

CITY OF NEW STRAWN, KANSAS

Financial Statement
and
Independent Auditors' Report

For the Year Ended December 31, 2011

CITY OF NEW STRAWN, KANSAS

December 31, 2011

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-2
<u>Statement 1</u>	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statements	4-11
SUPPLEMENTAL INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only)	12
<u>Schedule 2</u>	
Schedule of Cash Receipts and Expenditures – Actual and Budget	
General Fund	13-14
Special Highway Fund.....	15
Special Park Fund.....	16
Equipment Reserve Fund.....	17
Infrastructure Fund.....	18
Bond and Interest Fund	19
Water Utility Fund.....	20
Sewer Utility Fund.....	21
Trash Utility Fund.....	22
<u>Schedule 3</u>	
Agency Funds – Schedule of Cash Receipts and Cash Disbursements	23

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of New Strawn, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of New Strawn, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of New Strawn, 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 4, 2011, we expressed an unqualified opinion on the financial statement of the City of New Strawn, 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 New Strawn, 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 New Strawn, 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 New Strawn, 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 19, 2012
Chanute, Kansas

CITY OF NEW STRAWN, KANSAS

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

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2011	Ending Cash Balance December 31, 2010
Governmental Type Funds:							
General	\$ 154,922.64	\$ 157,500.96	\$ 161,298.73	\$ 151,124.87	\$ 13,390.54	\$ 164,515.41	\$ 160,724.72
Special Revenue Funds:							
Special Highway	11,350.76	10,307.91	3,491.37	18,167.30	24.49	18,191.79	13,189.16
Special Park	14,859.01	19,657.18	15,958.46	18,557.73	394.02	18,951.75	15,242.62
Equipment Reserve	17,095.70	18,000.00	8,040.73	27,054.97	-	27,054.97	17,095.70
Infrastructure	105,764.15	106,990.67	140,786.99	71,967.83	-	71,967.83	105,764.15
Debt Service Funds:							
Bond and Interest	11,729.34	2,790.93	14,520.27	-	-	-	11,729.34
Proprietary Type Funds:							
Enterprise Funds:							
Water Utility	64,367.86	216,624.50	201,943.99	79,048.37	5,666.44	84,714.81	70,812.21
Sewer Utility	24,679.16	32,586.07	17,907.36	39,357.87	3,697.53	43,055.40	24,713.56
Trash Utility	3,742.35	30,522.43	30,688.73	3,576.05	2,346.87	5,922.92	5,967.64
Total Reporting Entity (Excluding Agency Funds)	\$ 408,510.97	\$ 594,980.65	\$ 594,636.63	\$ 408,854.99	\$ 25,519.89	\$ 434,374.88	\$ 425,239.10
Composition of Cash:							
Cash on Hand.....						\$ 99.97	\$ 99.97
Checking Accounts						(2,305.81)	(2,706.80)
Money Market Accounts						436,580.72	427,845.93
Totals - Primary Government						434,374.88	425,239.10
Less Agency Funds (Schedule 3)						-	-
Total Reporting Entity (Excluding Agency Funds).....						\$ 434,374.88	\$ 425,239.10

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

CITY OF NEW STRAWN, KANSAS

Notes to Financial Statement
December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of New Strawn, Kansas (the City) was incorporated May 18, 1970, and operates as a third class city under the provisions of the Kansas Constitution, Article 12, Section 5 and K.S.A. 14-101 *et seq.* The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: highways and streets, water, trash 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 New Strawn, 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.

Reporting Entity

The City of New Strawn, Kansas is a municipal corporation governed by an elected five-member council. These financial statements present the City of New Strawn (the primary government).

The City of New Strawn, Kansas, (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, accountability for fiscal matters, scope of public service and special financing relationships. The City has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a component unit in these financial statements.

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 New Strawn, 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 expenditure for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Accounting (Continued)

Debt Service Fund – 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 New Strawn, Kansas.

Capital Project Funds – The Capital Project Funds account for capital improvements (except for those financed by proprietary funds) which are financed from the City’s general obligation bond issues, special assessments, certain federal grants and other specific receipts.

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 of Accounting

The statutory basis of accounting, as used in preparation of these 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 statements. 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 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 revenues. In the financial statement and budget schedule 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.

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 of the full amount of taxes levied on or before November 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.

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 sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 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.

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. The City had no such amendments during the year ended December 31, 2011.

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 the 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. 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 has been prepared in order to show compliance with the cash basis laws of Kansas. As shown in Statement 1, the City was in apparent compliance with the cash basis laws of Kansas. Schedule 1 has been prepared to show compliance with the budget laws of Kansas. As shown in Schedule 1, the City was in apparent violation of K.S.A. 79-2934, as the City has obligated expenditures in excess of budgetary limits in the Bond & Interest Fund, however K.S.A. 10-117a required upon completely retiring a bond issue, all unexpended funds must be transferred to the General Fund.

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 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.

3. DEPOSITS AND INVESTMENTS (Continued)

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. All deposits were legally secured at December 31, 2011.

Deposits: At year-end, the City's carrying amount of deposits was \$434,274.91 and the bank balance was \$435,366.11. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance and \$185,366.11 was collateralized with securities held by the pledging financial institution's agents in the City's name.

4. DEFINED BENEFIT PENSION PLAN

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 that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, Kansas 66603-3869) 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 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 employer contribution rates. The employer rate established for 2011 was 7.74%. The City of New Strawn employer contributions to KPERs for the years ending December 31, 2011, 2010, and 2009, were \$8,442.49, \$7,231.82, and \$6,849.09, respectively, equal to the required contributions for each year.

5. COMPENSATED ABSENCES

Regular full-time employees earn and accumulate vacation leave as follows:

After One Full Year of Employment – 40 hours
After Two Full Years of Employment – 80 hours
After Five Full Years of Employment – 120 hours

Regular part-time employees earn and accumulate vacation leave as follows:

After One Full Year of Employment – 30 hours
After Two Full Years of Employment – 60 hours
After Five Full Years of Employment – 90 hours

Vacation is not earned for partial years worked. Employees shall not carryover more than 120 hours.

Regular employees earn and accumulate sick leave at the rate of 96 hours per year.

Part-time employees earn and accumulate sick leave at the rate of 72 hours per year based on a 30 hour workweek. Sick leave will be earned at the rate of 6 hours per month. However, if work hours are increased, the employee will earn one hour of sick leave for each sixty-five hours worked not to excess those limits established for full time employees.

Sick leave may be accumulated to a maximum of 60 days. Any unused sick leave at date of termination is lost.

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, and
4. The amount can be reasonably estimated and is material.

In accordance with the above criteria, the City has estimated a liability for vacation pay and sick pay in Note 7, Long-Term Liabilities, 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 because the obligations to these rights do not vest.

6. 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.

7. LONG-TERM LIABILITIES

Changes in long-term liabilities for the City 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
General Obligation Bonds:										
Paid with Tax Levies										
Refunding Bonds, Series 2003	3.00%	October 20, 2003	\$ 68,000.00	September 1, 2011	\$ 10,000.00	\$ -	\$ 10,000.00		\$ -	\$ 350.00
KDHE Loans:										
Kansas Public Water Supply Loan	4.17%	September 1, 2000	1,249,825.98	August 1, 2022	882,108.70	-	56,809.37		825,299.33	39,236.53
Capital Leases:										
Lease Purchase-2007 Chevrolet										
Dump Truck	4.980%	February 19, 2007	34,827.89	February 19, 2012	14,898.93	-	7,592.03		7,306.90	448.70
Total Contractual Indebtedness					907,007.63		74,401.40		832,606.23	40,035.23
Other Long-Term Liabilities										
General Accrued Compensated Absences										
Vacation Pay	N/A	N/A	N/A	N/A	4,794.98	-			2,089.86	N/A
Total Long-Term Liabilities					\$ 911,802.61	\$ -	\$ 74,401.40	\$ (2,705.12)	\$ 834,696.09	\$ 40,035.23

Issue	2012	2013	2014	2015	2016	2017-2021	2022-2023	Total
Principal								
KDHE Loans:								
Kansas Public Water Supply Loan	\$ 59,406.17	\$ 62,121.67	\$ 64,961.30	\$ 67,930.72	\$ 71,035.89	\$ 406,958.22	\$ 92,885.36	\$ 825,299.33
Capital Leases:								
Dump Truck	7,306.90	-	-	-	-	-	-	7,306.90
Total Principal Payments	66,713.07	62,121.67	64,961.30	67,930.72	71,035.89	406,958.22	92,885.36	832,606.23
Interest								
KDHE Loans:								
Kansas Public Water Supply Loan	36,639.73	33,924.23	31,084.60	28,115.18	25,010.01	73,271.28	3,160.54	231,205.57
Capital Leases:								
Dump Truck	733.83	-	-	-	-	-	-	733.83
Total Interest Payments	37,373.56	33,924.23	31,084.60	28,115.18	25,010.01	73,271.28	3,160.54	231,939.40
Total Principal and Interest	\$ 104,086.63	\$ 96,045.90	\$ 96,045.90	\$ 96,045.90	\$ 96,045.90	\$ 480,229.50	\$ 96,045.90	\$ 1,064,545.63

8. CAPITAL LEASE OBLIGATIONS

The City entered into a capital lease agreement dated February 19, 2006, for the purchase of a 2007 Chevrolet dump truck. The total cost was \$34,827.89. The lease calls for annual payments of \$8,040.73, including interest at 4.980% per annum, maturing February 19, 2012. Debt requirements are as follows:

2012	\$ 8,040.73
Total Net Minimum Lease Payments	8,040.73
Less: Imputed Interest	<u>(733.83)</u>
Net Present Value	7,306.90
Less: Current Maturities	<u>(7,306.90)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

9. INTERFUND TRANSFERS

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Equipment Reserve	K.S.A. 12-1,117	\$ 15,000.00
Trash Utility	Equipment Reserve	K.S.A. 12-1,117	3,000.00
Bond & Interest	General	K.S.A. 10-117a	4,169.02

10. OTHER COMMITMENTS

In June 2010, the City entered into a ten year purchase agreement with City of Burlington, Kansas, for the purchase of water. The City has agreed to purchase 2.8 million gallons of water per month at a set rate. The rate over the ten years can never increase more than the proportionate increases for current established customers of the City of Burlington, Kansas.

In September 2011, the City entered into a ten year maintenance agreement with USC Tank, for the cleaning, inspections, and painting of the City's water tower. The contract requires monthly payments of \$477.25 from 2013 to 2017 and \$548.83 from 2018 to 2022.

11. SUBSEQUENT EVENTS

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

SUPPLEMENTAL INFORMATION

CITY OF NEW STRAWN, KANSAS
GENERAL FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 119,937.91	\$ 111,549.27	\$ 113,491.00	\$ (1,941.73)
Delinquent Tax	1,392.05	2,904.72	1,392.00	1,512.72
Motor Vehicle Tax	14,783.63	17,333.91	18,268.00	(934.09)
Recreational Vehicle Tax	1,016.41	1,108.96	898.00	210.96
16/20M Vehicle Tax	390.91	262.11	517.00	(254.89)
Intergovernmental				
Franchise Tax	8,589.09	9,554.07	11,000.00	(1,445.93)
Local Alcoholic Liquor Tax	9.69	15.68	17.00	(1.32)
Grant Proceeds	10,340.79	-	-	-
Licenses/Sales/Permits/Fines	1,851.00	1,358.50	2,800.00	(1,441.50)
Use of Money and Property				
Interest Income	429.07	482.75	430.00	52.75
Lease/Rent of Property	6,037.47	4,367.70	-	4,367.70
Sales of Property	-	-	110,000.00	(110,000.00)
Other Revenues				
Donations	2,815.00	661.50	-	661.50
Reimbursed Expenses	8,486.24	3,732.77	-	3,732.77
Residual Transfer from				
Bond and Interest Fund	-	4,169.02	3,213.00	956.02
Total Cash Receipts	176,079.26	157,500.96	\$ 262,026.00	\$ (104,525.04)
Expenditures and Transfers				
Subject to Budget				
General Administration				
Personal Services	73,282.91	90,118.24	\$ 83,000.00	\$ 7,118.24
Contractual Services	42,841.20	43,818.64	30,000.00	13,818.64
Commodities	11,845.38	10,480.29	15,000.00	(4,519.71)
Capital Outlay	11,164.00	1,881.56	-	1,881.56

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
GENERAL FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers				
Subject to Budget (Continued)				
Parks and Recreation				
Contractual Services	\$ 740.00	\$ -	\$ -	\$ -
Commodities	-	-	4,000.00	(4,000.00)
Street Department				
Commodities	-	-	155,103.00	(155,103.00)
Debt Service				
State Revolving Loan	30,000.00	-	-	-
Capital Outlay	-	-	115,000.00	(115,000.00)
Operating Transfers to				
Equipment Reserve Fund	2,000.00	15,000.00	30,000.00	(15,000.00)
Total Expenditures and Transfers Subject to Budget	171,873.49	161,298.73	\$ 432,103.00	\$ (270,804.27)
Receipts Over(Under) Expenditures	4,205.77	(3,797.77)		
Unencumbered Cash, Beginning	150,716.87	154,922.64		
Unencumbered Cash, Ending	\$ 154,922.64	\$ 151,124.87		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
SPECIAL HIGHWAY FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Special Highway Tax	\$ 10,595.86	\$ 10,307.91	\$ 10,850.00	\$ (542.09)
Special Assessments	8,128.67	-	-	-
Total Cash Receipts	18,724.53	10,307.91	\$ 10,850.00	\$ (542.09)
Expenditures and Transfers				
Subject to Budget				
Street Maintenance				
Personal Services	4,243.70	-	\$ -	\$ -
Contractual Services	1,071.15	1,000.00	1,200.00	(200.00)
Commodities	1,806.23	2,491.37	1,000.00	1,491.37
Capital Outlay	3,452.29	-	22,527.00	(22,527.00)
Total Expenditures and Transfers				
Subject to Budget	10,573.37	3,491.37	\$ 24,727.00	\$ (21,235.63)
Receipts Over(Under) Expenditures	8,151.16	6,816.54		
Unencumbered Cash, Beginning	3,199.60	11,350.76		
Unencumbered Cash, Ending	\$ 11,350.76	\$ 18,167.30		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
SPECIAL PARK FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
County Appropriations	\$ 16,357.50	\$ 16,357.50	\$ 16,356.00	\$ 1.50
Local Alcoholic Liquor Tax	9.68	15.68	17.00	(1.32)
Licenses/Sales/Permits	1,398.00	1,784.00	1,250.00	534.00
Other Revenues				
Reimbursed Expense	3,500.00	1,500.00	-	1,500.00
Total Cash Receipts	<u>21,265.18</u>	<u>19,657.18</u>	<u>\$ 17,623.00</u>	<u>\$ 2,034.18</u>
Expenditures and Transfers				
Subject to Budget				
Recreational Services				
Personal Services	3,955.84	-	\$ -	\$ -
Contractual Services	4,273.98	8,807.78	4,500.00	4,307.78
Commodities	4,224.94	4,787.93	7,741.00	(2,953.07)
Capital Outlay	-	2,362.75	16,295.00	(13,932.25)
Total Expenditures and Transfers				
Subject to Budget	<u>12,454.76</u>	<u>15,958.46</u>	<u>\$ 28,536.00</u>	<u>\$ (12,577.54)</u>
Receipts Over(Under) Expenditures	8,810.42	3,698.72		
Unencumbered Cash, Beginning	<u>6,048.59</u>	<u>14,859.01</u>		
Unencumbered Cash, Ending	<u>\$ 14,859.01</u>	<u>\$ 18,557.73</u>		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
EQUIPMENT RESERVE FUND

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

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers from		
General Fund	\$ 2,000.00	\$ 15,000.00
Water Utility Fund	3,000.00	-
Sewer Utility Fund	3,000.00	-
Trash Utility Fund	-	3,000.00
	8,000.00	18,000.00
 Total Cash Receipts	 8,000.00	 18,000.00
 Expenditures and Transfers		
General Government		
Capital Outlay	829.87	-
Debt Service		
Lease Payments	8,040.73	8,040.73
	8,870.60	8,040.73
 Total Expenditures and Transfers	 8,870.60	 8,040.73
 Receipts Over(Under) Expenditures	 (870.60)	 9,959.27
 Unencumbered Cash, Beginning	 17,966.30	 17,095.70
 Unencumbered Cash, Ending	 \$ 17,095.70	 \$ 27,054.97

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
INFRASTRUCTURE FUND

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

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ -	\$ 8,128.67	\$ -	\$ 8,128.67
Intergovernmental				
County Grant Proceeds	98,862.00	98,862.00	98,862.00	-
Total Cash Receipts	98,862.00	106,990.67	\$ 98,862.00	\$ 8,128.67
Expenditures and Transfers				
Subject to Budget				
Contractual Services	-	6,039.50	\$ -	\$ 6,039.50
Commodities	1,171.88	-	1,500.00	(1,500.00)
Capital Outlay	71,470.94	104,747.41	167,055.00	(62,307.59)
Debt Service				
State Revolving Loan	30,000.00	30,000.08	30,000.00	0.08
Total Expenditures and Transfers				
Subject to Budget	102,642.82	140,786.99	\$ 198,555.00	\$ (57,768.01)
Receipts Over(Under) Expenditures	(3,780.82)	(33,796.32)		
Unencumbered Cash, Beginning	109,544.97	105,764.15		
Unencumbered Cash, Ending	\$ 105,764.15	\$ 71,967.83		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
BOND AND INTEREST FUND

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

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 6,139.33	\$ -	\$ -	\$ -
Delinquent Tax	443.43	572.00	443.00	129.00
Motor Vehicle Tax	4,745.17	2,035.59	935.00	1,100.59
Recreational Vehicle Tax	325.09	99.62	46.00	53.62
16/20M Vehicle Tax	127.38	83.72	26.00	57.72
Total Cash Receipts	11,780.40	2,790.93	\$ 1,450.00	\$ 1,340.93
Expenditures and Transfers				
Subject to Budget				
Debt Service				
Principal	9,000.00	10,000.00	\$ 10,000.00	\$ -
Interest	665.00	350.00	350.00	-
Service Charges	1.25	1.25	5.00	(3.75)
Residual Transfer to				
General Fund	-	4,169.02	3,213.00	956.02
Total Expenditures and Transfers				
Subject to Budget	9,666.25	14,520.27	\$ 13,568.00	\$ 952.27
Receipts Over(Under) Expenditures	2,114.15	(11,729.34)		
Unencumbered Cash, Beginning	9,615.19	11,729.34		
Unencumbered Cash, Ending	\$ 11,729.34	\$ -		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
WATER UTILITY FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Service	\$ 211,052.85	\$ 211,849.41	\$ 185,000.00	\$ 26,849.41
Late Charges and Fees	3,706.89	3,868.58	3,300.00	568.58
Security Deposits	120.00	-	-	-
Connection Fees	3,010.00	750.00	2,250.00	(1,500.00)
Use of Money and Property				
Lease/Rent of Property	-	156.51	-	156.51
Other Revenues				
Reimbursed Expense	40.71	-	-	-
Total Cash Receipts	217,930.45	216,624.50	\$ 190,550.00	\$ 26,074.50
Expenditures and Transfers				
Subject to Budget				
Operations				
Personal Services	34,794.23	37,449.88	\$ 35,000.00	\$ 2,449.88
Contractual Services	21,692.98	24,791.34	25,000.00	(208.66)
Commodities	70,411.43	73,656.95	65,000.00	8,656.95
Capital Outlay	-	-	52,114.00	(52,114.00)
Debt Service				
State Revolving Loan	36,045.90	66,045.82	66,046.00	(0.18)
Operating Transfers to				
Equipment Reserve Fund	3,000.00	-	-	-
Total Expenditures and Transfers				
Subject to Budget	165,944.54	201,943.99	\$ 243,160.00	\$ (41,216.01)
Receipts Over(Under) Expenditures	51,985.91	14,680.51		
Unencumbered Cash, Beginning	12,381.95	64,367.86		
Unencumbered Cash, Ending	\$ 64,367.86	\$ 79,048.37		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
SEWER UTILITY FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Service	\$ 31,827.86	\$ 32,086.07	\$ 30,000.00	\$ 2,086.07
New Meter Connection	750.00	500.00	500.00	-
Other Revenues				
Reimbursed Expense	39.02	-	-	-
Total Cash Receipts	32,616.88	32,586.07	\$ 30,500.00	\$ 2,086.07
Expenditures and Transfers				
Subject to Budget				
Operations				
Personal Services	7,455.87	8,020.67	\$ 7,500.00	\$ 520.67
Contractual Services	11,137.48	8,169.05	18,000.00	(9,830.95)
Commodities	2,185.41	1,467.64	3,000.00	(1,532.36)
Capital Outlay	8,090.96	250.00	33,216.00	(32,966.00)
Operating Transfers to				
Equipment Reserve Fund	3,000.00	-	-	-
Total Expenditures and Transfers				
Subject to Budget	31,869.72	17,907.36	\$ 61,716.00	\$ (43,808.64)
Receipts Over(Under) Expenditures	747.16	14,678.71		
Unencumbered Cash, Beginning	23,932.00	24,679.16		
Unencumbered Cash, Ending	\$ 24,679.16	\$ 39,357.87		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
TRASH UTILITY FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Service	\$ 28,747.75	\$ 30,522.43	\$ 30,000.00	\$ 522.43
Total Cash Receipts	<u>28,747.75</u>	<u>30,522.43</u>	<u>\$ 30,000.00</u>	<u>\$ 522.43</u>
Expenditures and Transfers				
Subject to Budget				
Contractual Services	27,013.26	27,688.73	\$ 23,000.00	\$ 4,688.73
Commodities	-	-	1,000.00	(1,000.00)
Capital Outlay	-	-	13,246.00	(13,246.00)
Operating Transfer to				
Equipment Reserve Fund	-	3,000.00	-	3,000.00
Total Expenditures and Transfers				
Subject to Budget	<u>27,013.26</u>	<u>30,688.73</u>	<u>\$ 37,246.00</u>	<u>\$ (6,557.27)</u>
Receipts Over(Under) Expenditures	1,734.49	(166.30)		
Unencumbered Cash, Beginning	<u>2,007.86</u>	<u>3,742.35</u>		
Unencumbered Cash, Ending	<u>\$ 3,742.35</u>	<u>\$ 3,576.05</u>		

See accompanying independent auditors' report

CITY OF NEW STRAWN, KANSAS
AGENCY FUNDS
Schedule of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	<u>\$ -</u>	<u>\$ 133,678.98</u>	<u>\$ 133,678.98</u>	<u>\$ -</u>