

CITY OF ROLLA, KANSAS
Rolla, Kansas

FINANCIAL STATEMENTS
For the year ended December 31, 2011

CITY OF ROLLA, KANSAS

FINANCIAL STATEMENTS
For the year ended December 31, 2011

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CITY OF ROLLA, KANSAS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Rolla, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Rolla, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of Rolla, Kansas' management. Our responsibility is to express an opinion on the financial statement based on our audit.

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

As described more fully in Note 1, the City of Rolla, 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 Rolla, 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 to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Rolla, 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.

To the City Council
City of Rolla, Kansas

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Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

Hay•Rice & Associates, Chartered

June 8, 2012

CITY OF ROLLA, KANSAS

Statement 1

STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
 For the year ended December 31, 2011

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Outstanding</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Governmental Type Fund:						
General Fund	\$ 52,131	\$ 283,808	\$293,918	\$ 42,021	\$ 6,377	\$ 48,398
Special Revenue Funds:						
Special Highway Fund	5,834	11,386	6,334	10,886	-	10,886
Equipment Reserve Fund	45,056	10,000	12,485	42,571	-	42,571
Capital Improvement Fund	26,820	10,000	18,620	18,200	-	18,200
Debt Service Fund:						
Bond and Interest Fund	4,028	25,813	26,816	3,025	-	3,025
Capital Project Fund:						
Swimming Pool Project Fund	-	545,054	145,276	399,778	114,750	514,528
Proprietary Type Fund:						
Enterprise Fund:						
Water Utilities Fund	<u>43,298</u>	<u>196,566</u>	<u>190,435</u>	<u>49,429</u>	<u>3,213</u>	<u>52,642</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$177,167</u>	<u>\$1,082,627</u>	<u>\$693,884</u>	<u>\$565,910</u>	<u>\$124,340</u>	<u>\$690,250</u>

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

CITY OF ROLLA, KANSAS

Statement 1
(Continued)

STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the year ended December 31, 2011

Ending Cash Balance		<u>\$690,250</u>
Composition of Cash:		
Cash on hand with City Clerk	\$ 300	
Cash in Bank:		
Checking account – FNB – Petty cash	150	
Checking account – FNB	546,481	
Savings account – FNB	11,824	
Certificates of Deposit:		
First National Bank	<u>131,743</u>	
Total Cash		\$690,498
Agency Funds per Statement 4		<u>(248)</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$690,250</u>

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

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The City of Rolla is a municipal corporation governed by an elected six member council. These financial statements present the City of Rolla (the primary government). A component unit is defined as an entity legally separate from the City, which has a significant dependence on, or relationship with the City. Based upon the criteria used to evaluate potential component units, it was determined there were no component units to present with the primary government's financial statements.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the City for the year of 2011:

Governmental Funds:

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

Special Revenue Funds – to account for the proceeds of specific cash revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purpose.

Capital Project Funds – to account for cash resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).

Debt Service Funds – to account for the accumulation of cash resources for, and the payment of, interest and principal on general long-term debt which are general obligations of the City.

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Proprietary Funds:

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

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as trustee or agent for others.

Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, 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.

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

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Departure from Generally Accepted Accounting Principles

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

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Deposits are carried at cost.

In accordance with K.S.A. 9-1402 and K.S.A. 12-1675, the City of Rolla, Kansas deposited and/or invested all funds with the First National Bank of Elkhart.

State statutes and local bond ordinances authorize the City to invest in obligations of the U. S. Treasury and certificates of deposit at local financial institutions.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Note 2: Budgetary Information and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 2: Budgetary Information and Tax Cycle (Continued)

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

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

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, fiduciary type funds and non-operating enterprise 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.

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 2: Budgetary Information and Tax Cycle (Continued)

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by Morton County.

Taxes levied to finance the budget are made available to the City of Rolla, Kansas after the first of the year and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed annually.

Note 3: Defined Benefit Pension Plan

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

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for calendar year 2011 is 6.74%. The City of Rolla, Kansas' contribution to KPERS for the years ending December 31, 2009, 2010 and 2011 were \$16,823, \$16,099 and \$19,610, respectively, equal to the statutory required contributions for each year.

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 4: Sick, Vacation and Personal Leave

All full-time regular employees are to accrue vacation and personal leave as follows:

1-4 Years of service – 10 Vacation days and 2 personal days

5-9 Years of service – 17 Vacation days and 3 personal days

10+ Years of service – 22 Vacation days and 4 personal days

Vacation leave is forfeited if not taken within the calendar year.

All full-time regular employees are to accrue sick leave ten sick leave days per year of employment not to exceed 90 days. No employee is to receive monetary remuneration for unused sick leave upon termination of their employment.

Note 5: Compliance with Kansas Statutes

Contrary to the provisions of K.S.A. 10-1117 and K.S.A. 79-2934, the City Clerk did not maintain a formal encumbrance record or an unencumbered budget balance record.

Note 6: Deposits and Investments

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

K.S.A. 12-1675 limits the City of Rolla'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 of Rolla has no investment policy that would further limit its investment choices. The rating of the City of Rolla's investments is noted above.

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 6: Deposits and Investments (Continued)

Concentration of Credit Risk – State statutes place no limit on the amount the City of Rolla 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 of Rolla's deposits may not be returned to it. State statutes require the City of Rolla's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City of Rolla has no "peak periods". All deposits were legally secured at December 31, 2011.

At December 31, 2011 the City of Rolla's carrying amount of deposits, including certificates of deposit, was \$690,198. The bank balance was \$695,872. Of the bank balance, \$695,872 was covered by FDIC insurance.

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

Note 7: Transfers

<u>From</u>	<u>Amount</u>	<u>To</u>	<u>Authority</u>
General Fund	\$ 5,000	Capital Improvements	K.S.A. 12-825d
General Fund	5,000	Equipment Reserve	K.S.A. 12-825d
Utility Fund	5,000	Capital Improvements	K.S.A. 12-825d
Utility Fund	5,000	Equipment Reserve	K.S.A. 12-825d

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 8: Long-Term Debt

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

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:										
Series 2003	2.3%-4.25%	02/03	\$222,000	09/13	\$ 75,000	\$ -	\$ 25,000	\$ (25,000)	\$ 50,000	\$ 3,000
Temporary Notes:										
Series 2008	3.1%-3.75%	11/08	73,000	12/12	38,000	-	19,000	(19,000)	19,000	1,378
Series 2011		11/11	545,000	11/12	-	545,000	-	545,000	545,000	-
KDHE	3.57%	12/07	171,332	08/30	<u>241,578</u>	<u>-</u>	<u>9,114</u>	<u>(9,114)</u>	<u>232,464</u>	<u>8,249</u>
Total Long-Term Debt					<u>\$354,578</u>	<u>\$545,000</u>	<u>\$ 53,114</u>	<u>\$491,886</u>	<u>\$846,464</u>	<u>\$12,627</u>

CITY OF ROLLA, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

(Continued)

Note 8: Long-Term Debt (Continued)

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-2021</u>	<u>2022-2026</u>	<u>2027-2030</u>	<u>Total</u>
Principal:									
General obligation bonds	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Temporary notes	564,000	-	-	-	-	-	-	-	564,000
KDHE	<u>8,733</u>	<u>9,048</u>	<u>9,374</u>	<u>9,711</u>	<u>10,061</u>	<u>56,008</u>	<u>66,848</u>	<u>62,681</u>	<u>232,464</u>
Total principal	<u>\$597,733</u>	<u>\$ 34,048</u>	<u>\$ 9,374</u>	<u>\$ 9,711</u>	<u>\$ 10,061</u>	<u>\$ 56,008</u>	<u>\$ 66,848</u>	<u>\$ 62,681</u>	<u>\$846,464</u>
Interest:									
General obligation bonds	\$ 2,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Temporary notes	7,798	-	-	-	-	-	-	-	7,798
KDHE	<u>8,222</u>	<u>7,907</u>	<u>7,581</u>	<u>7,243</u>	<u>6,894</u>	<u>28,765</u>	<u>17,925</u>	<u>5,139</u>	<u>89,676</u>
Total interest	<u>\$ 18,020</u>	<u>\$ 8,907</u>	<u>\$ 7,581</u>	<u>\$ 7,243</u>	<u>\$ 6,894</u>	<u>\$ 28,765</u>	<u>\$ 17,925</u>	<u>\$ 5,139</u>	<u>\$100,474</u>
Total Principal and Interest	<u>\$615,753</u>	<u>\$ 42,955</u>	<u>\$ 16,955</u>	<u>\$ 16,954</u>	<u>\$ 16,955</u>	<u>\$ 84,773</u>	<u>\$ 84,773</u>	<u>\$ 67,820</u>	<u>\$946,938</u>

CITY OF ROLLA, KANSAS

SUPPLEMENTAL SCHEDULES

CITY OF ROLLA, KANSAS

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)

For the year ended December 31, 2011

<u>Funds</u>	<u>Certified Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavor.)</u>
Governmental Type Fund:			
General Fund	\$316,429	\$293,918	\$ 22,511
Special Revenue Funds:			
Special Highway Fund	13,360	6,334	7,026
Debt Service Fund:			
Bond and Interest Fund	32,000	26,816	5,184
Proprietary Type Funds:			
Enterprise Fund:			
Water Utilities Fund	<u>199,872</u>	<u>190,435</u>	<u>9,437</u>
Totals	<u>\$561,661</u>	<u>\$517,503</u>	<u>\$ 44,158</u>

CITY OF ROLLA, KANSAS

Schedule 2

SCHEDULES OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the year ended December 31, 2011

CITY OF ROLLA, KANSAS

Schedule 2-1

GENERAL FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

<u>Cash Receipts</u>	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
Taxes:				
Ad valorem property tax	\$150,289	\$155,446	\$ (5,157)	\$150,386
Back tax collections	4,655	3,000	1,655	3,167
Motor vehicle tax	19,365	21,352	(1,987)	21,076
Recreation vehicle tax	747	505	242	441
16/20 M tax	414	546	(132)	555
Local sales tax	55,299	48,000	7,299	46,761
Franchise tax	<u>7,920</u>	<u>8,900</u>	<u>(980)</u>	<u>9,466</u>
Total taxes	<u>\$238,689</u>	<u>\$237,749</u>	<u>\$ 940</u>	<u>\$231,852</u>
Intergovernmental:				
Federal government taxes in lieu of	<u>\$ 8,815</u>	<u>\$ 5,000</u>	<u>\$ 3,815</u>	<u>\$ 9,804</u>
Licenses and Permits	<u>\$ 150</u>	<u>\$ 75</u>	<u>\$ 75</u>	<u>\$ 125</u>
Fines, fees and forfeitures	<u>\$ 3,379</u>	<u>\$ 2,000</u>	<u>\$ 1,379</u>	<u>\$ 2,893</u>
Use of Money and Property:				
Interest on time deposits	\$ 1,123	\$ 2,000	\$ (877)	\$ 1,098
Royalties and rents	23,870	19,500	4,370	21,487
Capital credits and dividends	<u>2,392</u>	<u>3,500</u>	<u>(1,108)</u>	<u>4,535</u>
Total use of money and property	<u>\$ 27,385</u>	<u>\$ 25,000</u>	<u>\$ 2,385</u>	<u>\$ 27,120</u>
Miscellaneous:				
Reimbursed expenses	\$ 3,393	\$ 2,500	\$ 893	\$ 3,679
Sale of assets	-	-	-	19,449
Other	<u>1,997</u>	<u>2,500</u>	<u>(503)</u>	<u>2,932</u>
Total miscellaneous	<u>\$ 5,390</u>	<u>\$ 5,000</u>	<u>\$ 390</u>	<u>\$ 26,060</u>
Total cash receipts	<u>\$283,808</u>	<u>\$274,824</u>	<u>\$ 8,984</u>	<u>\$297,854</u>

CITY OF ROLLA, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

<u>Expenditures and Transfers</u>	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Subject to Budget</u>				
Administration:				
Personal services	\$ 70,740	\$ 85,000	\$ 14,260	\$ 81,236
Contractual services	46,186	65,500	19,314	64,556
Commodities	14,383	13,000	(1,383)	16,069
Capital outlay	6,250	1,000	(5,250)	6,060
Donation	<u>2,450</u>	<u>1,500</u>	<u>(950)</u>	<u>1,950</u>
Total general government	<u>\$140,009</u>	<u>\$166,000</u>	<u>\$ 25,991</u>	<u>\$169,871</u>
Public Safety – Police:				
Personal services	\$ 44,966	\$ 36,400	\$ (8,566)	\$ 35,552
Contractual services	2,561	4,000	1,439	2,968
Commodities	<u>4,613</u>	<u>4,000</u>	<u>(613)</u>	<u>3,080</u>
Total public safety – Police	<u>\$ 52,140</u>	<u>\$ 44,400</u>	<u>\$ (7,740)</u>	<u>\$ 41,600</u>
Public Safety – Fire:				
Personal services	\$ 3,600	\$ 3,600	\$ -	\$ 3,600
Contractual services	9,583	9,500	(83)	8,268
Commodities	309	1,000	691	173
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,733</u>
Total public safety – Fire	<u>\$ 13,492</u>	<u>\$ 14,100</u>	<u>\$ 608</u>	<u>\$ 14,774</u>
Highways and Streets:				
Contractual services	\$ 18,663	\$ 14,530	\$ (4,133)	\$ 9,715
Commodities	2,852	11,521	8,669	4,098
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,500</u>
Total highways and streets	<u>\$ 21,515</u>	<u>\$ 26,051</u>	<u>\$ 4,536</u>	<u>\$ 40,313</u>
Employees' Benefits:				
Personal services	<u>\$ 35,201</u>	<u>\$ 45,500</u>	<u>\$ 10,299</u>	<u>\$ 36,896</u>

CITY OF ROLLA, KANSAS

Schedule 2-1
(Continued)

GENERAL FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Debt Service:				
Temporary note – Principal	\$ 19,000	\$ 19,000	\$ -	\$ 18,000
Temporary note – Interest	1,377	1,378	1	1,962
General obligation – Principal	<u>1,184</u>	<u>-</u>	<u>(1,184)</u>	<u>5,000</u>
Total debt service	<u>\$ 21,561</u>	<u>\$ 20,378</u>	<u>\$ (1,183)</u>	<u>\$ 24,962</u>
Other Financing Sources:				
Transfer Capital Improvement	\$ 5,000	-	\$ (5,000)	\$ 7,500
Transfer Equipment Reserve	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>7,500</u>
Total other financing sources	<u>\$ 10,000</u>	<u>-</u>	<u>\$ (10,000)</u>	<u>\$ 15,000</u>
 Total expenditures and transfers subject to budget	 <u>\$293,918</u>	 <u>\$316,429</u>	 <u>\$ 22,511</u>	 <u>\$343,416</u>
 Receipts over (under) expenditures	 \$ (10,110)			 \$ (45,562)
 Unencumbered Cash, Beginning	 <u>52,131</u>			 <u>97,693</u>
 Unencumbered Cash, Ending	 <u>\$ 42,021</u>			 <u>\$ 52,131</u>

CITY OF ROLLA, KANSAS

Schedule 2-2

SPECIAL HIGHWAY FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

	<u>Current Year</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Intergovernmental:				
Gasoline tax	\$ 11,248	\$ 11,460	\$ (212)	\$ 11,188
Use of Money and Property:				
Interest on time deposits	138	100	38	67
Total cash receipts	<u>\$ 11,386</u>	<u>\$ 11,560</u>	<u>\$ (174)</u>	<u>\$ 11,255</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Highways and Streets:				
Contractual services	\$ 6,334	\$ 7,580	\$ 1,246	\$ 3,500
Commodities	-	5,780	5,780	8,100
Total expenditures and transfers subject to budget	<u>\$ 6,334</u>	<u>\$ 13,360</u>	<u>\$ 7,026</u>	<u>\$ 11,600</u>
Receipts over (under) expenditures	\$ 5,052			\$ (345)
Unencumbered Cash, Beginning	<u>5,834</u>			<u>6,179</u>
Unencumbered Cash, Ending	<u>\$ 10,886</u>			<u>\$ 5,834</u>

CITY OF ROLLA, KANSAS

Schedule 2-3

BOND AND INTEREST FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET
 For the year ended December 31, 2011
 (with comparative actual totals for the prior year ended December 31, 2010)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Taxes:				
Ad valorem property tax	\$ 21,198	\$ 21,927	\$ (729)	\$ 19,754
Back tax collections	630	-	630	352
Motor vehicle tax	2,441	2,806	(365)	2,325
Recreation vehicle tax	97	66	31	49
16/20 M tax	<u>46</u>	<u>72</u>	<u>(26)</u>	<u>61</u>
Total taxes	\$ 24,412	\$ 24,871	\$ (459)	\$ 22,541
Intergovernmental:				
Federal government taxes in lieu of	1,243	1,500	(257)	1,288
Use of Money and Property:				
Interest on investments	<u>158</u>	<u>300</u>	<u>(142)</u>	<u>83</u>
Total cash receipts	<u>\$ 25,813</u>	<u>\$ 26,671</u>	<u>\$ (858)</u>	<u>\$ 23,912</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Bond principal	\$ 25,000	\$ 25,000	\$ -	\$ 20,000
Interest coupons	1,816	3,000	1,184	4,000
Cash basis requirement	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total expenditures and transfers subject to budget	<u>\$ 26,816</u>	<u>\$ 32,000</u>	<u>\$ 5,184</u>	<u>\$ 24,000</u>
Receipts over (under) expenditures	\$ (1,003)			\$ (88)
Unencumbered Cash, Beginning	<u>4,028</u>			<u>4,116</u>
Unencumbered Cash, Ending	<u>\$ 3,025</u>			<u>\$ 4,028</u>

CITY OF ROLLA, KANSAS

Schedule 2-4

WATER UTILITIES FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011

(with comparative actual totals for the prior year ended December 31, 2010)

	<u>Current Year</u>			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Charges for Sales and Services:				
Water sales to customers	\$122,434	\$ 95,000	\$ 27,434	\$100,466
Sanitation sales to customers	34,897	34,500	397	34,646
Sewer sales to customers	32,728	33,000	(272)	32,966
Penalties and forfeitures	2,302	1,600	702	1,941
Hook up fees	1,476	1,500	(24)	1,000
Reconnect fees	<u>1,326</u>	<u>-</u>	<u>1,326</u>	<u>451</u>
Total charges for sales and services	\$195,163	\$165,600	\$ 29,563	\$171,470
Use of Money and Property:				
Interest on time deposits	552	500	52	416
Miscellaneous:				
Other	<u>851</u>	<u>-</u>	<u>851</u>	<u>2,088</u>
Total cash receipts	<u>\$196,566</u>	<u>\$166,100</u>	<u>\$ 30,466</u>	<u>\$173,974</u>
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Transmission and Distribution:				
Personal services	\$ 34,370	\$ 41,000	\$ 6,630	\$ 32,209
Contractual services	34,435	30,000	(4,435)	28,863
Commodities	12,072	8,000	(4,072)	6,956
Capital outlay	<u>24,441</u>	<u>19,500</u>	<u>(4,941)</u>	<u>9,414</u>
Total transmission and distribution	\$105,318	\$ 98,500	\$ (6,818)	\$ 77,442
Sanitation:				
Personal services	\$ 19,051	\$ 23,200	\$ 4,149	\$ 17,174
Contractual services	1,134	2,000	866	2,035
Commodities	<u>3,108</u>	<u>4,000</u>	<u>892</u>	<u>4,492</u>
Total sanitation	\$ 23,293	\$ 29,200	\$ 5,907	\$ 23,701

CITY OF ROLLA, KANSAS

Schedule 2-4
(Continued)

WATER UTILITIES FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the year ended December 31, 2011
(with comparative actual totals for the prior year ended December 31, 2010)

	Current Year		Variance Favorable (Unfavor.)	Prior Year Actual
	Actual	Budget		
<u>Expenditures and Transfers</u>				
<u>Subject to Budget (Continued)</u>				
Sewer:				
Personal services	\$ 8,960	\$ 14,500	\$ 5,540	\$ 8,272
Contractual services	2,450	4,000	1,550	2,630
Commodities	2,265	4,000	1,735	3,849
Capital outlay	<u>6,257</u>	<u>6,000</u>	<u>(257)</u>	<u>4,579</u>
Total sewer	<u>\$ 19,932</u>	<u>\$ 28,500</u>	<u>\$ 8,568</u>	<u>\$ 19,330</u>
Employees' Benefits:				
Social Security & Medicare	\$ 4,610	\$ 5,700	\$ 1,090	\$ 4,284
KPERS	4,512	5,200	688	3,635
Medical insurance	5,347	11,000	5,653	5,504
Unemployment insurance	60	4,000	3,940	56
Workman's Compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,907</u>
Total employees' benefits	<u>\$ 14,529</u>	<u>\$ 25,900</u>	<u>\$ 11,371</u>	<u>\$ 17,386</u>
Debt Service:				
Interest	<u>\$ 17,363</u>	<u>\$ 17,772</u>	<u>\$ 409</u>	<u>\$ 5,293</u>
Other Financing Sources:				
Transfer Equipment Reserve	\$ 5,000	-	\$ (5,000)	\$ 7,500
Transfer Capital Improvements	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>7,500</u>
Total other financing sources	<u>\$ 10,000</u>	<u>-</u>	<u>\$ (10,000)</u>	<u>\$ 15,000</u>
Total expenditures and transfers subject to budget	<u>\$190,435</u>	<u>\$199,872</u>	<u>\$ 9,437</u>	<u>\$158,152</u>
Receipts over (under) expenditures	\$ 6,131			\$ 15,822
Unencumbered Cash, Beginning	<u>43,298</u>			<u>27,476</u>
Unencumbered Cash, Ending	<u>\$ 49,429</u>			<u>\$ 43,298</u>

CITY OF ROLLA, KANSAS

Schedule 2

SCHEDULES OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL
For the year ended December 31, 2011

CITY OF ROLLA, KANSAS

Schedule 2-5

EQUIPMENT RESERVE FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
 (with comparative actual totals for the prior year ended December 31, 2010)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Other Operating Sources:		
Transfer – General Fund	\$ 5,000	\$ 7,500
Transfer – Water Fund	<u>5,000</u>	<u>7,500</u>
Total cash receipts	<u>\$ 10,000</u>	<u>\$ 15,000</u>
<u>Expenditures and Transfers</u>		
Commodities	\$ -	\$ 1,080
Capital outlay	<u>12,485</u>	<u>12,218</u>
Total expenditures and transfers	<u>\$ 12,485</u>	<u>\$ 13,298</u>
Revenue over (under) expenditures	\$ (2,485)	\$ 1,702
Unencumbered Cash, Beginning	<u>45,056</u>	<u>43,354</u>
Unencumbered Cash, Ending	<u>\$ 42,571</u>	<u>\$ 45,056</u>

CITY OF ROLLA, KANSAS

Schedule 2-6

CAPITAL IMPROVEMENT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
 (with comparative actual totals for the prior year ended December 31, 2010)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Other Operating Sources:		
Transfer – General Fund	\$ 5,000	\$ 7,500
Transfer – Water Fund	<u>5,000</u>	<u>7,500</u>
Total cash receipts	\$ 10,000	\$ 15,000
<u>Expenditures and Transfers</u>		
Capital outlay	<u>18,620</u>	<u>7,500</u>
Revenue over (under) expenditures	\$ (8,620)	\$ 7,500
Unencumbered Cash, Beginning	<u>26,820</u>	<u>19,320</u>
Unencumbered Cash, Ending	<u>\$ 18,200</u>	<u>\$ 26,820</u>

CITY OF ROLLA, KANSAS

Schedule 2-7

SWIMMING POOL PROJECT FUND
SCHEDULE OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the year ended December 31, 2011
 (with comparative actual totals for the prior year ended December 31, 2010)

	<u>Year Ended</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Other Sources:		
Financing proceeds	\$545,054	-
<u>Expenditures and Transfers</u>		
Capital outlay	<u>145,276</u>	<u>-</u>
Revenue over (under) expenditures	\$399,778	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$399,778</u>	<u>-</u>

CITY OF ROLLA, KANSAS

Schedule 3

AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the year ended December 31, 2011

<u>Funds</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Retirement Clearing Fund	\$ <u>379</u>	\$ <u>208,420</u>	\$ <u>208,551</u>	\$ <u>248</u>