

**CITY OF PARSONS, KANSAS**

Financial Statement and  
Independent Auditors' Report with  
Supplemental Information and  
Federal Audit Compliance Section

For the Year Ended December 31, 2011

**CITY OF PARSONS, KANSAS**

For the Year Ended 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.....	3-4
Notes to the Financial Statement .....	5-18
SUPPLEMENTAL INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) .....	19
<u>Schedule 2</u>	
Schedule of Cash Receipts and Expenditures – Actual and Budget (with Comparative Actual Amounts for the Prior Year)	
General Fund .....	20-23
Employee Benefits Fund .....	24
Utility Service Fund.....	25
Tort Liability Fund.....	26
Industrial Fund.....	27
Library Fund.....	28
Library Employee Benefits Fund.....	29
Special Highway Fund.....	30
Special Parks Fund .....	31
Special Alcohol Fund .....	32
Tourism Fund .....	33
Vehicle Identification Fund.....	34
Drug Seizure Fund .....	35
Economic Development Sales Tax Fund .....	36-37
Park Facilities Sales Tax Fund .....	38
Street Sales Tax Fund .....	39
Union Pacific Proceeds Fund .....	40
Neighborhood Revitalization Fund .....	41
Carnegie Building Fund.....	42
Municipal Auditorium Reserve Fund.....	43
Parsons Museum Fund.....	44
Capital Improvements Reserve Fund .....	45
Municipal Equipment Reserve Fund.....	46
Community Organizations Fund .....	47
Community Revitalization and Development Fund.....	48
FEMA Fund.....	49
Wastewater Treatment Plant Fund .....	50

**CITY OF PARSONS, KANSAS**

For the Year Ended December 31, 2011

**TABLE OF CONTENTS**  
(Continued)

	<u>PAGE NUMBER</u>
<u>Schedule 2 (Continued)</u>	
FCIP Project Fund .....	51
Water Utility Fund .....	52-53
CIP Water Reserve Fund.....	54
Sewer Utility Fund.....	55-56
COPC CIP Sewer Reserve Fund.....	57
Sanitation Utility Fund .....	58
Stormwater Utility Fund.....	59
Utility Reserve Fund.....	60
Equipment Maintenance Fund.....	61
Health Insurance Reserve Fund .....	62
D.V. Reed Trust Fund .....	63
Oakwood Cemetery Perpetual Care Fund .....	64
 <u>Schedule 3</u>	
Schedule of Cash Receipts and Cash Disbursements – Agency Funds .....	65
 <u>Schedule 4</u>	
Component Units – Schedule of Cash Receipts and Expenditures – Actual	
Parsons Public Library .....	66
Parsons Housing Authority .....	67
 FEDERAL COMPLIANCE SECTION	
 Schedule of Expenditures of Federal Awards .....	68-69
 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	70-71
 Independent Auditors’ Report on Compliance with Requirements That Could Have a Direct and Material on Each Major and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	72-73
 Schedule of Findings and Questioned Costs .....	74
 Summary Schedule of Prior Audit Findings .....	75

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

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Commissioners  
City of Parsons, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Parsons, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of Parsons, 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 Parsons, 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 opinions.

As described more fully in Note 1, the City of Parsons, 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 Parsons, 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 Parsons, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2012, on our consideration of the City of Parsons, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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, schedule of cash receipts and expenditures- component units (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statement. 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

May 7, 2012  
Chanute, Kansas

CITY OF PARSONS, KANSAS

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

Funds	Beginning Unencumbered Cash Balances	Cancelled Encumbrance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance	
							December 31, 2011	2010
General Fund	\$ 498,654.88	\$ -	\$ 5,781,743.24	\$ 5,579,273.40	\$ 701,124.72	\$ 82,153.63	\$ 783,278.35	\$ 648,003.48
Special Revenue Funds:								
Employee Benefits	173,697.01	-	-	173,697.01	-	-	-	175,359.93
Utility Service	96,649.92	-	-	62,649.92	34,000.00	-	34,000.00	120,814.93
Tort Liability	72,124.35	-	-	72,124.35	-	-	-	72,124.35
Industrial	134,182.03	150,000.00	59,018.94	-	343,200.97	-	343,200.97	284,182.03
Library	4.33	-	262,845.16	262,840.00	9.49	6,290.00	6,299.49	4.33
Library Employee Benefits	5.82	-	64,173.74	64,175.00	4.56	1,790.00	1,794.56	5.82
Special Highway	81,551.07	-	280,568.64	127,186.48	234,933.23	2,977.79	237,911.02	85,245.22
Special Parks	98,492.35	-	17,334.67	8,965.50	106,861.52	614.32	107,475.84	98,492.35
Special Alcohol	25,127.05	-	17,334.67	23,887.13	18,574.59	-	18,574.59	25,127.05
Tourism	144,986.00	-	174,578.89	193,538.97	126,025.92	2,162.89	128,188.81	151,619.71
Vehicle Identification	5,802.90	-	-	5,802.90	-	-	-	8,820.84
Drug Seizure	23,635.07	-	2,910.60	12,109.24	14,436.43	-	14,436.43	23,635.07
Economic Development Sales Tax	274,375.72	-	512,135.01	472,643.15	313,867.58	30,433.90	344,301.48	360,924.53
Park Facilities Sales Tax	170,688.90	-	449,305.47	253,508.59	366,485.78	590.25	367,076.03	173,886.85
Street Sales Tax	248,801.67	-	254,805.08	209,658.37	293,948.38	93,950.00	387,898.38	478,855.92
Union Pacific Proceeds	1,176,901.22	-	19,085.76	67,994.00	1,127,992.98	57,994.00	1,185,986.98	1,176,901.22
Carnegie Building	10,353.77	-	67.31	-	10,421.08	-	10,421.08	10,353.77
Municipal Auditorium Reserve	160,066.89	-	1,069.16	6,381.00	154,755.05	-	154,755.05	160,066.89
Parsons Museum	10,634.36	-	13,782.08	20,078.45	4,337.99	-	4,337.99	10,770.94
Capital Improvements Reserve	196,878.27	-	82,777.88	189,536.52	90,119.63	115,910.00	206,029.63	208,570.18
Municipal Equipment Reserve	1,026.37	-	16,042.81	-	17,069.18	-	17,069.18	1,026.37
Community Organizations	3,968.20	-	1,111.00	-	5,079.20	-	5,079.20	3,968.20
Community Revitalization and Development	255,567.92	-	13,974.83	197,836.20	71,706.55	16.13	71,722.68	266,606.62
FEMA	(7,752.05)	-	133,124.71	254,836.00	(129,463.34)	78,796.93	(50,666.41)	18,684.78
Capital Projects Funds:								
FCIP Project	312,675.00	-	549,559.79	659,361.26	202,873.53	-	202,873.53	312,675.00
Enterprise Funds:								
Water Utility	2,053,548.95	-	2,802,894.53	2,638,112.37	2,218,331.11	75,564.38	2,293,895.49	2,139,344.31
CIP Water Reserve	(44,024.44)	-	-	21,345.00	(65,369.44)	69,750.56	4,381.12	31,458.56
Sewer Utility	370,242.27	-	1,678,125.05	1,659,697.83	388,669.49	46,669.55	435,339.04	429,131.21
COPC CIP Sewer Reserve	19,597.84	-	304,194.00	366,694.34	(42,902.50)	45,180.90	2,278.40	93,254.30
Sanitation Utility	549,148.65	-	1,079,896.08	937,428.38	691,616.35	27,268.12	718,884.47	618,284.21
Stormwater Utility	187,428.66	-	156,639.29	81,015.15	263,052.80	44,127.67	307,180.47	201,741.70
Utility Reserve	17,333.21	-	-	-	17,333.21	-	17,333.21	17,333.21

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

Statement 1 (Continued)

CITY OF PARSONS, KANSAS  
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
 For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balances	Cancelled Encumbrance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance	
							2011	2010
<b>Intergovernmental Service Funds:</b>								
Equipment Maintenance	\$ 742.61	-	\$ 122,261.20	\$ 122,880.96	\$ 122.85	\$ 1,492.47	\$ 1,615.32	\$ 5,714.98
Health Insurance Reserve	858,845.04	-	843,364.82	969,440.02	732,769.84	-	732,769.84	862,110.04
<b>Trust Funds:</b>								
D.V. Reed Trust	633.01	-	9,386.64	8,554.00	1,465.65	-	1,465.65	633.01
Oakwood Cemetery								
Perpetual Care	115,415.78	-	4,560.00	30,530.00	89,445.78	-	89,445.78	115,415.78
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>8,298,010.60</b>	<b>150,000.00</b>	<b>15,708,671.05</b>	<b>15,753,781.49</b>	<b>8,402,900.16</b>	<b>783,733.49</b>	<b>9,186,633.65</b>	<b>9,391,147.69</b>
<b>Component Units</b>								
Parsons Public Library	1,150,205.01	-	282,349.73	363,826.43	1,068,728.31	801.06	1,069,529.37	1,150,205.01
Parsons Housing Authority	328,582.00	-	691,088.00	775,310.00	244,360.00	-	244,360.00	344,730.00
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 9,776,797.61</b>	<b>\$ 150,000.00</b>	<b>\$ 16,682,108.78</b>	<b>\$ 16,892,917.92</b>	<b>\$ 9,715,988.47</b>	<b>\$ 784,534.55</b>	<b>\$ 10,500,523.02</b>	<b>\$ 10,886,082.70</b>

Composition of Cash:

Cash on Hand	\$ 1,300.00
<b>Checking Accounts:</b>	
City Treasurer	323,310.82
Arts and Humanities Account	5,765.94
Tree Advisory Board Account	928.55
Operations Brighter Touch	2,747.42
Senior Center Account	13,956.13
Senior Center Savings Account	25.12
Lake Advisory Board Account	34,525.75
DV Reed Trust Account	1,465.65
<b>Investments:</b>	
Money Markets and Savings Accounts	8,056,033.40
Money Market Launch Account	568,939.63
Senior Center Certificates of Deposit	51,013.97
Senior Center Money Market	13,494.76
Lake Board Certificate of Deposit	-
FCIP COP Issuance Trust Account	236,672.82
	9,310,179.96
<b>Total Component Units</b>	<b>1,313,889.37</b>
<b>Total Cash</b>	<b>10,624,069.33</b>
<b>Agency Funds Per Schedule 3</b>	<b>(123,546.31)</b>
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 10,500,523.02</b>

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

## CITY OF PARSONS, KANSAS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### Reporting Entity

The City of Parsons, Kansas (the City) is a municipal corporation governed by an elected five member commission. This financial statement presents the City of Parsons, Kansas (the primary government), and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

*Discretely Presented Component Unit.* Component units should be included in the City's reporting entity because of the significance of their operational or financial relationships with the City. These component units should be reported separately to emphasize that they are legally separate from the City. Based upon the application of this criterion, the following is a brief review of potential component units:

#### Parsons Public Library

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

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

There are no other separate entities related to the City which should be accounted for in the City's financial statements.

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

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, revenues and expenditures. The various funds are grouped by type in the financial statements. The types of funds maintained by the City are as follows:

**GOVERNMENTAL FUNDS**

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through cash receipts received by the General Fund.

Special Revenue Funds - These funds are used to account for cash receipts derived from specific taxes, governmental grants or other cash receipts sources which are designated to finance particular functions or activities of the City.

Debt Service Funds - The Bond and Interest Fund is used to account for the payment of principal and interest on the City's general obligation bonds, which are recorded in the general long-term debt group of accounts. Cash receipts for this purpose include ad valorem property taxes, special assessment taxes, and investment interest income.

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 - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City 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. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), federal grants and other City funds.

**FIDUCIARY FUNDS**

Expendable Trust Funds

These funds account for funds held in trust for others. The funds are accounted for in essentially the same manner as governmental funds.

Non-Expendable Trust Funds

These funds are used to account for assets held by the City in a trustee capacity for others, the principal of which may not be expended.

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

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 and 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 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 municipality 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 non-cash 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 municipality 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.

Pension Plan

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

Property Taxes

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

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

### Reimbursed Expenses

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

### Special Assessments

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

## **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.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2011 the City amended the budget for the General Fund, Employee Benefit Fund, Utility Service Fund, Tort Liability Fund, Tourism Fund, Vehicle Identification Fund, Economic Development Sales Tax Fund, Park Sales Tax Fund, Street Sales Tax Fund, Water Utility Fund, Sewer Utility Fund, Sanitation Utility Fund, and Stormwater Utility Fund.

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.

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

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 funds:

- Parsons Museum Fund
- Capital Improvement Reserve Fund
- Municipal 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 are 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, the City was in apparent violation of K.S.A. 10-1,113. The City has obligated expenditures in excess of available monies in the FEMA Fund, CIP Water Reserve Fund, and COPC CIP Sewer Reserve, however, K.S.A 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of Kansas. The FEMA Fund, CIPE Water Reserve Fund, and COPC CIP Sewer Reserve Fund met the criteria under the statutes and therefore, is not deemed to be in violation of the Kansas cash basis laws. As shown in Schedule 1, the City was in apparent compliance with the budget laws of Kansas.

## **3. DEPOSITS AND INVESTMENTS**

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

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

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

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

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

*Deposits:* At year-end, the City's carrying amount of deposits was \$9,308,879.96 and the bank balance was \$9,631,052.37. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$354,699.63 was covered by FDIC insurance and \$9,039,679.92 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name and letters of credit with the Federal Home Loan Bank of Topeka, Kansas, and \$236,672.82 was held as a Certificate of Participation with Security Bank Corporation and Trust Services, which was self securing at year end.

**4. 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
<b>General Obligation Bonds</b>										
Series 2009-A	0.00%	November 24, 2009	\$ 740,000.00	November 1, 2019	\$ 740,000.00	-	\$ (15,418.00)		\$ 724,582.00	\$ -
Series 2009-B	0.00%	November 24, 2009	300,000.00	November 1, 2019	300,000.00	-	(6,250.00)		293,750.00	-
<b>KDHE Loans:</b>										
Kansas Water Pollution Control	3.66%	September 1, 1995	1,023,544.00	March 1, 2015	294,138.47	-	(61,279.61)		232,858.86	10,209.82
Kansas Water Pollution Control	2.94% *	October 31, 2003	7,100,000.00	September 1, 2025	5,676,974.27	-	(317,693.76)		5,359,280.51	164,610.84
Kansas Public Water Supply	4.07%	October 8, 1998	9,200,000.00	February 1, 2020	4,995,201.46	-	(440,395.49)		4,554,805.97	198,868.81
Kansas Public Water Supply	3.69%	May 17, 2004	5,000,000.00	August 1, 2025	4,712,946.34	-	(25,172.62)		4,687,773.72	173,677.62
<b>Capital Leases:</b>										
COP Series A & B	4.25-5.875%	September 1, 2007	6,885,000.00	October 1, 2022	5,875,000.00	-	(375,000.00)		5,500,000.00	284,361.26
Street Sweeper & Crack Sealer	3.714%	October 9, 2009	190,284.10	July 9, 2013	132,559.76	-	(46,672.53)		85,887.23	4,219.47
Vector Truck	3.20%	April 5, 2010	256,685.00	April 5, 2013	215,597.10	-	(84,187.38)		131,409.72	5,894.58
<b>Total Contractual Indebtedness</b>					<b>22,942,417.40</b>	<b>-</b>	<b>(1,372,069.39)</b>		<b>21,570,348.01</b>	<b>841,842.40</b>
<b>Compensated Absences</b>										
Vacation Benefits	N/A	N/A	N/A	N/A	133,117.06			\$ (2,294.36)	130,822.70	
<b>Total Long-Term Liabilities</b>					<b>\$ 23,075,534.46</b>	<b>-</b>	<b>\$ (1,372,069.39)</b>	<b>\$ (2,294.36)</b>	<b>\$ 21,701,170.71</b>	<b>\$ 841,842.40</b>

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

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

Issue	2012	2013	2014	2015	2016	2017-2021	2022-2026	Not Draw Down	Total
<b>Principal</b>									
General Obligation Bonds									
Series 2009-A	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 262,042.00	\$ -	\$ -	\$ 724,582.00
Series 2009-B	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	106,250.00	-	-	293,750.00
Revolving Loans									
Kansas Water Pollution Control	63,542.97	65,889.92	68,323.56	35,102.41	-	-	-	-	232,858.86
Kansas Water Pollution Control *	322,884.57	332,447.15	342,292.94	352,430.32	362,867.92	1,982,049.16	1,749,353.88	(85,045.43)	5,359,280.51
Kansas Public Water Supply	458,501.96	477,352.86	496,978.81	517,411.65	538,684.58	2,065,876.11	-	-	4,554,805.97
Kansas Public Water Supply	26,110.06	27,082.41	28,090.96	29,137.07	30,222.15	1,236,713.51	3,310,417.56	-	4,687,773.72
Capital Leases									
COP Series A & B	395,000.00	410,000.00	430,000.00	455,000.00	470,000.00	2,715,000.00	625,000.00	-	5,500,000.00
Street Sweeper & Crack Sealer	48,405.79	37,481.44	-	-	-	-	-	-	85,887.23
Vactor Truck	86,904.07	44,505.65	-	-	-	-	-	-	131,409.72
Total Principal Payments	1,531,357.42	1,524,767.43	1,495,694.27	1,519,089.45	1,531,782.65	8,367,930.78	5,684,771.44	(85,045.43)	21,570,348.01
<b>Interest</b>									
Revolving Loans									
Kansas Water Pollution Control	7,946.49	5,599.54	3,165.90	642.32	-	-	-	-	17,354.25
Kansas Water Pollution Control	159,420.03	149,857.45	140,011.66	129,874.28	119,436.68	429,473.84	179,864.52	-	1,307,938.46
Kansas Public Water Supply	180,762.34	161,911.44	142,285.49	121,852.65	100,579.72	491,181.09	-	-	1,198,572.73
Kansas Public Water Supply	172,740.18	171,767.83	170,759.28	169,713.17	168,628.09	206,428.32	280,707.48	-	1,340,744.35
Capital Leases									
COP Series A & B	264,271.26	245,748.76	225,858.76	205,008.76	182,913.76	555,248.78	30,376.26	-	1,709,426.34
Street Sweeper & Crack Sealer	2,486.21	688.56	-	-	-	-	-	-	3,174.77
Vactor Truck	3,177.89	535.27	-	-	-	-	-	-	3,713.16
Total Interest Payments	790,804.40	736,108.85	682,081.09	627,091.18	571,558.25	1,682,332.03	490,948.26	-	5,580,924.06
Total Principal and Interest	\$ 2,322,161.82	\$ 2,260,876.28	\$ 2,177,775.36	\$ 2,146,180.63	\$ 2,103,340.90	\$ 10,050,262.81	\$ 6,175,719.70	\$ (85,045.43)	\$ 27,151,272.07

\* Debt payment schedule is based upon full amount of loan, all drawdowns are not yet complete

## 5. CAPITAL LEASE OBLIGATIONS

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

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 659,271.26
2013	655,748.76
2014	655,858.76
2015	660,008.76
2016	652,913.76
2017-2021	3,270,248.78
2022	<u>655,376.26</u>
	7,209,426.34
Less imputed interest	<u>(1,709,426.34)</u>
Net Present Value of Minimum Lease Payments	5,500,000.00
Less: Current Maturities	<u>(395,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$5,105,000.00</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2009 GMC T-7500 Cabover Schwarze Street Sweeper and a Squeegee Street Crack Sealer. Payments are made monthly, including interest at approximately 3.714%. Final maturity of the lease is July 9, 2013. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 50,892.00
2013	<u>38,170.00</u>
	89,062.00
Less imputed interest	<u>(3,174.77)</u>
Net Present Value of Minimum Lease Payments	85,887.23
Less: Current Maturities	<u>(48,405.79)</u>
Long-Term Capital Lease Obligations	<u>\$ 37,481.44</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2010 Vactor Sewer Machine. Payments are made monthly, including interest at approximately 3.20%. Final maturity of the lease is April 5, 2013. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 90,081.96
2013	<u>45,040.92</u>
	135,122.88
Less imputed interest	<u>(3,713.16)</u>
Net Present Value of Minimum Lease Payments	131,409.72
Less: Current Maturities	<u>(86,904.07)</u>
Long-Term Capital Lease Obligations	<u>\$ 44,505.65</u>

## **6. OPERATING LEASES**

As of December 31, 2011 the City has entered into a number of operating leases for the placement of billboard advertisements on a month to month basis, with no future obligations. Rent expense for the year ended December 31, 2011, was \$1,400.04.

## **7. ECONOMIC DEVELOPMENT BONDS**

The City has entered into various agreements to induce businesses to locate or expand operations in Parsons, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2011, there were five industrial revenue bond issues with principal balances due totaling \$4,093,781.87.

The City has entered into an agreement to induce businesses to locate or expand operations in Parsons, Kansas. In connection therewith, the City has issued a multi-family housing revenue bond, which require the business to make lease payments to trust accounts sufficient to pay debt service on the revenue bond. The City is under no obligation to pay the revenue bond debt, which is to be paid from the lease payments made by the related business. At December 31, 2011, there was one multi-family housing revenue bond issue with principal balance due totaling \$1,850,000.00.

## **8. DEFINED BENEFIT PENSION PLAN**

### Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 S. Kansas Ave., Suite 100, Topeka, KS 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. K.S.A. 74-4985 established KP&F member-employee contribution rate at 2% or 7% 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 rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established by statute for January 1, 2011 to December 31, 2011 was 7.74%. The City's employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009, were \$188,927.10, \$173,482.55, and \$161,100.63, respectively, equal to the statutory required contribution for each year. The KP&F uniform participating employer rate established for fiscal years beginning in 2011 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City's contributions to KP&F for the years ending December 31, 2011, 2010, and 2009, were \$251,357.42, \$216,586.96, and \$231,963.08, respectively, equal to the statutory required contribution for each year.

**9. CAPITAL PROJECTS**

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

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/11</u>	<u>ESTIMATED COMPLETION</u>
2007 KLINK Project	\$ 496,240.90	\$ 441,860.49	2012
Street Reconstruction	299,879.60	299,879.60	Complete
Frisco Hike/Bike Trail	640,184.85	640,184.85	Complete
Street Repairs	76,893.75	76,893.75	Complete
Curb Repairs	7,650.00	7,650.00	Complete
Tolen Creek Industrial Park Street Improvements	663,745.75	663,745.75	Complete
Tolen Creek Trail Repair	261,559.30	182,762.37	2012
Arboretum Trail	42,904.66	--	2012
Street Resurfacing	43,647.11	43,647.11	Complete
First Ward Sanitary Sewer	462,361.96	350,755.25	2012
2011/2012 KLINK Project	353,286.91	--	2012
Tolen Creek Industrial Park Sign	13,760.00	13,760.00	Complete
Street Resurfacing	162,940.39	157,940.39	Complete
Concrete Street Repair	229,305.64	82,008.38	2012
Pool House Roof	42,597.87	--	2012
	<u>\$ 3,796,958.69</u>	<u>\$ 2,961,087.94</u>	

**10. NOTES RECEIVABLE AND LOANS RECEIVABLE**

The City has established an Economic Development Revolving Loan Fund. The fund is the recipient of money paid back to the City of Parsons by industries which received Community Development Block Grants in earlier years. As repayment is made by these industries, the City makes loans to other qualifying industries. The loans due to the City at December 31, 2011, through the Economic Development Revolving Loan Fund are as follows:

Millie Dixon	\$ 198.63
--------------	-----------

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

The City has established a Sales Tax Economic Development Revolving Loan Fund. The fund is the recipient of money paid back to the City of Parsons by industries which received Community Development Block Grants in earlier years. As repayment is made by these industries, the City makes loans to other qualifying industries. The loans due to the City at December 31, 2011, through the Sales Tax Economic Development Revolving Loan Fund are as follows:

Robert Caldwell	\$ 2,317.40
Home Store	16,941.32
Ron and Judy Salley	69,575.09
ACME Cinema	192,780.11
Timber Creeks	13,511.10
ELC Surplus	10,142.02
Parsons Fine Jewelry Loan 1	170.64
Parsons Fine Jewelry Loan 2	923.08
Canterbury Inn	26,818.89

**10. NOTES RECEIVABLE AND LOANS RECEIVABLE (Continued)**

SKL Packaging	\$ 20,447.36
Tank Connections	100,000.00
Tank Connections	19,328.16
Beachner Grain	129,600.00
Cytocheck	108,000.00
Greg York Loan 1	660.60
Chinese Chef	30,125.52
Vintage Heirloom	2,364.41
Radius Salon	2,197.34
Speaker Hardware	3,278.33
Sunflower Motel	4,057.54
The Mix	21,405.65
Parsons Chiropractic	16,250.00
Parsons Bowl	50,000.00
H&H Design	<u>30,000.00</u>

TOTAL NOTES RECEIVABLE \$ 870,894.56

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

The City has made Community Development Loans through the Community Development Fund. The fund was the recipient of various HUD Grants in earlier years. Loans made with these monies are repaid and the City makes additional development loans from these repayments. The Community Development loans due to the City at December 31, 2011, are as follows:

Mary Ashcraft	\$ 3,058.51
---------------	-------------

These loans are not reflected in these statutory basis financial statements of the City of Parsons, Kansas.

**11. COMPENSATED ABSENCES**

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

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

Vacation hours for sworn police officers:			
Years Continuous Employment:	1-7	8-14	15+
Days Granted per Year:	12	15	18
Maximum Days Accrued	17	20	23

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

## **11. COMPENSATED ABSENCES** (Continued)

In the event of termination, an employee may in the discretion of the City Manager be compensated for unused vacation leave. Accrued vacation pay at December 31, 2011, is \$130,822.70.

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

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

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

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees. The liability for compensated absences is reflected in the long-term liabilities footnote 4 since it is anticipated that none of the liability will be liquidated with available financial resources. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

## **12. OTHER POST EMPLOYMENT BENEFITS**

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

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

## **13. 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.

**13. RISK MANAGEMENT** (Continued)

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

**14. INTERFUND TRANSFERS**

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Utility Service	General	K.S.A. 79-2934	\$ 62,649.92
Tort Liability	General	K.S.A. 79-2934	72,124.35
Employee Benefits	General	K.S.A. 79-2934	173,697.01
Vehicle Identification	General	K.S.A. 79-2934	5,802.90
Economic Development			
Sales Tax	Tourism	K.S.A. 12-1,118	50,000.00
General	FCIP Project	K.S.A. 12-1,118	271,483.74
Economic Development			
Sales Tax	FCIP Project	K.S.A. 12-1,118	51,978.83
Water Utility	FCIP Project	K.S.A. 12-825d	168,412.30
Sewer Utility	FCIP Project	K.S.A. 12-825d	57,649.59

**15. RELATED PARTY TRANSACTIONS**

The City paid \$41,987.45 during the year ended December 31, 2011 to a local computer company owned by a City Commissioner for computer support services, parts and equipment.

**16. 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 PARSONS, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2011

Funds	Certified	Adjustments for	Total	Expenditures	Variance -
	Budget	Qualifying Budget Credits	Budget for Comparison	Charged to Current Year Budget	Over (Under)
General Fund	\$ 6,023,839.00	\$ 126,646.66	\$ 6,150,485.66	\$ 5,579,273.40	\$ (571,212.26)
Special Revenue Funds:					
Employee Benefits	173,700.00	-	173,700.00	173,697.01	(2.99)
Utility Service	62,700.00	-	62,700.00	62,649.92	(50.08)
Tort Liability	72,200.00	-	72,200.00	72,124.35	(75.65)
Industrial	154,854.00	-	154,854.00	-	(154,854.00)
Library	296,557.00	-	296,557.00	262,840.00	(33,717.00)
Library Employee Benefits	68,265.00	-	68,265.00	64,175.00	(4,090.00)
Special Highway	281,000.00	-	281,000.00	127,186.48	(153,813.52)
Special Parks	20,000.00	-	20,000.00	8,965.50	(11,034.50)
Special Alcohol	38,400.00	-	38,400.00	23,887.13	(14,512.87)
Tourism	208,315.00	-	208,315.00	193,538.97	(14,776.03)
Vehicle Identification	5,900.00	-	5,900.00	5,802.90	(97.10)
Drug Seizure	18,500.00	-	18,500.00	12,109.24	(6,390.76)
Economic Development Sales Tax	575,878.00	4,900.00	580,778.00	472,643.15	(108,134.85)
Park Facilities Sales Tax	399,566.00	236,367.90	635,933.90	253,508.59	(382,425.31)
Street Sales Tax	575,211.00	-	575,211.00	209,658.37	(365,552.63)
Union Pacific Proceeds	159,412.00	-	159,412.00	67,994.00	(91,418.00)
Enterprise Funds:					
Water Utility	3,707,484.00	9,422.42	3,716,906.42	2,638,112.37	(1,078,794.05)
Sewer Utility	1,880,073.00	15,525.50	1,895,598.50	1,659,697.83	(235,900.67)
Sanitation Utility	1,233,107.00	-	1,233,107.00	937,428.38	(295,678.62)
Stormwater Utility	189,700.00	-	189,700.00	81,015.15	(108,684.85)

See accompanying independent auditors' report

**CITY OF PARSONS, 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>				
<b>Taxes and Shared Revenue</b>				
Ad Valorem Property Tax	\$ 887,582.16	\$ 2,032,979.74	\$ 2,164,849.00	\$ (131,869.26)
Delinquent Tax	44,766.04	72,063.22	25,000.00	47,063.22
Motor Vehicle Tax	115,311.07	270,749.88	134,644.00	136,105.88
Recreational Vehicle Tax	949.54	1,960.39	1,119.00	841.39
16-20M Truck Tax	2,544.57	5,848.86	2,471.00	3,377.86
Vehicle Rental Tax	54.13	201.17	-	201.17
Sales Tax	1,705,969.65	1,785,531.10	1,780,000.00	5,531.10
Franchise Taxes	675,512.53	669,009.92	758,000.00	(88,990.08)
In Lieu of Taxes	638.30	2,420.09	7,853.00	(5,432.91)
Special Assessments	14,221.23	17,266.38	13,000.00	4,266.38
<b>Intergovernmental</b>				
Local Alcoholic Liquor Tax	17,741.70	17,334.67	17,350.00	(15.33)
Federal Grant - Step	198.81	-	-	-
Federal Grant - COPS	1,906.06	-	-	-
State Grant - Hwy Lane Maint.	37,326.01	37,326.01	36,000.00	1,326.01
<b>Licenses and Permits</b>				
Rent, Licenses, Permits & Fees	66,278.71	57,450.32	63,000.00	(5,549.68)
<b>Charges for Services</b>				
Cemetery Permits/Deeds	10,587.50	15,535.00	11,000.00	4,535.00
Fire Contracts	7,500.00	8,025.00	5,000.00	3,025.00
Auditorium Receipts	7,726.71	8,770.72	6,500.00	2,270.72
Vehicle Inspections	-	8,137.00	-	8,137.00
<b>Fines, Forfeitures and Penalties</b>				
Fines	186,804.57	191,588.31	198,950.00	(7,361.69)
<b>Use of Money and Property</b>				
Interest	52,848.49	25,053.03	45,000.00	(19,946.97)
Royalties	20,149.82	7,421.12	-	7,421.12
Sale of Assets	117,634.70	70.00	500.00	(430.00)

See accompanying independent auditors' report

**CITY OF PARSONS, 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 (Continued)</b>				
Other Revenues				
Miscellaneous	\$ 6,415.53	\$ 14,194.72	\$ 10,450.00	\$ 3,744.72
Reimbursed Expense	85,360.05	126,646.66	88,000.00	38,646.66
Money from Other Entities	32,175.22	62,377.89	24,000.00	38,377.89
Supplemental Insurance	-	29,507.86	-	29,507.86
Operating Transfers from:				
Utility Service Fund	-	62,649.92	56,919.00	5,730.92
FEMA Fund	4,112.56	-	-	-
Residual Transfers from:				
Tort Liability Fund	-	72,124.35	15,325.00	56,799.35
Employee Benefit Fund	-	173,697.01	156,115.00	17,582.01
Vehicle Identification Fund	-	5,802.90	3,227.00	2,575.90
<b>Total Cash Receipts</b>	<b>4,102,315.66</b>	<b>5,781,743.24</b>	<b>\$ 5,624,272.00</b>	<b>\$ 157,471.24</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
General Administrative Services				
Personal Services	123,972.00	129,285.47	\$ 150,526.00	\$ (21,240.53)
Contractual Services	298,712.82	763,608.77	572,590.00	191,018.77
Commodities	25,931.27	43,045.10	27,550.00	15,495.10
City Manager				
Personal Services	141,732.84	213,545.14	158,116.00	55,429.14
Contractual Services	9,900.38	18,192.03	16,380.00	1,812.03
Commodities	10,025.06	12,031.58	7,300.00	4,731.58
Capital Outlay	-	-	319,920.00	(319,920.00)
Legal and Court				
Personal Services	50,039.63	60,750.61	108,135.00	(47,384.39)
Contractual Services	36,311.27	40,873.12	45,450.00	(4,576.88)
Commodities	804.57	1,065.95	1,000.00	65.95
Capital Outlay	1,997.50	-	-	-
Engineering				
Personal Services	139,488.24	193,580.70	209,527.00	(15,946.30)
Contractual Services	8,249.37	13,842.72	9,350.00	4,492.72
Commodities	2,268.92	3,393.14	2,850.00	543.14
Capital Outlay	1,356.87	-	-	-

See accompanying independent auditors' report

**CITY OF PARSONS, 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)				
Police				
Personal Services	\$ 1,146,456.99	\$ 1,376,954.06	\$ 1,636,310.00	\$ (259,355.94)
Contractual Services	117,654.59	291,629.37	124,150.00	167,479.37
Commodities	78,047.33	87,466.13	89,000.00	(1,533.87)
Capital Outlay	46,428.37	56,420.10	50,000.00	6,420.10
Fire				
Personal Services	733,666.10	814,546.67	1,052,123.00	(237,576.33)
Contractual Services	29,537.77	181,312.44	36,250.00	145,062.44
Commodities	21,484.28	35,827.61	36,875.00	(1,047.39)
Capital Outlay	27,289.33	32,340.16	91,500.00	(59,159.84)
Street				
Personal Services	182,303.00	255,768.49	474,912.00	(219,143.51)
Contractual Services	103,295.64	159,529.98	61,950.00	97,579.98
Commodities	114,099.23	108,472.33	20,450.00	88,022.33
Parks				
Personal Services	89,969.76	71,434.61	35,013.00	36,421.61
Contractual Services	42,933.24	31,257.78	20,000.00	11,257.78
Commodities	30,095.02	31,303.16	8,250.00	23,053.16
Airport				
Contractual Services	65,116.31	65,870.70	59,200.00	6,670.70
Commodities	14,685.94	14,865.39	14,500.00	365.39
Capital Outlay	-	-	27,000.00	(27,000.00)
Auditorium/Carnegie Arts Center				
Personal Services	120,808.01	172,346.60	180,662.00	(8,315.40)
Contractual Services	7,099.16	17,294.85	26,200.00	(8,905.15)
Commodities	3,489.13	2,889.08	7,800.00	(4,910.92)
Capital Outlay	1,997.50	-	-	-
Cemetery				
Personal Services	16,354.81	1,679.33	-	1,679.33
Contractual Services	6,812.98	3,495.86	74,500.00	(71,004.14)
Commodities	4,127.73	1,870.63	3,500.00	(1,629.37)

See accompanying independent auditors' report

**CITY OF PARSONS, 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)				
Debt Service				
Principal	\$ 14,065.91	\$ -	\$ -	\$ -
Interest	89.92	-	-	-
Operating Transfers to FCIP Project Fund	124,163.00	271,483.74	<u>265,000.00</u>	<u>6,483.74</u>
Total Certified Budget			<u>6,023,839.00</u>	<u>(444,565.60)</u>
Adjustments for Qualifying Budget Credits			<u>126,646.66</u>	<u>(126,646.66)</u>
Total Expenditures and Transfers Subject to Budget	<u>3,992,861.79</u>	<u>5,579,273.40</u>	<u>\$ 6,150,485.66</u>	<u>\$ (571,212.26)</u>
Receipts Over(Under) Expenditures	109,453.87	202,469.84		
Unencumbered Cash, Beginning	<u>389,201.01</u>	<u>498,654.88</u>		
Unencumbered Cash, Ending	<u>\$ 498,654.88</u>	<u>\$ 701,124.72</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**EMPLOYEE BENEFITS 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	\$ 825,744.72	\$ -	\$ -	\$ -
Delinquent Tax	44,176.46	-	27,500.00	(27,500.00)
Motor Vehicle Tax	116,401.82	-	125,273.00	(125,273.00)
Recreational Vehicle Tax	957.40	-	1,041.00	(1,041.00)
16-20M Truck Tax	2,689.15	-	2,301.00	(2,301.00)
Rental Vehicle Tax	54.57	-	-	-
In Lieu of Taxes	593.88	-	-	-
Other Revenues				
Reimbursed Expense	4,192.93	-	-	-
Supplemental Insurances	23,365.97	-	-	-
<b>Total Cash Receipts</b>	<b>1,018,176.90</b>	<b>-</b>	<b>\$ 156,115.00</b>	<b>\$ (156,115.00)</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
General Government				
Personal Services	617,433.35	-	\$ -	\$ -
Contractual Services	354,197.95	-	-	-
Residual Transfers to General Fund	-	173,697.01	173,700.00	(2.99)
<b>Total Expenditures and Transfers Subject to Budget</b>	<b>971,631.30</b>	<b>173,697.01</b>	<b>\$ 173,700.00</b>	<b>\$ (2.99)</b>
Receipts Over(Under) Expenditures	46,545.60	(173,697.01)		
Unencumbered Cash, Beginning	127,151.41	173,697.01		
Unencumbered Cash, Ending	<u>\$ 173,697.01</u>	<u>\$ -</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**UTILITY SERVICE 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	\$ 293,484.69	\$ -	\$ -	\$ -
Delinquent Tax	16,337.87	-	11,000.00	(11,000.00)
Motor Vehicle Tax	40,302.58	-	44,534.00	(44,534.00)
Recreational Vehicle Tax	330.16	-	370.00	(370.00)
16M-20M Truck Tax	1,074.74	-	818.00	(818.00)
Rental Vehicle Tax	18.82	-	-	-
In Lieu of Taxes	211.13	-	-	-
Other Revenues				
Reimbursed Expense	5,190.55	-	-	-
<b>Total Cash Receipts</b>	<b>356,950.54</b>	<b>-</b>	<b>\$ 56,722.00</b>	<b>\$ (56,722.00)</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
General Government				
Contractual Services	353,132.91	-	\$ -	\$ -
Operating Transfer to:				
General Fund	-	62,649.92	62,700.00	(50.08)
FCIP Project Fund	81,770.00	-	-	-
<b>Total Expenditures and Transfers</b>	<b>434,902.91</b>	<b>62,649.92</b>	<b>\$ 62,700.00</b>	<b>\$ (50.08)</b>
Receipts Over(Under) Expenditures	(77,952.37)	(62,649.92)		
Unencumbered Cash, Beginning	174,602.29	96,649.92		
Unencumbered Cash, Ending	\$ 96,649.92	\$ 34,000.00		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**TORT LIABILITY 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	\$ 51,175.03	\$ -	\$ -	\$ -
Delinquent Tax	2,298.09	-	2,000.00	(2,000.00)
Motor Vehicle Tax	2,229.25	-	7,769.00	(7,769.00)
Recreational Vehicle Tax	16.86	-	65.00	(65.00)
16-20M Truck Tax	198.40	-	143.00	(143.00)
Rental Vehicle Tax	0.96	-	-	-
In Lieu of Taxes	36.84	-	-	-
Other Revenues				
Reimbursed Expense	576.80	-	-	-
<b>Total Cash Receipts</b>	<b>56,532.23</b>	<b>-</b>	<b>\$ 9,977.00</b>	<b>\$ (9,977.00)</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
General Government				
Contractual Services	64,633.74	-	\$ -	\$ -
Residual Transfers to				
General Fund	-	72,124.35	72,200.00	(75.65)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	64,633.74	72,124.35	\$ 72,200.00	\$ (75.65)
Receipts Over(Under) Expenditures	(8,101.51)	(72,124.35)		
Unencumbered Cash, Beginning	80,225.86	72,124.35		
Unencumbered Cash, Ending	\$ 72,124.35	\$ -		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**INDUSTRIAL 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				
Ad Valorem Property Tax	\$ 51,235.06	\$ 50,001.04	\$ 53,854.00	\$ (3,852.96)
Delinquent Tax	2,703.15	1,810.22	1,500.00	310.22
Motor Vehicle Tax	6,993.32	6,744.71	7,769.00	(1,024.29)
Recreational Vehicle Tax	57.49	48.82	65.00	(16.18)
16-20M Truck Tax	166.06	149.10	143.00	6.10
Rental Vehicle Tax	3.28	5.07	-	5.07
In Lieu of Taxes	36.85	259.98	100.00	159.98
<b>Total Cash Receipts</b>	<u>61,195.21</u>	<u>59,018.94</u>	<u>\$ 63,431.00</u>	<u>\$ (4,412.06)</u>
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	172,000.00	-	\$ 154,854.00	\$ (154,854.00)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>172,000.00</u>	<u>-</u>	<u>\$ 154,854.00</u>	<u>\$ (154,854.00)</u>
Receipts Over(Under) Expenditures	(110,804.79)	59,018.94		
Unencumbered Cash, Beginning	244,986.82	134,182.03		
Cancelled Encumbrances	-	150,000.00		
<b>Unencumbered Cash, Ending</b>	<u>\$ 134,182.03</u>	<u>\$ 343,200.97</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**LIBRARY 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	\$ 223,774.94	\$ 223,772.85	\$ 238,274.00	\$ (14,501.15)
Delinquent Tax	12,926.12	8,455.27	8,000.00	455.27
Motor Vehicle Tax	34,979.39	29,570.29	33,952.00	(4,381.71)
Recreational Vehicle Tax	287.50	213.46	282.00	(68.54)
16-20M Truck Tax	829.92	745.95	624.00	121.95
Rental Vehicle Tax	16.39	23.79	-	23.79
In Lieu of Taxes	207.21	63.55	1,000.00	(936.45)
<b>Total Cash Receipts</b>	<u>273,021.47</u>	<u>262,845.16</u>	<u>\$ 282,132.00</u>	<u>\$ (19,286.84)</u>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Culture and Recreation				
Appropriations	274,890.00	262,840.00	\$ 296,557.00	\$ (33,717.00)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>274,890.00</u>	<u>262,840.00</u>	<u>\$ 296,557.00</u>	<u>\$ (33,717.00)</u>
Receipts Over(Under) Expenditures	(1,868.53)	5.16		
Unencumbered Cash, Beginning	<u>1,872.86</u>	<u>4.33</u>		
Unencumbered Cash, Ending	<u>\$ 4.33</u>	<u>\$ 9.49</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**LIBRARY EMPLOYEE BENEFITS 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				
Ad Valorem Property Tax	\$ 64,338.91	\$ 54,673.32	\$ 58,247.00	\$ (3,573.68)
Delinquent Tax	1,171.91	1,188.64	-	1,188.64
Motor Vehicle Tax	-	8,247.84	9,757.00	(1,509.16)
Recreational Vehicle Tax	-	60.85	81.00	(20.15)
16-20M Truck Tax	-	-	179.00	(179.00)
Rental Vehicle Tax	-	3.09	-	3.09
Total Cash Receipts	<u>65,510.82</u>	<u>64,173.74</u>	<u>\$ 68,264.00</u>	<u>\$ (4,090.26)</u>
Expenditures and Transfers				
Subject to Budget				
General Government				
Personal Services	<u>65,505.00</u>	<u>64,175.00</u>	<u>\$ 68,265.00</u>	<u>\$ (4,090.00)</u>
Total Expenditures and Transfers				
Subject to Budget	<u>65,505.00</u>	<u>64,175.00</u>	<u>\$ 68,265.00</u>	<u>\$ (4,090.00)</u>
Receipts Over(Under) Expenditures	5.82	(1.26)		
Unencumbered Cash, Beginning	<u>-</u>	<u>5.82</u>		
Unencumbered Cash, Ending	<u>\$ 5.82</u>	<u>\$ 4.56</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, 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				
Highway Gas Tax	\$ 296,233.50	\$ 280,468.21	\$ 304,720.00	\$ (24,251.79)
Other Revenues				
Reimbursed Expense	-	100.43	-	100.43
<b>Total Cash Receipts</b>	<b>296,233.50</b>	<b>280,568.64</b>	<b>\$ 304,720.00</b>	<b>\$ (24,151.36)</b>
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	58,094.66	30,551.78	\$ 45,000.00	\$ (14,448.22)
Commodities	148,102.58	62,681.58	170,000.00	(107,318.42)
Capital Outlay	-	-	51,000.00	(51,000.00)
Debt Service				
Principal	33,769.84	31,137.66	-	31,137.66
Interest	4,418.00	2,815.46	-	2,815.46
Operating Transfers to				
Capital Improvements				
Reserve Fund	-	-	15,000.00	(15,000.00)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<b>244,385.08</b>	<b>127,186.48</b>	<b>\$ 281,000.00</b>	<b>\$ (153,813.52)</b>
Receipts Over(Under) Expenditures	51,848.42	153,382.16		
Unencumbered Cash, Beginning	<u>29,702.65</u>	<u>81,551.07</u>		
Unencumbered Cash, Ending	<u>\$ 81,551.07</u>	<u>\$ 234,933.23</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**SPECIAL PARKS 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				
Local Alcoholic Liquor Tax	\$ 17,741.67	\$ 17,334.67	\$ 17,350.00	\$ (15.33)
Other Revenues				
Reimbursed Expense	2,000.00	-	-	-
<b>Total Cash Receipts</b>	<u>19,741.67</u>	<u>17,334.67</u>	<u>\$ 17,350.00</u>	<u>\$ (15.33)</u>
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Contractual Services	-	8,965.50	\$ 20,000.00	\$ (11,034.50)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	-	8,965.50	\$ 20,000.00	\$ (11,034.50)
Receipts Over(Under) Expenditures	19,741.67	8,369.17		
Unencumbered Cash, Beginning	<u>78,750.68</u>	<u>98,492.35</u>		
Unencumbered Cash, Ending	<u>\$ 98,492.35</u>	<u>\$ 106,861.52</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**SPECIAL ALCOHOL 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				
Local Alcoholic Liquor Tax	\$ 17,741.67	\$ 17,334.67	\$ 17,350.00	\$ (15.33)
Other Revenue				
Reimbursed Expense	3,545.27	-	-	-
<b>Total Cash Receipts</b>	<u>21,286.94</u>	<u>17,334.67</u>	<u>\$ 17,350.00</u>	<u>\$ (15.33)</u>
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Contractual Services	42,466.86	23,887.13	\$ 35,000.00	\$ (11,112.87)
Commodities	-	-	3,400.00	(3,400.00)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>42,466.86</u>	<u>23,887.13</u>	<u>\$ 38,400.00</u>	<u>\$ (14,512.87)</u>
Receipts Over(Under) Expenditures	(21,179.92)	(6,552.46)		
Unencumbered Cash, Beginning	<u>46,306.97</u>	<u>25,127.05</u>		
Unencumbered Cash, Ending	<u>\$ 25,127.05</u>	<u>\$ 18,574.59</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**TOURISM 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				
State Guest Tax	\$ 116,731.43	\$ 117,192.23	\$ 123,000.00	\$ (5,807.77)
Other Revenues				
Miscellaneous	5,719.00	5,799.66	3,500.00	2,299.66
Reimbursed Expenses	3,664.42	1,587.00	3,000.00	(1,413.00)
Operating Transfer from Economic Development				
Sales Tax Fund	50,000.00	50,000.00	50,000.00	-
<b>Total Cash Receipts</b>	<b>176,114.85</b>	<b>174,578.89</b>	<b>\$ 179,500.00</b>	<b>\$ (4,921.11)</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Culture and Recreation				
Personal Services	60,363.16	60,189.83	\$ 64,995.00	\$ (4,805.17)
Contractual Services	85,632.98	98,754.77	107,348.00	(8,593.23)
Commodities	2,321.51	1,243.49	2,572.00	(1,328.51)
Capital Outlay	-	33,350.88	33,400.00	(49.12)
<b>Total Expenditures and Transfers</b> Subject to Budget	<b>148,317.65</b>	<b>193,538.97</b>	<b>\$ 208,315.00</b>	<b>\$ (14,776.03)</b>
Receipts Over(Under) Expenditures	27,797.20	(18,960.08)		
Unencumbered Cash, Beginning	117,188.80	144,986.00		
Unencumbered Cash, Ending	<u>\$ 144,986.00</u>	<u>\$ 126,025.92</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**VEHICLE IDENTIFICATION 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				
Charges for Services				
Vehicle Inspections	\$ 7,920.56	\$ -	\$ -	\$ -
<b>Total Cash Receipts</b>	<u>7,920.56</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures and Transfers				
Subject to Budget				
General Government				
Commodities	579.00	-	\$ -	\$ -
Capital Outlay	8,465.88	-	-	-
Residual Transfer to				
General Fund	<u>-</u>	<u>5,802.90</u>	<u>5,900.00</u>	<u>(97.10)</u>
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>9,044.88</u>	<u>5,802.90</u>	<u>\$ 5,900.00</u>	<u>\$ (97.10)</u>
Receipts Over(Under) Expenditures	(1,124.32)	(5,802.90)		
Unencumbered Cash, Beginning	<u>6,927.22</u>	<u>5,802.90</u>		
Unencumbered Cash, Ending	<u>\$ 5,802.90</u>	<u>\$ -</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**DRUG SEIZURE 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				
Taxes and Shared Revenue				
Property Seizure	\$ 9,289.45	\$ 2,790.34	\$ 3,500.00	\$ (709.66)
Use of Money and Property				
Interest Income	303.33	120.26	300.00	(179.74)
Other Revenues				
Miscellaneous	36.00	-	-	-
<b>Total Cash Receipts</b>	<u>9,628.78</u>	<u>2,910.60</u>	<u>\$ 3,800.00</u>	<u>\$ (889.40)</u>
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	-	-	\$ 15,500.00	\$ (15,500.00)
Commodities	4,429.72	12,109.24	3,000.00	9,109.24
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>4,429.72</u>	<u>12,109.24</u>	<u>\$ 18,500.00</u>	<u>\$ (6,390.76)</u>
Receipts Over(Under) Expenditures	5,199.06	(9,198.64)		
Unencumbered Cash, Beginning	<u>18,436.01</u>	<u>23,635.07</u>		
Unencumbered Cash, Ending	<u>\$ 23,635.07</u>	<u>\$ 14,436.43</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**ECONOMIC DEVELOPMENT SALES TAX 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				
Sales Tax	\$ 362,853.67	\$ 382,207.59	\$ 380,000.00	\$ 2,207.59
Intergovernmental				
Federal Grant - USDA	44,166.00	-	-	-
Use of Money and Property				
Rent	43,914.12	40,800.00	-	40,800.00
Notes Receivable				
Principal Payments - E Cubator	2,709.17	7,982.34	94,100.00	(86,117.66)
Interest Income - E Cubator	111.34	94.65	-	94.65
Principal Payments - Econ Dev.	16,005.97	15,333.23	-	15,333.23
Interest Income - Econ Dev.	4,865.93	5,423.00	-	5,423.00
Principal Payments - Rural Dev.	35,718.80	44,711.76	15,000.00	29,711.76
Interest Income - Rural Dev.	6,655.85	6,787.15	-	6,787.15
Principal Payment - FHLB	1,249.65	3,602.40	-	3,602.40
Interest Payment - FHLB	46.80	44.62	-	44.62
Other Revenues				
Miscellaneous	922.12	248.27	-	248.27
Reimbursed Expense	571.00	4,900.00	-	4,900.00
Operating Transfers from				
Community Revitalization and Development Fund	10,000.00	-	-	-
<b>Total Cash Receipts</b>	<u>529,790.42</u>	<u>512,135.01</u>	<u>\$ 489,100.00</u>	<u>\$ 23,035.01</u>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Capital Improvements				
Personal Services	69,888.65	84,943.37	\$ 90,950.00	\$ (6,006.63)
Contractual Services	287,645.91	215,296.45	288,307.00	(73,010.55)

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**ECONOMIC DEVELOPMENT SALES TAX 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)				
Commodities	\$ 236.13	\$ 830.50	\$ -	\$ 830.50
Capital Outlay	645,250.94	47,926.00	88,000.00	(40,074.00)
Debt Service				
Principal	-	21,668.00	-	21,668.00
Operating Transfers to:				
Tourism Fund	50,000.00	50,000.00	50,000.00	-
FCIP Project Fund	32,273.00	51,978.83	58,621.00	(6,642.17)
Total Certified Budget			575,878.00	(103,234.85)
Adjustments for Qualifying				
Budget Credits			4,900.00	(4,900.00)
Total Expenditures and Transfers				
Subject to Budget	1,085,294.63	472,643.15	\$ 580,778.00	\$ (108,134.85)
Receipts Over(Under) Expenditures	(555,504.21)	39,491.86		
Unencumbered Cash, Beginning	829,879.93	274,375.72		
Unencumbered Cash, Ending	\$ 274,375.72	\$ 313,867.58		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**PARK FACILITIES SALES TAX 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				
Sales Tax	\$ 201,585.40	\$ 212,337.57	\$ 215,000.00	\$ (2,662.43)
Intergovernmental				
KDOT Grant - Frisco Trail	275,279.98	236,367.90	-	236,367.90
Other Revenues				
Reimbursed Expense	-	600.00	-	600.00
<b>Total Cash Receipts</b>	<u>476,865.38</u>	<u>449,305.47</u>	<u>\$ 215,000.00</u>	<u>\$ 234,305.47</u>
Expenditures and Transfers				
Subject to Budget				
Capital Improvements				
Contractual Services	206,304.99	214,401.65	\$ 184,566.00	\$ 29,835.65
Capital Outlay	251,500.19	39,106.94	215,000.00	(175,893.06)
Total Certified Budget			399,566.00	(146,057.41)
Adjustments for Qualifying				
Budget Credits			236,367.90	(236,367.90)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>457,805.18</u>	<u>253,508.59</u>	<u>\$ 635,933.90</u>	<u>\$ (382,425.31)</u>
Receipts Over(Under) Expenditures	19,060.20	195,796.88		
Unencumbered Cash, Beginning	<u>151,628.70</u>	<u>170,688.90</u>		
Unencumbered Cash, Ending	<u>\$ 170,688.90</u>	<u>\$ 366,485.78</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**STREET SALES TAX 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				
Sales Tax	\$ 241,902.43	\$ 254,805.08	\$ 245,000.00	\$ 9,805.08
Total Cash Receipts	<u>241,902.43</u>	<u>254,805.08</u>	<u>\$ 245,000.00</u>	<u>\$ 9,805.08</u>
Expenditures and Transfers				
Subject to Budget				
Capital Improvements				
Capital Outlay	<u>194,095.81</u>	<u>209,658.37</u>	<u>\$ 575,211.00</u>	<u>\$ (365,552.63)</u>
Total Expenditures and Transfers				
Subject to Budget	<u>194,095.81</u>	<u>209,658.37</u>	<u>\$ 575,211.00</u>	<u>\$ (365,552.63)</u>
Receipts Over(Under) Expenditures	47,806.62	45,146.71		
Unencumbered Cash, Beginning	<u>200,995.05</u>	<u>248,801.67</u>		
Unencumbered Cash, Ending	<u>\$ 248,801.67</u>	<u>\$ 293,948.38</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**UNION PACIFIC PROCEEDS 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				
Use of Money and Property				
Interest Income	\$ 16,357.46	\$ 7,883.92	\$ 15,500.00	\$ (7,616.08)
Notes Receivable				
Principal Payments	-	7,219.89	7,220.00	(0.11)
Interest Payments	3,333.30	3,981.95	3,982.00	(0.05)
<b>Total Cash Receipts</b>	<u>19,690.76</u>	<u>19,085.76</u>	<u>\$ 26,702.00</u>	<u>\$ (7,616.24)</u>
Expenditures and Transfers				
Subject to Budget				
Capital Improvements				
Contractual Services	156,666.51	67,994.00	\$ 159,412.00	\$ (91,418.00)
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>156,666.51</u>	<u>67,994.00</u>	<u>\$ 159,412.00</u>	<u>\$ (91,418.00)</u>
Receipts Over(Under) Expenditures	(136,975.75)	(48,908.24)		
Unencumbered Cash, Beginning	<u>1,313,876.97</u>	<u>1,176,901.22</u>		
Unencumbered Cash, Ending	<u>\$ 1,176,901.22</u>	<u>\$ 1,127,992.98</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**NEIGHBORHOOD REVITALIZATION 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				
Use of Money and Property				
Interest Income	\$ 347.59	\$ -	\$ -	\$ -
Total Cash Receipts	<u>347.59</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures and Transfers				
Subject to Budget				
Operating Transfers to				
Community Revitalization and				
Development Fund	72,171.16	-	\$ -	\$ -
Total Expenditures and Transfers				
Subject to Budget	<u>72,171.16</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	(71,823.57)	-		
Unencumbered Cash, Beginning	<u>71,823.57</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**CARNEGIE BUILDING 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				
Use of Money and Property				
Interest Income	\$ 142.94	\$ 67.31	\$ -	\$ 67.31
Total Cash Receipts	<u>142.94</u>	<u>67.31</u>	<u>\$ -</u>	<u>\$ 67.31</u>
Expenditures and Transfers				
Subject to Budget				
Capital Improvements				
Contractual Services	-	-	\$ -	\$ -
Total Expenditures and Transfers				
Subject to Budget	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	142.94	67.31		
Unencumbered Cash, Beginning	<u>10,210.83</u>	<u>10,353.77</u>		
Unencumbered Cash, Ending	<u>\$ 10,353.77</u>	<u>\$ 10,421.08</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**MUNICIPAL AUDITORIUM 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 2,206.30	\$ 1,069.16
Total Cash Receipts	<u>2,206.30</u>	<u>1,069.16</u>
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	-	6,381.00
Total Expenditures and Transfers	<u>-</u>	<u>6,381.00</u>
Receipts Over(Under) Expenditures	2,206.30	(5,311.84)
Unencumbered Cash, Beginning	<u>157,860.59</u>	<u>160,066.89</u>
Unencumbered Cash, Ending	<u>\$ 160,066.89</u>	<u>\$ 154,755.05</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**PARSONS MUSEUM 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		
Use of Money and Property		
Interest Income	\$ 170.07	\$ 80.27
Other Revenues		
Donations	10,135.75	13,701.81
Total Cash Receipts	<u>10,305.82</u>	<u>13,782.08</u>
Expenditures and Transfers		
Culture and Recreation		
Personal Services	3,746.52	5,510.46
Contractual Services	5,244.59	12,285.39
Commodities	772.49	2,282.60
Total Expenditures and Transfers	<u>9,763.60</u>	<u>20,078.45</u>
Receipts Over(Under) Expenditures	542.22	(6,296.37)
Unencumbered Cash, Beginning	<u>10,092.14</u>	<u>10,634.36</u>
Unencumbered Cash, Ending	<u>\$ 10,634.36</u>	<u>\$ 4,337.99</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**CAPITAL IMPROVEMENTS 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental		
Federal Grants - FAA Grant	\$ 463,585.00	\$ 28,319.00
Foundation Grant - Carnegie	48,201.12	53,458.88
Other Revenues		
Reimbursed Expense	2,725.00	1,000.00
Miscellaneous	3,162.00	-
	517,673.12	82,777.88
 Total Cash Receipts		
Expenditures and Transfers		
General Government		
Contractual Services	512,712.81	189,536.52
	512,712.81	189,536.52
 Total Expenditures and Transfers		
Receipts Over(Under) Expenditures	4,960.31	(106,758.64)
Unencumbered Cash, Beginning	191,917.96	196,878.27
Unencumbered Cash, Ending	\$ 196,878.27	\$ 90,119.63

**CITY OF PARSONS, KANSAS**  
**MUNICIPAL 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Revenues		
Reimbursed Expense	\$ -	\$ 16,042.81
Total Cash Receipts	-	16,042.81
Expenditures and Transfers		
Capital Projects		
Capital Outlay	-	-
Total Expenditures and Transfers	-	-
Receipts Over(Under) Expenditures	-	16,042.81
Unencumbered Cash, Beginning	1,026.37	1,026.37
Unencumbered Cash, Ending	\$ 1,026.37	\$ 17,069.18

**CITY OF PARSONS, KANSAS**  
**COMMUNITY ORGANIZATIONS 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</u> <u>Year</u> <u>Actual</u>	<u>Current</u> <u>Year</u> <u>Actual</u>
Cash Receipts		
Other Revenues		
Donations	\$ 1,238.75	\$ 1,111.00
Total Cash Receipts	<u>1,238.75</u>	<u>1,111.00</u>
Expenditures and Transfers		
Culture and Recreation		
Contractual Services	<u>210.56</u>	<u>-</u>
Total Expenditures and Transfers	<u>210.56</u>	<u>-</u>
Receipts Over(Under) Expenditures	1,028.19	1,111.00
Unencumbered Cash, Beginning	<u>2,940.01</u>	<u>3,968.20</u>
Unencumbered Cash, Ending	<u>\$ 3,968.20</u>	<u>\$ 5,079.20</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**COMMUNITY REVITALIZATION AND DEVELOPMENT 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 Revenue			
Neighborhood Tax Distribution	\$ 13,569.71		\$ 4,148.28
Use of Money and Property			
Interest Income	4,214.45		1,533.00
Notes Receivable			
Principal Payments	753.48		889.59
Interest Income	131.52		130.41
Sale of Fixed Assets	355.00		500.00
Other Revenues			
Miscellaneous	3,841.73		3,000.00
Reimbursed Expense	-		3,773.55
Operating Transfers from Neighborhood Revitalization Fund			
	72,171.16		-
<b>Total Cash Receipts</b>	<b>95,037.05</b>		<b>13,974.83</b>
Expenditures and Transfers			
Community Development			
Personal Services	45,103.04		43,757.56
Contractual Services	22,953.67		37,640.92
Capital Outlay	70,532.00		116,437.72
Operating Transfers to Economic Development Sales Tax Fund			
	10,000.00		-
<b>Total Expenditures and Transfers</b>	<b>148,588.71</b>		<b>197,836.20</b>
Receipts Over(Under) Expenditures	(53,551.66)		(183,861.37)
Unencumbered Cash, Beginning	309,119.58		255,567.92
Unencumbered Cash, Ending	\$ 255,567.92		\$ 71,706.55

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**FEMA 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		
Intergovernmental		
Federal Grant - FEMA	\$ 93,054.32	\$ 117,462.98
State Grant - FEMA	12,407.24	15,661.73
Other Revenues		
Reimbursed Expense	2,808.75	-
<b>Total Cash Receipts</b>	<b>108,270.31</b>	<b>133,124.71</b>
Expenditures and Transfers		
Community Development		
Contractual Services	1,410.04	582.54
Capital Outlay	270,798.73	254,253.46
Operating Transfers to:		
General Fund	4,112.56	-
Water Utility Fund	33,662.26	-
Sewer Utility Fund	4,978.84	-
<b>Total Expenditures and Transfers</b>	<b>314,962.43</b>	<b>254,836.00</b>
Receipts Over(Under) Expenditures	(206,692.12)	(121,711.29)
Unencumbered Cash, Beginning	198,940.07	(7,752.05)
Unencumbered Cash, Ending	<u>\$ (7,752.05)</u>	<u>\$ (129,463.34)</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**WASTEWATER TREATMENT PLANT 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		
Use of Money and Property		
Revolving Loan Proceeds	\$ 122,361.00	\$ -
Total Cash Receipts	122,361.00	-
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	4,013.76	-
Total Expenditures and Transfers	4,013.76	-
Receipts Over(Under) Expenditures	118,347.24	-
Unencumbered Cash, Beginning	(118,347.24)	-
Unencumbered Cash, Ending	\$ -	\$ -

**CITY OF PARSONS, KANSAS**  
**FCIP PROJECT 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		
Use of Money and Property		
Interest Income	\$ 82.26	\$ 35.33
Other Revenue		
Reimbursed Expense	155,379.00	-
Operating Transfers From:		
General Fund	124,163.00	271,483.74
Economic Development		
Sales Tax Fund	32,273.00	51,978.83
Water Utility Fund	121,005.00	168,412.30
Sewer Utility Fund	41,396.00	57,649.59
Utility Service Fund	81,770.00	-
<b>Total Cash Receipts</b>	<b>556,068.26</b>	<b>549,559.79</b>
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	333,182.56	-
Debt Service		
Principal	355,000.00	375,000.00
Interest	300,986.26	284,361.26
<b>Total Expenditures and Transfers</b>	<b>989,168.82</b>	<b>659,361.26</b>
Receipts Over(Under) Expenditures	(433,100.56)	(109,801.47)
Unencumbered Cash, Beginning	745,775.56	312,675.00
Unencumbered Cash, Ending	<b>\$ 312,675.00</b>	<b>\$ 202,873.53</b>

See accompanying independent auditors' report

**CITY OF PARSONS, 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>				
Charges for Services				
Water Receipts	\$ 2,663,839.38	\$ 2,681,806.20	\$ 2,680,466.00	\$ 1,340.20
Use of Money and Property				
Rental and Farm Income	39,714.15	17,077.60	1,500.00	15,577.60
Interest Income	25,168.51	12,974.53	15,000.00	(2,025.47)
Other Revenues				
Miscellaneous	22,953.95	30,474.18	-	30,474.18
Reimbursed Expenses	17,438.99	9,422.42	77,500.00	(68,077.58)
Permits and Fees	11,337.00	10,179.50	-	10,179.50
State Sales Tax	37,777.36	40,960.10	-	40,960.10
Operating Transfers from FEMA Fund				
	33,662.26	-	-	-
<b>Total Cash Receipts</b>	<u>2,851,891.60</u>	<u>2,802,894.53</u>	<u>\$ 2,774,466.00</u>	<u>\$ 28,428.53</u>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Treatment				
Personal Services	232,226.65	231,662.16	\$ 251,450.00	\$ (19,787.84)
Contractual Services	159,960.30	179,157.44	190,850.00	(11,692.56)
Commodities	188,641.43	197,282.00	226,050.00	(28,768.00)
Capital Outlay	8,837.88	61,681.00	99,500.00	(37,819.00)
Distribution				
Personal Services	173,982.97	176,674.74	197,619.00	(20,944.26)
Contractual Services	30,702.93	38,783.79	36,300.00	2,483.79
Commodities	166,765.47	157,623.78	138,050.00	19,573.78
Capital Outlay	205,256.89	64,886.03	1,031,020.00	(966,133.97)
Administration				
Personal Services	215,674.93	201,218.99	211,505.00	(10,286.01)
Contractual Services	150,895.35	129,727.74	141,700.00	(11,972.26)
Commodities	12,526.11	17,019.97	14,000.00	3,019.97
Capital Outlay	-	4,099.40	5,000.00	(900.60)

See accompanying independent auditors' report

**CITY OF PARSONS, 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	
Expenditures and Transfers Subject to Budget (Continued)				
Lake				
Personal Services	\$ 85,623.03	\$ 87,339.84	\$ 92,825.00	\$ (5,485.16)
Contractual Services	23,233.38	63,834.25	27,900.00	35,934.25
Commodities	19,115.84	20,594.40	15,600.00	4,994.40
Debt Service				
Principal	447,272.88	465,568.11	838,115.00	(372,546.89)
Interest	390,841.66	372,546.43	-	372,546.43
Operating Transfers to FCIP Project Fund	121,005.00	168,412.30	190,000.00	(21,587.70)
Total Certified Budget			3,707,484.00	(1,069,371.63)
Adjustments for Qualifying Budget Credits			9,422.42	(9,422.42)
Total Expenditures and Transfers Subject to Budget	<u>2,632,562.70</u>	<u>2,638,112.37</u>	<u>\$ 3,716,906.42</u>	<u>\$ (1,078,794.05)</u>
Receipts Over(Under) Expenditures	219,328.90	164,782.16		
Unencumbered Cash, Beginning	<u>1,834,220.05</u>	<u>2,053,548.95</u>		
Unencumbered Cash, Ending	<u>\$ 2,053,548.95</u>	<u>\$ 2,218,331.11</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**CIP WATER 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Revenues		
Reimbursed Expense	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	135,583.79	21,345.00
Total Expenditures and Transfers	135,583.79	21,345.00
Receipts Over(Under) Expenditures	(135,583.79)	(21,345.00)
Unencumbered Cash, Beginning	91,559.35	(44,024.44)
Unencumbered Cash, Ending	\$ (44,024.44)	\$ (65,369.44)

See accompanying independent auditors' report

**CITY OF PARSONS, 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>				
Intergovernmental				
CDBG Grant	\$ 4,500.00	\$ -	\$ -	\$ -
Charges for Services				
Wastewater Receipts	1,607,580.34	1,648,523.84	1,639,941.00	8,582.84
Use of Money and Property				
Interest Income	4,658.71	2,526.92	-	2,526.92
Other Revenues				
Miscellaneous	4,820.58	11,548.79	-	11,548.79
Reimbursed Expenses	1,418.68	15,525.50	-	15,525.50
Operating Transfers from				
FEMA Fund	4,978.84	-	-	-
<b>Total Cash Receipts</b>	<u>1,627,957.15</u>	<u>1,678,125.05</u>	<u>\$ 1,639,941.00</u>	<u>\$ 38,184.05</u>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Treatment				
Personal Services	218,091.84	222,066.10	\$ 248,016.00	\$ (25,949.90)
Contractual Services	222,775.83	220,823.45	223,850.00	(3,026.55)
Commodities	22,664.51	34,268.09	30,650.00	3,618.09
Capital Outlay	37,391.71	32,781.02	53,000.00	(20,218.98)
Collections				
Personal Services	143,648.89	120,434.83	152,130.00	(31,695.17)
Contractual Services	9,557.15	21,239.17	28,000.00	(6,760.83)
Commodities	50,790.64	83,619.98	91,856.00	(8,236.02)
Capital Outlay	15,891.30	26,853.51	129,000.00	(102,146.49)
Administration				
Personal Services	184,490.09	154,100.94	166,634.00	(12,533.06)
Contractual Services	45,295.29	41,207.30	34,450.00	6,757.30
Commodities	900.43	777.83	1,600.00	(822.17)

See accompanying independent auditors' report

**CITY OF PARSONS, 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	
Expenditures and Transfers Subject to Budget (Continued)				
Debt Service				
Principal	\$ 363,673.56	\$ 463,160.78	\$ 710,887.00	\$ (247,726.22)
Interest	190,120.50	180,715.24	-	180,715.24
Operating Transfers to:				
FCIP Project Fund	41,396.00	57,649.59	-	57,649.59
COPC CIP Sewer Reserve Fund	-	-	10,000.00	(10,000.00)
Total Certified Budget			1,880,073.00	(220,375.17)
Adjustments for Qualifying Budget Credits			15,525.50	(15,525.50)
Total Expenditures and Transfers Subject to Budget	<u>1,546,687.74</u>	<u>1,659,697.83</u>	<u>\$ 1,895,598.50</u>	<u>\$ (235,900.67)</u>
Receipts Over(Under) Expenditures	81,269.41	18,427.22		
Unencumbered Cash, Beginning	<u>288,972.86</u>	<u>370,242.27</u>		
Unencumbered Cash, Ending	<u>\$ 370,242.27</u>	<u>\$ 388,669.49</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**COPC CIP SEWER 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental		
Federal Grants - CDBG	\$ 52,807.00	\$ 304,194.00
Use of Money and Property		
Revolving Loan Proceeds	191,489.87	-
Total Cash Receipts	<u>244,296.87</u>	<u>304,194.00</u>
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	142,665.38	366,694.34
Total Expenditures and Transfers	<u>142,665.38</u>	<u>366,694.34</u>
Receipts Over(Under) Expenditures	101,631.49	(62,500.34)
Unencumbered Cash, Beginning	<u>(82,033.65)</u>	<u>19,597.84</u>
Unencumbered Cash, Ending	<u>\$ 19,597.84</u>	<u>\$ (42,902.50)</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**SANITATION 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>				
Charges for Services				
Sanitation Fees	\$ 1,008,168.50	\$ 998,628.06	\$ 1,020,490.00	\$ (21,861.94)
Polycart Rentals	49,653.82	51,975.90	47,800.00	4,175.90
Polycart Sales	-	1,118.25	-	1,118.25
Use of Money and Property				
Interest Income	7,316.49	4,291.01	5,000.00	(708.99)
Royalties	-	6,766.80	-	6,766.80
Other Revenues				
Donations	-	3,193.26	-	3,193.26
Miscellaneous	7,565.00	5,539.25	2,500.00	3,039.25
State Sales Tax	4,004.05	4,575.71	3,500.00	1,075.71
Reimbursed Expenses	7,222.47	3,807.84	1,500.00	2,307.84
<b>Total Cash Receipts</b>	<u>1,083,930.33</u>	<u>1,079,896.08</u>	<u>\$ 1,080,790.00</u>	<u>\$ (893.92)</u>
<b>Expenditures and Transfers</b>				
Subject to Budget				
General Utility Services				
Personal Services	443,824.98	453,188.30	\$ 511,733.00	\$ (58,544.70)
Contractual Services	359,709.71	359,271.24	425,600.00	(66,328.76)
Commodities	86,900.59	119,428.77	132,000.00	(12,571.23)
Capital Outlay	47,807.54	5,540.07	163,774.00	(158,233.93)
Debt Service				
Principal	9,414.85	-	-	-
Interest	540.40	-	-	-
<b>Total Expenditures and Transfers</b>				
Subject to Budget	<u>948,198.07</u>	<u>937,428.38</u>	<u>\$ 1,233,107.00</u>	<u>\$ (295,678.62)</u>
Receipts Over(Under) Expenditures	135,732.26	142,467.70		
Unencumbered Cash, Beginning	<u>413,416.39</u>	<u>549,148.65</u>		
Unencumbered Cash, Ending	<u>\$ 549,148.65</u>	<u>\$ 691,616.35</u>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**STORMWATER 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				
Charges for Services				
Stormwater Receipts	\$ 155,345.31	\$ 155,009.66	\$ 156,000.00	\$ (990.34)
Use of Money and Property				
Interest Income	2,084.81	1,629.63	200.00	1,429.63
<b>Total Cash Receipts</b>	<b>157,430.12</b>	<b>156,639.29</b>	<b>\$ 156,200.00</b>	<b>\$ 439.29</b>
Expenditures and Transfers				
Subject to Budget				
General Utility Services				
Personal Services	-	-	\$ 30,000.00	\$ (30,000.00)
Contractual Services	10,710.00	300.00	5,000.00	(4,700.00)
Commodities	1,320.22	21,437.20	10,000.00	11,437.20
Capital Outlay	18,424.23	42,339.07	144,700.00	(102,360.93)
Debt Service				
Principal	11,231.50	15,534.87	-	15,534.87
Interest	1,472.66	1,404.01	-	1,404.01
<b>Total Expenditures and Transfers</b>				
Subject to Budget	43,158.61	81,015.15	\$ 189,700.00	\$ (108,684.85)
Receipts Over(Under) Expenditures	114,271.51	75,624.14		
Unencumbered Cash, Beginning	73,157.15	187,428.66		
Unencumbered Cash, Ending	<b>\$ 187,428.66</b>	<b>\$ 263,052.80</b>		

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**UTILITY 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Sale of Equipment and Property	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	26,514.30	-
Debt Service		
Principal	41,087.90	-
Interest	3,953.08	-
Total Expenditures and Transfers	71,555.28	-
Receipts Over(Under) Expenditures	(71,555.28)	-
Unencumbered Cash, Beginning	88,888.49	17,333.21
Unencumbered Cash, Ending	<u>\$ 17,333.21</u>	<u>\$ 17,333.21</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**EQUIPMENT MAINTENANCE 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		
Charges for Services		
Maintenance Internal Charges	\$ 155,014.74	\$ 122,261.20
Total Cash Receipts	<u>155,014.74</u>	<u>122,261.20</u>
Expenditures and Transfers		
General Government		
Personal Services	107,751.76	73,792.35
Contractual Services	54,945.08	35,354.52
Commodities	<u>15,387.01</u>	<u>13,734.09</u>
Total Expenditures and Transfers	<u>178,083.85</u>	<u>122,880.96</u>
Receipts Over(Under) Expenditures	(23,069.11)	(619.76)
Unencumbered Cash, Beginning	<u>23,811.72</u>	<u>742.61</u>
Unencumbered Cash, Ending	<u>\$ 742.61</u>	<u>\$ 122.85</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**HEALTH INSURANCE 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Charges for Services		
Employer Internal Charges	\$ 865,587.26	\$ 795,304.34
Use of Money and Property		
Interest Income	10,798.02	4,622.51
Other Revenues		
Flexible Spending	41,229.18	12,586.50
Miscellaneous	-	7,679.06
Reimbursed Expense	18,674.58	23,172.41
<b>Total Cash Receipts</b>	<b>936,289.04</b>	<b>843,364.82</b>
Expenditures and Transfers		
General Government		
Personal Services	-	35,732.60
Contractual Services	865,955.15	933,707.42
<b>Total Expenditures and Transfers</b>	<b>865,955.15</b>	<b>969,440.02</b>
Receipts Over(Under) Expenditures	70,333.89	(126,075.20)
Unencumbered Cash, Beginning	788,511.15	858,845.04
Unencumbered Cash, Ending	<u>\$ 858,845.04</u>	<u>\$ 732,769.84</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**D.V. REED TRUST 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		
Use of Money and Property		
Interest Income	\$ 35.81	\$ 13.00
Other Revenues		
Donations	11,521.84	9,373.64
Total Cash Receipts	<u>11,557.65</u>	<u>9,386.64</u>
Expenditures and Transfers		
Culture and Recreation		
Contractual Services	15,542.00	8,554.00
Total Expenditures and Transfers	<u>15,542.00</u>	<u>8,554.00</u>
Receipts Over(Under) Expenditures	(3,984.35)	832.64
Unencumbered Cash, Beginning	<u>4,617.36</u>	<u>633.01</u>
Unencumbered Cash, Ending	<u>\$ 633.01</u>	<u>\$ 1,465.65</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**OAKWOOD CEMETERY PERPETUAL CARE 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		
Other Revenues		
Donations	\$ 2,942.50	\$ 4,560.00
Total Cash Receipts	2,942.50	4,560.00
Expenditures and Transfers		
Perpetual Care		
Capital Outlay	-	30,530.00
Total Expenditures and Transfers	-	30,530.00
Receipts Over(Under) Expenditures	2,942.50	(25,970.00)
Unencumbered Cash, Beginning	112,473.28	115,415.78
Unencumbered Cash, Ending	\$ 115,415.78	\$ 89,445.78

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**AGENCY FUNDS**

Schedule of Cash Receipts and Cash Disbursements  
For the Year Ended December 31, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Fire Insurance Proceeds	\$ 31,620.00	\$ 35,038.71	\$ 59,038.71	\$ 7,620.00
Farm History Center	22,271.50	15,466.39	11,758.60	25,979.29
Arts and Humanities Board	5,434.60	2,436.84	2,105.50	5,765.94
Tree Board	2,168.13	580.00	1,819.58	928.55
Senior Center Board	70,555.54	13,346.24	5,411.80	78,489.98
Operations Bright Touch	3,569.02	2,456.00	3,277.60	2,747.42
Memorials/Donations	627.36	45,352.19	42,046.91	3,932.64
Grants	3,831.19	28,535.87	34,284.57	(1,917.51)
	<u>\$ 140,077.34</u>	<u>\$ 143,212.24</u>	<u>\$ 159,743.27</u>	<u>\$ 123,546.31</u>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**PARSONS PUBLIC LIBRARY**

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
<b>Cash Receipts</b>		
Taxes and Shared Revenue		
SEK Library Association	\$ 13,191.00	\$ 13,742.00
City of Parsons - Appropriations	281,890.00	256,550.00
City of Parsons - Employee Benefits	65,505.00	62,385.00
State Aid	6,215.00	5,404.00
Use of Money and Property		
Interest Income	17,576.00	1,590.92
Realized Loss on Investments	-	(78,412.34)
Sale of Assets	442.26	46.15
Other Receipts		
Fines and Fees	9,441.53	10,370.80
Grants	8,480.77	4,313.24
Gifts and Donations	5,993.61	3,403.06
Miscellaneous	4,707.85	2,956.90
<b>Total Cash Receipts</b>	<b>413,443.02</b>	<b>282,349.73</b>
<b>Expenditures and Transfers</b>		
Culture and Recreation		
Personal Services	279,533.50	265,850.85
Contractual Services	15,903.65	17,480.57
Commodities	67,879.20	74,069.30
Capital Outlay	10,611.69	6,425.71
<b>Total Expenditures and Transfers</b>	<b>373,928.04</b>	<b>363,826.43</b>
Receipts Over(Under) Expenditures	39,514.98	(81,476.70)
Unencumbered Cash, Beginning	1,110,690.03	1,150,205.01
Unencumbered Cash, Ending	<b>\$ 1,150,205.01</b>	<b>\$ 1,068,728.31</b>

See accompanying independent auditors' report

**CITY OF PARSONS, KANSAS**  
**PARSONS HOUSING AUTHORITY**

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 Revenue		
Federal Grant Income	\$ 341,128.00	\$ 347,024.00
Use of Money and Property		
Interest Income	2,319.00	1,442.00
Rental Income	320,595.00	303,161.00
Other Receipts		
Miscellaneous	35,987.00	39,461.00
<b>Total Cash Receipts</b>	<b>700,029.00</b>	<b>691,088.00</b>
Expenditures and Transfers		
Culture and Recreation		
Administrative	166,079.00	180,050.00
Tenant Services	5,005.00	2,295.00
Utilities	139,295.00	134,773.00
Maintenance and Operations	176,854.00	188,674.00
Protective Services	7,130.00	2,324.00
Insurance, Taxes, and Collection Losses	57,146.00	57,685.00
Interest Expense	14,998.00	14,115.00
Extraordinary Maintenance	778.00	15,887.00
Capital Outlay	108,119.00	158,243.00
Debt Service	20,381.00	21,264.00
<b>Total Expenditures and Transfers</b>	<b>695,785.00</b>	<b>775,310.00</b>
Receipts Over(Under) Expenditures	4,244.00	(84,222.00)
Unencumbered Cash, Beginning	324,338.00	328,582.00
Unencumbered Cash, Ending	<b>\$ 328,582.00</b>	<b>\$ 244,360.00</b>

## **FEDERAL COMPLIANCE SECTION**

**CITY OF PARSONS, KANSAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Federal Receipts	Federal Expenditures
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
Edward Byrne Memorial Formula Grant Program	N/A	16.579	\$ 3,881.32	\$ 3,881.32
Total U.S. Department of Justice			3,881.32	3,881.32
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through the Kansas Housing Resources Corporation				
Home Investment Partnership Program	HR09-0153	14.239	-	-
Passed through the Kansas Department of Commerce				
Community Development Block Grant	10-PF-048	14.218 (M)	304,194.00	355,087.00
Total U.S. Department of Housing and Urban Development			304,194.00	355,087.00
<b><u>U.S. Department of Transportation</u></b>				
Direct Programs:				
Airport Improvement Program 3-20-0067-08-2011	N/A	20.106	28,319.00	33,553.00
Passed through the Kansas Department of Transportation				
Click Step Special Program	SP-1300-11	20.600	954.25	954.25
Surface Transportation Project - ARRA	TE-0279-01	20.605	295,459.88	111,494.12
Total U.S. Department of Transportation			324,733.13	146,001.37
<b><u>U.S. Department of Energy</u></b>				
Passed through the Kansas Corporation Commission				
Energy Efficiency and Conservation Block Grant - ARRA	DE-FOA-0000013	81.128	22,333.19	22,333.19
Total U.S. Department of Energy			22,333.19	22,333.19

**CITY OF PARSONS, KANSAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Federal Receipts	Federal Expenditures
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through Southeast Regional Homeland Security Council	NONE	97.073	\$ 10,124.00	\$ 10,124.00
State Homeland Security Program - Noncash				
Passed through the Kansas Division of Emergency Management				
Public Disaster Assistance	FEMA-1849-DR-KS	97.036	117,462.98	117,462.98
Warning Siren Project	HM-1741-0035	97.039	24,654.55	24,654.55
Total U.S. Department of Homeland Security			152,241.53	152,241.53
<b><u>National Endowment for the Arts</u></b>				
Passed through Kansas Arts Commission				
Promotion of the Arts Partnership Program	11-55	45.025	954.25	954.25
Total National Endowment for the Arts			954.25	954.25
Total Expenditures of Federal Awards			\$ 808,337.42	\$ 680,498.66

NOTE A -- BASIS OF PRESENTATION

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

(M) = Major Program

See accompanying independent auditors' report

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

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

Honorable Mayor and City Commissioners  
City of Parsons, Kansas

We have audited the financial statements of the City of Parsons, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the City of Parsons, Kansas' basic financial statements and have issued our report thereon dated May 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Parsons, Kansas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Parsons, Kansas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Parsons, Kansas' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, City Commission, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Jarred, Gilmore & Phillips, PA*

JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

May 7, 2012  
Chanute, Kansas

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and City Commissioners  
City of Parsons, Kansas

Compliance

We have audited City of Parsons, Kansas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of City of Parsons, Kansas' major federal programs for the year ended December 31, 2011. City of Parsons, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Parsons, Kansas' management. Our responsibility is to express an opinion on City of Parsons, Kansas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Parsons, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Parsons, Kansas' compliance with those requirements.

In our opinion, City of Parsons, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

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

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

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

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

May 7, 2012  
Chanute, Kansas

**CITY OF PARSONS, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2011

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

The auditors' report expresses a qualified opinion on the financial statements of City of Parsons, Kansas.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified that are not considered to be a material weakness?	_____	Yes	<u>  X  </u>	No
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u>  X  </u>	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	<u>  X  </u>	No

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

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

Identification of major programs:

**U.S. Department of Housing and Urban Development**

Community Development Block Grant – CFDA No. 14.228

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

Auditee qualified as a low risk auditee?	<u>  X  </u>	Yes	_____	No
--	--------------	-----	-------	----

**II. FINDINGS – FINANCIAL STATEMENT AUDIT**

NONE

**III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

NONE

**CITY OF PARSONS, KANSAS**

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2011

---

---

December 31, 2010:

No Findings in the Prior Year Audit