00	\$ (4,872.64)
Contractual Services	24,849.79	32,806.01	35,100.00	(2,293.99)
Commodities	21,991.01	4,269.44	12,000.00	(7,730.56)
Capital Outlay	-	-	2,000.00	(2,000.00)
Parks and Recreation				
Contractual Services	296.72	-	2,500.00	(2,500.00)
Streets				
Contractual Services	210.84	328.88	3,000.00	(2,671.12)

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
**GENERAL FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers Subject to Budget (Continued)				
Law Enforcement				
Personal Services	\$ 1,903.76	\$ 2,455.04	\$ 10,374.00	\$ (7,918.96)
Contractual Services	4,877.61	7,568.50	1,000.00	6,568.50
Commodities	4,680.95	4,776.58	2,500.00	2,276.58
Capital Outlay	-	9,487.50	-	9,487.50
Animal Control and Code Enforcement				
Personal Services	3,448.23	4,639.83	3,700.00	939.83
Contractual Services	1,778.27	-	-	-
Commodities	-	-	4,500.00	(4,500.00)
Fire Department				
Personal Services	2,850.00	2,950.00	3,000.00	(50.00)
Contractual Services	-	-	2,000.00	(2,000.00)
Commodities	6,443.14	2,565.38	1,500.00	1,065.38
Capital Outlay	-	-	5,000.00	(5,000.00)
Incentive Program Houses				
Contractual Services	-	-	5,000.00	(5,000.00)
Capital Improvements Department				
Capital Outlay	56,033.00	29,000.00	1,723.00	27,277.00
Neighborhood Revitalization Rebate	-	5,062.16	4,906.00	156.16
Employee Benefits	19,650.45	18,258.91	27,500.00	(9,241.09)
Operating Transfers to				
Equipment Reserve Fund	-	5,000.00	5,000.00	-
Total Expenditures and Transfers Subject to Budget	<u>166,809.15</u>	<u>152,519.59</u>	<u>\$ 160,527.00</u>	<u>\$ 8,889.78</u>
Receipts Over (Under) Expenditures	(17,149.92)	13,731.65		
Unencumbered Cash, Beginning	<u>48,830.92</u>	<u>31,681.00</u>		
Unencumbered Cash, Ending	<u>\$ 31,681.00</u>	<u>\$ 45,412.65</u>		

See accompanying independent auditors' report

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

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
State Payments	\$ 17,660.20	\$ 16,164.43	\$ 17,870.00	\$ (1,705.57)
Other Revenues				
Reimbursed Expense	422.50	273.75	-	273.75
<b>Total Cash Receipts</b>	<b>18,082.70</b>	<b>16,438.18</b>	<b>\$ 17,870.00</b>	<b>\$ (1,431.82)</b>
Expenditures and Transfers				
Subject to Budget				
Highways and Streets				
Contractual Services	432.97	33,463.58	\$ 15,000.00	\$ (4,628.42)
Commodities	5,446.37	824.34	38,092.00	(37,267.66)
Capital Outlay	1,777.40	-	-	-
<b>Total Expenditures and Transfers</b>				
Subject to Budget	7,656.74	34,287.92	\$ 53,092.00	\$ (41,896.08)
Receipts Over (Under) Expenditures	10,425.96	(17,849.74)		
Unencumbered Cash, Beginning	38,825.29	49,251.25		
Unencumbered Cash, Ending	<u>\$ 49,251.25</u>	<u>\$ 31,401.51</u>		

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
**EQUIPMENT RESERVE FUND**  
Schedule of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfer from Electric Utility Fund General Fund	\$ 3,000.00	\$ - 5,000.00
Total Cash Receipts	<u>3,000.00</u>	<u>5,000.00</u>
Expenditures and Transfers		
Capital Outlay	<u>93.75</u>	<u>5,500.00</u>
Total Expenditures and Transfers	<u>93.75</u>	<u>5,500.00</u>
Receipts Over (Under) Expenditures	2,906.25	(500.00)
Unencumbered Cash, Beginning	<u>2,777.47</u>	<u>5,683.72</u>
Unencumbered Cash, Ending	<u>\$ 5,683.72</u>	<u>\$ 5,183.72</u>

See accompanying independent auditors' report

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

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Other Revenues				
Gas City Reimbursement	\$ 18,584.86	\$ 18,503.76	\$ 18,504.00	\$ (0.24)
Operating Transfer from Sewer Utility Fund	28,030.75	32,682.58	32,682.00	0.58
<b>Total Cash Receipts</b>	<b>46,615.61</b>	<b>51,186.34</b>	<b>\$ 51,186.00</b>	<b>\$ 0.34</b>
Expenditures and Transfers Subject to Budget				
Debt Service				
Principal	37,887.10	39,074.56	\$ 39,074.00	\$ 0.56
Interest	13,299.24	12,111.78	12,112.00	(0.22)
Cash Reserve Basis	-	-	4,570.00	(4,570.00)
<b>Total Expenditures and Transfers Subject to Budget</b>	<b>51,186.34</b>	<b>51,186.34</b>	<b>\$ 55,756.00</b>	<b>\$ (4,569.66)</b>
Receipts Over (Under) Expenditures	(4,570.73)	-		
Unencumbered Cash, Beginning	4,570.73	-		
Unencumbered Cash, Ending	\$ -	\$ -		

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
**HOUSING GRANTS FUND**

Schedule of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Taxes and Shared Revenues		
Federal Grants	\$ 1,429.00	\$ -
Total Cash Receipts	<u>1,429.00</u>	<u>-</u>
Expenditures and Transfers		
Improvements		
Contractual	-	-
Residual Transfers to General Fund	<u>5,903.70</u>	<u>-</u>
Total Expenditures and Transfers	<u>5,903.70</u>	<u>-</u>
Receipts Over (Under) Expenditures	(4,474.70)	-
Unencumbered Cash, Beginning	<u>4,474.70</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report

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

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Operating Revenues</b>				
Water Sales	\$ 88,040.35	\$ 104,031.78	\$ 90,000.00	\$ 14,031.78
Water Penalties and Reconnect Fees	900.00	800.00	1,000.00	(200.00)
Bulk Water Sales	1,050.25	1,605.75	1,000.00	605.75
<b>Other Revenues</b>				
Reimbursed Expenses	-	99.14	-	99.14
Miscellaneous	60.00	1,443.69	965.00	478.69
<b>Total Cash Receipts</b>	<u>90,050.60</u>	<u>107,980.36</u>	<u>\$ 92,965.00</u>	<u>\$ 15,015.36</u>
<b>Expenditures and Transfers</b>				
<b>Subject to Budget</b>				
<b>Transmission and Distribution</b>				
Contractual Services	50,585.32	58,800.15	\$ 50,000.00	\$ 8,800.15
Commodities	2,775.68	2,314.33	3,000.00	(685.67)
Capital Outlay	-	-	648.00	(648.00)
<b>General Operations</b>				
Personal Services	30,351.93	28,662.91	33,340.00	(4,677.09)
Contractual Services	1,651.22	7,633.30	8,000.00	(366.70)
Commodities	15,318.81	8,798.20	7,000.00	1,798.20
<b>Operating Transfers to   Water Utility Reserve</b>	<u>-</u>	<u>-</u>	<u>10,000.00</u>	<u>(10,000.00)</u>
<b>Total Expenditures and Transfers Subject to Budget</b>	<u>100,682.96</u>	<u>106,208.89</u>	<u>\$ 111,988.00</u>	<u>\$ (5,779.11)</u>
Receipts Over (Under) Expenditures	(10,632.36)	1,771.47		
Unencumbered Cash, Beginning	<u>10,729.28</u>	<u>96.92</u>		
Unencumbered Cash, Ending	<u>\$ 96.92</u>	<u>\$ 1,868.39</u>		

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
**ELECTRIC UTILITY FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Residential Sales	\$ 288,428.73	\$ 314,463.10	\$ 420,000.00	\$ (105,536.90)
Other Sales	17,591.46	17,056.32	20,000.00	(2,943.68)
Connect Fee	2,665.00	1,825.00	3,000.00	(1,175.00)
Other Revenues				
Reimbursed Expenses	1,026.56	5,640.99	-	5,640.99
Miscellaneous	2,328.45	1,440.72	1,000.00	440.72
<b>Total Cash Receipts</b>	<b>312,040.20</b>	<b>340,426.13</b>	<b>\$ 444,000.00</b>	<b>\$ (103,573.87)</b>
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Transmission and Distribution				
Contractual Services	248,318.94	262,428.28	\$ 325,000.00	\$ (62,571.72)
Commodities	15.00	-	-	-
General Operations				
Personal Services	36,133.55	28,835.68	45,000.00	(16,164.32)
Contractual Services	10,456.15	125.73	9,000.00	(8,874.27)
Commodities	10,394.83	7,793.64	20,000.00	(12,206.36)
Capital Outlay	-	17,601.90	43,714.00	(26,112.10)
Operating Transfers to				
Sewer Utility Fund	-	-	20,000.00	(20,000.00)
Equipment Reserve Fund	3,000.00	-	3,000.00	(3,000.00)
<b>Total Expenditures and Transfers</b>			<b>\$ 465,714.00</b>	<b>\$ (148,928.77)</b>
Subject to Budget	308,318.47			
Receipts Over (Under) Expenditures	3,721.73	23,640.90		
Unencumbered Cash, Beginning	25,326.90	29,048.63		
Unencumbered Cash, Ending	<b>\$ 29,048.63</b>	<b>\$ 52,689.53</b>		

See accompanying independent auditors' report

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

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Operating Revenues				
Residential Sales	\$ 68,277.65	\$ 73,141.71	\$ 91,600.00	\$ (18,458.29)
Penalties	8,719.14	9,951.13	7,500.00	2,451.13
Other Revenues				
Miscellaneous	-	-	-	-
Reimbursed Expenses	243.00	162.00	100.00	62.00
Operating Transfer from Electric Utility Fund	-	-	20,000.00	(20,000.00)
<b>Total Cash Receipts</b>	<u>77,239.79</u>	<u>83,254.84</u>	<u>\$ 119,200.00</u>	<u>\$ (35,945.16)</u>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Operating Expenditures				
Plant Operations				
Contractual Services	559.59	-	\$ -	\$ -
Commodities	-	-	1,500.00	(1,500.00)
Operations and Maintenance				
Personal Services	31,723.35	30,710.56	33,652.00	(2,941.44)
Contractual Services	4,913.23	7,366.76	15,000.00	(7,633.24)
Commodities	12,267.04	7,160.99	10,000.00	(2,839.01)
Capital Outlay	-	-	29,692.00	(29,692.00)
Operating Transfer to Bond and Interest Fund	28,030.75	32,682.58	32,682.00	0.58
<b>Total Expenditures and Transfers Subject to Budget</b>	<u>77,493.96</u>	<u>77,920.89</u>	<u>\$ 122,526.00</u>	<u>\$ (44,605.11)</u>
Receipts Over (Under) Expenditures	(254.17)	5,333.95		
Unencumbered Cash, Beginning	<u>7,478.59</u>	<u>7,224.42</u>		
Unencumbered Cash, Ending	<u>\$ 7,224.42</u>	<u>\$ 12,558.37</u>		

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
**TRASH UTILITY FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over Under (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Residential Sales	\$ 16,130.66	\$ 16,072.14	\$ 16,000.00	\$ 72.14
Total Cash Receipts	<u>16,130.66</u>	<u>16,072.14</u>	<u>\$ 16,000.00</u>	<u>\$ 72.14</u>
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Commodities	475.00	309.24	\$ 300.00	\$ 9.24
Contractual Services	14,675.00	14,767.61	14,000.00	767.61
Capital Outlay	-	-	5,869.00	(5,869.00)
Total Expenditures and Transfers				
Subject to Budget	<u>15,150.00</u>	<u>15,076.85</u>	<u>\$ 20,169.00</u>	<u>\$ (5,092.15)</u>
Receipts Over (Under) Expenditures	980.66	995.29		
Unencumbered Cash, Beginning	<u>2,468.93</u>	<u>3,449.59</u>		
Unencumbered Cash, Ending	<u>\$ 3,449.59</u>	<u>\$ 4,444.88</u>		

See accompanying independent auditors' report

**CITY OF LAHARPE, KANSAS**  
 Agency Funds  
 Schedule of Cash Receipts and Cash Disbursements  
 For the Year Ended December 31, 2011

Agency Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Sales Tax	\$ 7,769.12	\$ 6,317.61	\$ 5,258.23	\$ 8,828.50
Security Deposits	8,277.16	5,200.00	6,078.61	7,398.55
Total Agency Funds	<u>\$ 16,046.28</u>	<u>\$ 11,517.61</u>	<u>\$ 11,336.84</u>	<u>\$ 16,227.05</u>

See accompanying independent auditors' report