

**CITY OF MULBERRY
MULBERRY, KANSAS**

For the Year Ended December 31, 2011

Statutory Basis Financial Statement
and
Independent Auditors' Report

CITY OF MULBERRY, KANSAS

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*Diehl
Banwart
Bolton*

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Mayor and the City Council
City of Mulberry, Kansas

We have audited the summary of Cash Receipts, Expenditures and Unencumbered Cash of the City of Mulberry, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the Kansas Municipal Audit Guide and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatements. 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 in Note 1, the City's policy is to prepare its financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive 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 these statutory accounting practices and accounting practices generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the City's policy to prepare its financial statement on the basis of accounting discussed in the preceding paragraph, the financial statement referred to in the first paragraph does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Mulberry, Kansas, as of December 31, 2011, or the results of its operations, or cash flows of its proprietary fund types for the year then ended.

Also, in our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash and unencumbered cash balances of the City of Mulberry, Kansas, as of December 31, 2011, and the revenues received and expenditures paid of such funds 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 of the City taken as a whole. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statement. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. This 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 taken as a whole.

Diehl Banwart Bolton CPA's PA

DIEHL, BANWART, BOLTON, CPAs PA

July 27, 2012
Pittsburg, Kansas

CITY OF MULBERRY, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of the City of Mulberry, 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.

Reporting Entity

The City of Mulberry, Kansas, (the City) is a municipal corporation governed by an elected five member City Council. This financial statement presents the City of Mulberry, Kansas (the primary government). Component units should be included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City has determined that there are no outside entities which should be included as component units.

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, restriction, or limitations.

The following types of funds comprise the financial activities of the City of Mulberry, Kansas:

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 of major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Capital Outlay Funds -- to account for major capital projects.

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

Basis of Presentation - Statutory Basis Financial Statement

The City obtained a waiver from accounting principles generally accepted in the United States of America as provided by K.S.A. 1982 Sup. 75-1120a (c) for the year ended December 31, 2011. Accordingly, this financial statement is presented in compliance with the cash-basis and budget laws of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recognized when cash is received and include cash receipts and transfers, expenditures include cash disbursements, transfers, accounts payable and encumbrances -- that is, commitments related to unperformed (executory) contracts for goods or services.

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

The basis of presentation described above results in a statement of revenues on the cash basis and expenditures on a modified accrual basis further modified by the inclusion of encumbrances. Balance Sheets that would have shown non-cash assets such as receivables, inventories, prepaid and fixed assets, liabilities such as deferred revenue and principal and interest payable, and reservations of the fund balance are not presented. Under U.S. generally accepted accounting principles, 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 U.S. generally accepted accounting principles. In addition, General Fixed Assets that account for the land, buildings and equipment owned by the City of Mulberry, Kansas, are not recorded.

The required balance sheet, income statement, and the statement of cash flows are not presented for the proprietary fund types. U.S. generally accepted accounting principles require these fund types to be accounted for by the full accrual method of accounting.

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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
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. 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.

Annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds and fiduciary funds.

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

Cash and Investments

Cash and investments include a checking and savings accounts and certificates of deposit. Kansas Statutes permit investment in savings accounts, certificates of deposit, and, in certain cases, obligations of the U.S. Treasury.

Compensated Absences

The City does not accrue any amounts for earned sick leave or vacation benefits. This is not considered materially different from the cash basis and budget laws of Kansas.

Pension Plan

The City participates in the State of Kansas Public Employees Retirement System, which is a multi-employer statewide pension plan.

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

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

The financial statement has been prepared in order to show compliance with the cash-basis and budget laws of Kansas. The required quarterly treasurer's reports were not published within the 30 days of quarter end as required by K.S.A. 12-1608. There were no other apparent violations of cash basis and budget laws of Kansas.

3. **CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS**

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. At December 31, 2011, the City's deposits were adequately secured.

3. **CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS**

(Continued)

At December 31, 2011 the City's carrying amount of deposits was \$347,927 and the bank balance was \$370,329. Of the bank balance, all but \$4,000, was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$260,130 was covered by federal depository insurance, and \$87,797 was collateralized by securities with a market value of \$391,271 held by the pledging financial institutions' agents in the City's name.

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

4. **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 continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

5. **INTERFUND TRANSFERS**

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Sewer Utility	Sewer Reserve	K.S.A. 10-1204	\$ 24,695
Electric Utility	General	K.S.A. 10-1204	\$ 85,000
Natural Gas Utility	General	K.S.A. 10-1204	\$ 30,000
Water Utility	General	K.S.A. 10-1204	\$ 5,000

6. **CONCENTRATIONS**

During 2011, the City of Mulberry purchased all of its water for resale from one supplier. The city also purchased all of its electricity for resale from one supplier. Additionally all of the City's natural gas purchased for resale was from a single supplier.

7. **PENSION PLAN**

Plan Description

The City participates in the Kansas Public Employees Retirement System ("KPERS"), a cost-sharing multiple-employer defined benefit pension plan as provided by 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 with supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603), or by calling 1-888-275-5737.

7. **PENSION PLAN** (Continued)

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% 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 the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for the period from January 1, 2011, to December 31, 2011, was 7.747%. The City employer contributions to KPERS, for the years ending December 31, 2011, 2010, and 2009, were \$11,019, \$8,180, and \$6,032, respectively, equal to the statutory required contributions for the year.

8. **SUBSEQUENT EVENT**

Subsequent events have been evaluated through the date of the Independent Auditors' Report as shown on page 1 of the financial statements. There are no subsequent events recognized in these financial statements or disclosed in the notes to the financial statements.

9. **LONG-TERM DEBT**

Attached are schedules detailing the City's bonds outstanding and their maturity schedules.

9. **LONG TERM OBLIGATIONS** (Continued)

Schedule of Changes in Long Term Obligations

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances		Additions / New Debt	Reductions / Principal Paid	Balances End of Year	Interest Paid
					Beginning of Year	End of Year				
General Obligation Bonds Series A 1995 Sewer	4.50%	8/24/1995	\$ 460,000	8/24/2035	\$ 371,000	\$ 363,000	\$ -	\$ 8,000	\$ 363,000	\$ 16,695
Series 2002 Street	5.00%	3/1/2002	50,000	9/1/2012	12,000	6,000	-	6,000	6,000	600
Series 2004 Street	2.90-5.55%	3/1/2004	192,500	9/1/2014	90,000	70,000	-	20,000	70,000	3,295
Lease Purchases Backhoe	5.690%	6/20/2009	56,250	6/20/2013	35,598	24,382	-	11,216	24,382	2,025
Tractor and Mower	4.95%	7/2/2010	14,015	7/2/2013	9,111	4,668	-	4,443	4,668	461
Ford Truck	3.99%	8/11/2011	25,211	8/11/2016	-	25,211	-	-	25,211	-
					\$ 517,709	\$ 493,261	\$ 25,211	\$ 49,659	\$ 493,261	\$ 23,076

9. **LONG TERM OBLIGATIONS** (Continued)

Schedule of Maturities in Long Term Obligations

	2012	2013	2014	2015	2016	2017 to 2021	2022 to 2026	2027 to 2031	2032 to 2036	Totals
PRINCIPAL										
General Obligation Bonds										
Series A 1995 Sewer	\$ 9,000	\$ 9,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 59,000	\$ 74,000	\$ 92,000	\$ 90,000	\$ 363,000
Series 2002 Street	6,000	-	-	-	-	-	-	-	-	6,000
Series 2004 Street	20,000	25,000	25,000	-	-	-	-	-	-	70,000
Lease Purchases										
Backhoe	11,854	12,528	-	-	-	-	-	-	-	24,382
Tractor and Mower	4,667	1	-	-	-	-	-	-	-	4,668
Ford Truck	4,642	4,844	5,038	5,239	5,448	-	-	-	-	25,211
Total Principal	<u>\$ 56,163</u>	<u>\$ 51,373</u>	<u>\$ 40,038</u>	<u>\$ 15,239</u>	<u>\$ 15,448</u>	<u>\$ 59,000</u>	<u>\$ 74,000</u>	<u>\$ 92,000</u>	<u>\$ 90,000</u>	<u>\$ 493,261</u>
INTEREST										
General Obligation Bonds										
Series A 1995 Sewer	\$ 16,355	\$ 15,930	\$ 15,525	\$ 15,075	\$ 14,625	\$ 65,790	\$ 51,165	\$ 32,985	\$ 10,350	\$ 237,800
Series 2002 Street	300	-	-	-	-	-	-	-	-	300
Series 2004 Street	2,635	1,925	988	-	-	-	-	-	-	5,548
Lease Purchases										
Backhoe	1,387	713	-	-	-	-	-	-	-	2,100
Tractor and Mower	237	-	-	-	-	-	-	-	-	237
Ford Truck	1,023	821	627	426	217	-	-	-	-	3,114
Total Interest	<u>\$ 21,937</u>	<u>\$ 19,389</u>	<u>\$ 17,140</u>	<u>\$ 15,501</u>	<u>\$ 14,842</u>	<u>\$ 65,790</u>	<u>\$ 51,165</u>	<u>\$ 32,985</u>	<u>\$ 10,350</u>	<u>\$ 249,099</u>

CITY OF MULBERRY, KANSAS

Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget For Comparison	Expenditures		Variance - Favorable (Unfavorable)
				Charged to Current Year Budget	Budget	
General	\$284,437	-	\$284,437	\$235,589		\$48,848
Special Revenue Funds:						
Special Highway	17,610	-	17,610	16,669		941
Enterprise Funds:						
Water Utility	149,066	-	149,066	141,130		7,936
Electric Utility	489,588	-	489,588	408,708		80,880
Natural Gas Utility	340,852	-	340,852	208,204		132,648
Sewer Utility	88,126	-	88,126	76,488		11,638
Sewer Reserve	24,695	-	24,695	24,695		-
Total Reporting Entity	<u>\$1,394,374</u>					

See independent auditors' report.

CITY OF MULBERRY, KANSAS
GENERAL FUND

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

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Taxes			
Ad valorem property tax	\$29,414	\$31,174	(\$1,760)
Delinquent	2,602	2,400	202
Motor vehicle	14,008	16,302	(2,294)
Intergovernmental			
Sales tax	39,499	39,500	(1)
Parks/Recreation tax	787	600	187
Grants	773		773
Licenses and Permits	-	50	(50)
Franchise tax	3,232	3,200	32
Fines, forfeitures and penalties	8,007	7,000	1,007
Cemetary	15,130	10,500	4,630
Miscellaneous	17,147	3,000	14,147
Interest	558	800	(242)
Operating transfers from:			-
Water fund	5,000	5,000	-
Electric fund	85,000	85,000	-
Natural Gas fund	30,000	40,000	(10,000)
Special Street Fund	-		-
Total Cash Receipts	251,156	\$244,526	\$6,630

See independent auditors' report.

CITY OF MULBERRY, KANSAS
GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Expenditures			
General government	48,584	\$42,800	(\$5,784)
Police department	96,205	95,600	(605)
Fire department	11,781	23,500	11,719
Street department	30,808	78,042	47,234
Cemetary	18,315	14,600	(3,715)
Bond interest and principal	29,895	29,895	-
Operating transfers to:	-		
Capital projects fund	-	-	-
Total Expenditures	<u>235,589</u>	<u>\$284,437</u>	<u>\$48,848</u>
Receipts Over (Under) Expenditures	15,568		
Unencumbered Cash, Beginning	<u>59,484</u>		
Unencumbered Cash, Ending	<u><u>\$75,052</u></u>		

See independent auditors' report.

CITY OF MULBERRY, KANSAS
SPECIAL HIGHWAY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Intergovernmental			
Gas tax	\$14,195	\$15,660	(\$1,465)
County allocations	1,971	1,950	21
Other	502		502
Total Cash Receipts	<u>16,668</u>	<u>\$17,610</u>	<u>(\$942)</u>
Expenditures			
Personnel services	14,996	\$13,400	(\$1,596)
Contractual services	20	3,000	2,980
Commodities	1,653	1,210	(443)
Reimbursed expense	-	-	-
Total Expenditures	<u>16,669</u>	<u>\$17,610</u>	<u>\$941</u>
Receipts Over (Under) Expenditures	(1)		
Unencumbered Cash, Beginning	<u>73</u>		
Unencumbered Cash, Ending	<u>\$71</u>		

See independent auditors' report.

CITY OF MULBERRY, KANSAS
WATER UTILITY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Charges for Services			
Customer charges	\$112,016	\$109,500	\$2,516
Interest	387	800	(413)
Other	7,942	300	7,642
Total Cash Receipts	120,345	\$110,600	\$9,745
Expenditures			
Personnel services	35,005	\$30,000	(\$5,005)
Contractual services	11,326	18,500	7,174
Commodities	9,474	8,466	(1,008)
Lease Payments	-	-	-
Water purchased for resale	67,762	54,000	(13,762)
Capital Outlay	12,562	33,100	20,538
Operating Transfers to Other Funds			
General	5,000	5,000	-
Total Expenditures	141,130	\$149,066	\$7,936
Receipts Over (Under) Expenditures	(20,785)		
Unencumbered Cash, Beginning	35,198		
Unencumbered Cash, Ending	<u>\$14,413</u>		

See independent auditors' report.

CITY OF MULBERRY, KANSAS
ELECTRIC UTILITY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Charges for Services			
Customer charges	\$340,018	\$312,500	\$27,518
Interest	1,794	4,000	(2,206)
Other	9,622	2,000	7,622
Total Cash Receipts	<u>351,434</u>	<u>\$318,500</u>	<u>\$32,934</u>
Expenditures			
Personnel services	48,856	\$43,000	(\$5,856)
Contractual services	14,187	20,500	6,313
Commodities	11,226	11,088	(138)
Electricity purchased for resale	247,805	195,000	(52,805)
Capital Outlays-Lease	-	-	-
Capital Outlays	1,635	135,000	133,365
Operating Transfers to Other Funds			
General fund	85,000	85,000	-
Sewer fund	-	-	-
Total Expenditures	<u>408,708</u>	<u>\$489,588</u>	<u>\$80,880</u>
Receipts Over (Under) Expenditures	(57,274)		
Unencumbered Cash, Beginning	<u>163,719</u>		
Unencumbered Cash, Ending	<u>\$106,445</u>		

See independent auditors' report.

**CITY OF MULBERRY, KANSAS
NATURAL GAS UTILITY FUND**

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

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Charges for Services			
Customer charges	\$198,943	\$287,000	(\$88,057)
Interest	655	1,500	(845)
Other	2,765	2,000	765
Total Cash Receipts	<u>202,363</u>	<u>\$290,500</u>	<u>(\$88,137)</u>
Expenditures			
Personnel services	18,833	\$13,500	(\$5,333)
Contractual services	60,702	65,500	4,798
Commodities	604	3,067	2,463
Gas purchased for resale	98,064	168,285	70,221
Capital Outlays	-	50,500	50,500
Operating Transfers to Other Funds			
General fund	30,000	40,000	10,000
Sewer fund	-	-	-
Total Expenditures	<u>208,204</u>	<u>\$340,852</u>	<u>\$132,648</u>
Receipts Over (Under) Expenditures	(5,841)		
Unencumbered Cash, Beginning	<u>35,884</u>		
Unencumbered Cash, Ending	<u>\$30,044</u>		

See independent auditors' report.

CITY OF MULBERRY, KANSAS
SEWER UTILITY FUND

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

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Charges for Services			
Customer charges	\$67,194	\$66,000	\$1,194
Interest	316	500	(184)
Other	4,530	500	4,030
Operating transfers from:			
Electric utility fund	-	-	-
Natural gas utility fund	-	-	-
Total Cash Receipts	<u>72,040</u>	<u>\$67,000</u>	<u>\$5,040</u>
Expenditures			
Personnel services	31,352	\$26,000	(\$5,352)
Contractual services	9,321	12,500	3,179
Commodities	6,540	4,281	(2,259)
Sewer Pump	-	-	-
Capital Outlays	4,580	20,650	16,070
Operating Transfers to Other Funds			
Sewer reserve fund	24,695	24,695	-
Total Expenditures	<u>76,488</u>	<u>\$88,126</u>	<u>\$11,638</u>
Receipts Over (Under) Expenditures	(4,448)		
Unencumbered Cash, Beginning	<u>19,600</u>		
Unencumbered Cash, Ending	<u>\$15,152</u>		

See independent auditors' report.

CITY OF MULBERRY, KANSAS

SEWER RESERVE FUND

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

	Current Year		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Operating Transfer from Sewer utility fund	\$24,695	\$24,695	-
Total Cash Receipts	24,695	\$24,695	-
Expenditures			
Debt Service			
Principal	8,000	\$8,000	-
Interest	16,695	16,695	-
Other	-	-	-
Total Expenditures	24,695	\$24,695	-
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	-		

See independent auditors' report.

CITY OF MULBERRY, KANSAS
METER DEPOSIT FUND
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

	Current Year Actual
Cash Receipts	
Meter deposits	<u>\$10,057</u>
Total Cash Receipts	<u>10,057</u>
Expenditures	
Meter deposits	<u>10,057</u>
Total Expenditures	<u>10,057</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>

See independent auditors' report.

CITY OF MULBERRY, KANSAS
HAYMONT CEMETARY TRUST
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

	Current Year Actual
Cash Receipts	
Gift	-
Interest income	317
Total Cash Receipts	<u>317</u>
Expenditures	
Cemetary Expense	-
Total Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	317
Unencumbered Cash, Beginning	<u>14,349</u>
Unencumbered Cash, Ending	<u><u>\$14,666</u></u>

See independent auditors' report.