

CITY OF BLUE RAPIDS
BLUE RAPIDS, KANSAS

FINANCIAL STATEMENT
DECEMBER 31, 2012

CITY OF BLUE RAPIDS, KANSAS

TABLE OF CONTENTS

Page
Number

FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

Independent Auditors' Report.....	1-3
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash.....	4
Notes to Financial Statement	5-13

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1	
Summary of Expenditures – Actual and Budget.....	14
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget	
General Fund	15-17
Special Purpose Funds:	
Library Fund	18
Special Highway Fund	19
Special Law Enforcement Trust Fund	20
Bond and Interest Fund	21
Capital Project Funds:	
Capital Improvement Fund	22
CDBG Housing Rehabilitation Fund.....	23
Storm Sewer Capital Project 2012 Fund	24
Pool Improvement Fund	25
Business Funds:	
Water/Sewer/Refuse Utility Fund	26
Utility System Reserve Fund	27

APPENDIX A

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	28-29
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INDEPENDENT AUDITORS' REPORT

June 21, 2013

Mayor and City Council
City of Blue Rapids
Blue Rapids, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Blue Rapids, Kansas, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 and Accounting 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Blue Rapids to meet the requirement of the State of Kansas on the basis of financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” 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 Blue Rapids as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

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 Blue Rapids as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

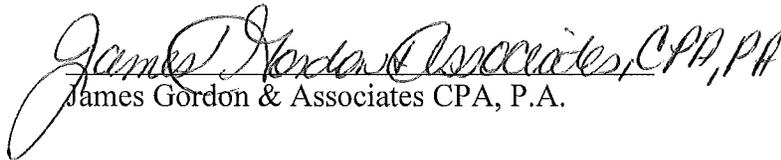
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. 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 basis financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or the basic 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

Report on Internal Control

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2013 on our consideration of the City of Blue Rapids, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the City Council and management of the City of Blue Rapids, Kansas and for filing with the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


James Gordon & Associates CPA, P.A.

CITY OF BLUE RAPIDS, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances And Accounts Payable</u>	<u>Ending Cash Balance</u>
Governmental Type Funds:						
General Fund	\$ 135,675.43	\$ 639,721.31	\$ 614,866.79	\$ 160,529.95	\$ 13,173.33	\$ 173,703.28
Special Purpose Funds:						
Library	-	10,753.75	10,753.75	-	-	-
Special Highway	-	26,241.58	26,241.56	0.02	-	0.02
Special Law Enforcement Trust	515.00	-	515.00	-	-	-
Bond and Interest Fund	26,854.87	-	15,329.25	11,525.62	-	11,525.62
Capital Project Funds:						
Capital Improvements	116,523.39	1,011.01	-	117,534.40	-	117,534.40
CDBG Housing Rehabilitation	-	222,155.00	233,793.93	(11,638.93)	24,015.00	12,376.07
Storm Sewer Capital Project 2012	(2,000.00)	291,991.00	345,668.87	(55,677.87)	277,299.28	221,621.41
Pool Improvement	9,501.00	3,603.07	-	13,104.07	-	13,104.07
Business Funds:						
Water/Sewer/Refuse Utility	201,744.29	378,270.82	386,510.21	193,504.90	12,937.07	206,441.97
Utility System Reserve	168,736.70	12,248.37	75,024.70	105,960.37	-	105,960.37
Total	\$ 657,550.68	\$ 1,585,995.91	\$ 1,708,704.06	\$ 534,842.53	\$ 327,424.68	\$ 862,267.21
<u>Composition of Cash and Investments:</u>						
Checking Accounts-State Bank of Blue Rapids						\$ 426,704.53
Certificates of Deposit-State Bank of Blue Rapids						429,062.68
U.S. Treasury Bonds - Series H						6,500.00
Total Cash						862,267.21
Agency Funds per Schedule 3						-
Total City of Blue Rapids Cash (Excluding Agency Funds)						\$ 862,267.21

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

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Blue Rapids, Kansas, is a municipal corporation governed by an elected five-member council plus a mayor. This regulatory financial statement presents the City of Blue Rapids, Kansas, (the City). A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statement referred to above do not include the component units of the City of Blue Rapids.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds. 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 out specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the City of Blue Rapids for the year 2012:

General fund -- the chief operating fund, used to account for all resources except those required to be accounted for in another fund.

Special Revenue fund -- used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital project fund -- used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund -- funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies, Continued

Basis of Accounting

Regulatory Basis of Accounting

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

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Note 2 – 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), bond and interest funds, and business 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 budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 to the 2012 budget.

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 2 – Budgetary Information, Continued

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

All legal annual operating budgets are prepared using the regulatory 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 project funds, trust funds, and the following special purpose fund:

Special Law Enforcement Trust.

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

Note 3 - Deposits and Investments

As of December 31, 2012 the City held Series HH United States Savings Bonds totaling \$6,500.00 with issue dates ranging from April, 1994 to September, 1998 as investments.

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds.

In addition K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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.

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 3 - Deposits and Investments, Continued

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2012 is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
U.S. Treasury Bonds-Series H	100%

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 Government'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 did not have a peak period pledge agreement during 2012, and therefore the City did not designate peak periods. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the City's deposits including certificates of deposit was \$855,767.21 and the bank balance was \$855,890.41. The bank balance was held at one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, \$500,000.00 was covered by FDIC insurance and the remaining \$355,890.41 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The third-party bank, UMB National Bank of America, holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties; the City, the pledging bank, and the independent third-party bank holding the pledged securities.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government 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 4 - Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied 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 of the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year.

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 5 - Capital Projects

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable To Date</u>
Housing rehabilitation and demolition project	\$391,900	\$233,794
Storm Sewer Project 2012	\$355,711	\$345,669

Note 6 - Interfund Transactions

The following operating transfers have been authorized for the year 2012:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
Water/Sewer/Refuse	Utility System Reserve	K.S.A. 12-825d(c)	\$ 5,000.00
Water/Sewer/Refuse	General	K.S.A. 12-825d(a)	140,000.00
Utility System Reserve	Water/Sewer/Refuse	K.S.A. 12-825d(c)	75,000.00
Water/Sewer/Refuse	Storm Sewer Cap Project	K.S.A. 12-825d (a)	75,000.00
General Fund	CDBG Housing Rehabilitation	K.S.A. 12-6a16	2,000.00

Note 7 - Long-Term Debt

The City issued Series 2011 General Obligation Storm Sewer Bonds in the amount of \$196,000.00 with an interest rate of 4.25%. The bonds were dated January 25, 2011. Principal and interest on the bonds are payable from ad valorem taxes. Principal amounts become due beginning September 1, 2012 and annually thereafter through September 1, 2031.

The City on March 27, 2012 authorized the purchase of a JI Case Loader for \$65,450. This purchase will be financed through a five (5) year lease-purchase agreement with the State Bank of Blue Rapids.

The City has issued a temporary note for \$90,000.00 that comes due December 1, 2013. The City intends to fund the note payoff by issuing long term general obligation bonds.

CITY OF BLUE RAPIDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 7 – Long-Term Debt, Continued

Changes in long-term liabilities for the City of Blue Rapids for the year ended December 31, 2012, were as follows:

<u>Issue</u>	<u>Interest Rates</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 Storm Sewer Bonds Series 2011	4.25%	1/25/2011	\$ 196,000.00	9/1/2031	\$ 196,000.00	\$ -	\$ 2,000.00	\$ (2,000.00)	\$ 194,000.00	\$ 13,328.00
KDHE Loan	3.79%	1/31/2011	211,584.79	8/1/2031	211,584.79	-	7,233.57	(7,233.57)	204,351.22	7,952.35
Temporary Note	0.75%	12/4/2012	90,000.00	12/1/2013	90,000.00	-	-	-	90,000.00	-
Capital Leases Payable										
2009 GMC Pickup	4%	3/9/2009	18,944.00	3/1/2013	9,782.88	-	4,829.97	(4,829.97)	4,952.91	389.18
J.I. Case Loader	3.75%	3/27/2012	65,450.00	3/27/2017	-	65,450.00	-	65,450.00	65,450.00	-
Compensated Absences					20,657.16	-	2,596.78	(2,596.78)	18,060.38	
Total Long-Term Debt					<u>\$ 528,024.83</u>	<u>\$ 65,450.00</u>	<u>\$ 16,660.32</u>	<u>\$ 48,789.68</u>	<u>\$ 576,814.51</u>	<u>\$ 21,669.53</u>

CITY OF BLUE RAPIDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 7 – 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2022</u>	<u>2023-2027</u>	<u>2028-2032</u>	<u>Total</u>
PRINCIPAL									
General Obligation Storm									
Sewer Bonds Series 2011	\$ 7,000.00	\$ 7,000.00	\$ 7,000.00	\$ 8,000.00	\$ 8,000.00	\$ 46,000.00	\$ 56,000.00	\$ 55,000.00	\$ 194,000.00
KDHE Loan	7,511.52	7,798.90	8,097.28	8,407.07	8,728.72	48,915.85	59,017.17	55,874.71	204,351.22
Temporary Note	90,000.00	-	-	-	-	-	-	-	90,000.00
Capital Leases Payable									
2009 GMC Pickup	4,952.91	-	-	-	-	-	-	-	4,952.91
J.I. Case Loader	12,144.91	12,600.35	13,072.86	13,560.26	14,071.62	-	-	-	65,450.00
TOTAL PRINCIPAL	<u>121,609.34</u>	<u>27,399.25</u>	<u>28,170.14</u>	<u>29,967.33</u>	<u>30,800.34</u>	<u>94,915.85</u>	<u>115,017.17</u>	<u>110,874.71</u>	<u>558,754.13</u>
INTEREST									
General Obligation Storm									
Sewer Bonds Series 2011	8,245.00	7,947.50	7,650.00	7,352.50	7,012.50	29,665.00	19,040.00	5,992.50	\$ 92,905.00
KDHE Loan	7,674.40	7,387.02	7,088.64	6,778.85	6,457.20	27,013.75	16,912.43	4,868.97	84,181.26
Temporary Note	669.38	-	-	-	-	-	-	-	669.38
Capital Leases Payable									
2009 GMC Pickup	266.24	-	-	-	-	-	-	-	266.24
J.I. Case Loader	2,454.38	1,998.94	1,526.43	1,039.03	527.67	-	-	-	7,546.45
TOTAL INTEREST	<u>19,309.40</u>	<u>17,333.46</u>	<u>16,265.07</u>	<u>15,170.38</u>	<u>13,997.37</u>	<u>56,678.75</u>	<u>35,952.43</u>	<u>10,861.47</u>	<u>185,568.33</u>
TOTAL PRINCIPAL & INTEREST	<u>\$140,918.74</u>	<u>\$44,732.71</u>	<u>\$44,435.21</u>	<u>\$45,137.71</u>	<u>\$44,797.71</u>	<u>\$151,594.60</u>	<u>\$150,969.60</u>	<u>\$121,736.18</u>	<u>\$744,322.46</u>

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012

Note 8 – Other Long-Term Obligations From Operations

Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employees. Only full-time employees, defined as employees who work at least 40 hours per week, shall be entitled to benefits of leave accumulation, holidays, insurance programs and other similar benefits. No benefits are available or can be accrued by a part-time or seasonal employee. Full-time employees are entitled to 5 days paid vacation leave after one year, based on an eight-hour workday. Employees earn 10 vacation days per year after they have been employed two years; 15 days after 10 years; 20 days after 20 years; and 25 paid vacation days per year after 25 years or more. It is the policy of the City Council that an employee use their accumulated annual leave during each calendar year. However, an employee that voluntarily terminates employment with a minimum of a two week notice, shall be paid for accrued vacation time. Full-time employees earn 1 day of sick leave for each full month of service. Sick leave may be accumulated to 480 hours or 60 days. An employee shall not be paid for any sick leave upon termination of his/her employment with the City.

Note 9 - Defined Contribution Pension Plan

Substantially all employees of the City are enrolled in a Section 457 retirement plan with a qualified insurance company. The City's Employee Personnel policy is to fund all pension costs accrued at 6% of the employees' gross wages. The employees' contribution percentage is voluntarily selected by the employee. Employees are vested at the rate of 20% per year and are fully vested after 5 years.

The insurance company and the City Council are responsible for the administration of the Plan. For the year ending December 31, 2012, the City contribution totaled \$11,017.02 and the employee contributions totaled \$5,301.98 for a total plan contribution of \$16,319.00.

Note 10 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

CITY OF BLUE RAPIDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 11 - Stewardship, Compliance and Accountability

During the course of the audit of the financial statements of the City of Blue Rapids, no statutory violations were noted.

Note 12 – Related Party Transactions

City Council member, Jerry Pope, has an ownership in a business that collects the trash for the City. The total amount of this contract was \$73,200 for 2012.

Note 13 – Evaluation of Subsequent Events

The City of Blue Rapids has evaluated subsequent events through June 21, 2013, the date which the financial statements were available to be issued.

CITY OF BLUE RAPIDS, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(BUDGETED FUNDS ONLY)
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds:					
General Fund	\$ 741,269.00	\$ -	\$ 741,269.00	\$ 614,866.79	\$ (126,402.21)
Special Purpose Funds:					
Library	10,850.00	-	10,850.00	10,753.75	(96.25)
Special Highway	28,940.00	-	28,940.00	26,241.56	(2,698.44)
Special Law Enforcement Trust *	2,165.00	-	2,165.00	515.00	(1,650.00)
Bond and Interest Fund:	30,575.00	-	30,575.00	15,329.25	(15,245.75)
Capital Project Funds:					
Capital Improvements *	132,569.00	-	132,569.00	-	(132,569.00)
Proprietary Type Funds:					
Enterprise Funds:					
Water/Sewer/Refuse Utility	555,191.00	-	555,191.00	386,510.21	(168,680.79)
Utility System Reserve	163,741.00	-	163,741.00	75,024.70	(88,716.30)

* Statutory Budget not required.

CITY OF BLUE RAPIDS, KANSASGENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETREGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
<u>Cash Receipts:</u>			
Ad Valorem tax	\$ 207,314.86	\$ 217,667.00	\$ (10,352.14)
Delinquent tax	7,740.94	-	7,740.94
Motor Vehicle tax	41,162.64	39,313.00	1,849.64
Recreational Vehicle tax	1,210.80	1,235.00	(24.20)
16/20M Trucks tax	697.73	650.00	47.73
Neighborhood Revitalization Program	(2,221.47)	(2,493.00)	271.53
Intangible tax	6,830.31	6,341.00	489.31
Franchise tax	33,967.64	32,500.00	1,467.64
Local Alcoholic Liquor tax	2,864.05	4,117.00	(1,252.95)
Local Sales Tax revenue	132,404.87	135,900.00	(3,495.13)
County Ambulance payment	12,000.00	12,000.00	-
Zoning Permit fees	550.00	1,100.00	(550.00)
Occupation tax	500.00	-	500.00
Cereal Malt Beverage license	300.00	475.00	(175.00)
Business license/permits	60.00	415.00	(355.00)
Dog/Cat licenses	1,195.00	2,120.00	(925.00)
Special assessments	120.00	-	120.00
Interest on idle funds	4,306.12	8,250.00	(3,943.88)
Miscellaneous income	2,046.43	6,500.00	(4,453.57)
Municipal Court fines	22,263.23	32,500.00	(10,236.77)
Cemetery open/close	1,225.00	3,000.00	(1,775.00)
Community Center rentals	2,927.52	3,500.00	(572.48)
Dump fees	175.00	650.00	(475.00)
Reimbursements	18,786.64	-	18,786.64
Special Purpose Vehicle registration	760.00	200.00	560.00
State aid	434.00	-	434.00
Cemetery Lots	100.00	-	100.00
Transfer From Water/Sewer/Refuse Fund	140,000.00	140,000.00	-
<u>Total Cash Receipts</u>	<u>639,721.31</u>	<u>\$ 645,940.00</u>	<u>\$ (6,218.69)</u>

See Independent Auditors' Report.

CITY OF BLUE RAPIDS, KANSAS

GENERAL FUND, CONTINUED
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Expenditures and Transfers Subject to Budget</u>			
General Administration:			
Personal Services	46,658.52	\$ 46,600.00	\$ 58.52
Contractual Services	28,721.81	22,000.00	6,721.81
Commodities	20,241.10	32,000.00	(11,758.90)
Capital Outlay	-	69,500.00	(69,500.00)
<u>Total General Administration</u>	<u>95,621.43</u>	<u>170,100.00</u>	<u>(74,478.57)</u>
Street Department:			
Personal Services	106,922.47	103,400.00	3,522.47
Contractual Services	-	2,700.00	(2,700.00)
Commodities	21,893.43	65,000.00	(43,106.57)
<u>Total Street Department</u>	<u>128,815.90</u>	<u>171,100.00</u>	<u>(42,284.10)</u>
Parks Department:			
Personal Services	22,226.85	12,400.00	9,826.85
Contractual Services	-	3,500.00	(3,500.00)
Commodities	18,138.39	6,100.00	12,038.39
<u>Total Parks Department</u>	<u>40,365.24</u>	<u>22,000.00</u>	<u>18,365.24</u>
Police Department:			
Personal Services	82,240.20	80,150.00	2,090.20
Contractual Services	8,422.50	17,000.00	(8,577.50)
Commodities	25,512.87	23,000.00	2,512.87
Capital Outlay	5,219.15	5,219.00	0.15
<u>Total Police Department</u>	<u>121,394.72</u>	<u>125,369.00</u>	<u>(3,974.28)</u>
Emergency Services Department:	12,000.00	12,000.00	-

CITY OF BLUE RAPIDS, KANSAS

GENERAL FUND, CONTINUED
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Expenditures and Transfers Subject to Budget Cont.</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Employee Benefits:			
Workers Comp Insurance	10,169.00	10,900.00	(731.00)
Health Insurance-City Share	75,267.99	83,950.00	(8,682.01)
Unemployment Insurance-City Share	259.56	650.00	(390.44)
Retirement-City Share	11,017.02	11,000.00	17.02
Payroll Taxes	18,960.88	18,900.00	60.88
<u>Total Employee Benefits</u>	<u>115,674.45</u>	<u>125,400.00</u>	<u>(9,725.55)</u>
Cemetery Department:			
Contractual Services	5,200.00	5,700.00	(500.00)
Commodities	-	200.00	(200.00)
<u>Total Cemetery Department</u>	<u>5,200.00</u>	<u>5,900.00</u>	<u>(700.00)</u>
Utilities	<u>30,890.53</u>	<u>34,100.00</u>	<u>(3,209.47)</u>
Sales Tax Projects:			
Streets	18,769.61	15,000.00	3,769.61
Appropriations USD 498	44,134.91	45,300.00	(1,165.09)
Transfer to CDBG Housing Rehabilitation	2,000.00	-	2,000.00
Transfer to Capital Improvement Fund	-	15,000.00	(15,000.00)
<u>Total Sales Tax Projects</u>	<u>64,904.52</u>	<u>75,300.00</u>	<u>(10,395.48)</u>
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Cash Expenditures and Transfers Subject to Budget</u>	<u>614,866.79</u>	<u>\$ 741,269.00</u>	<u>\$ (126,402.21)</u>
<u>Excess (Deficit) Cash Revenues Over Cash Expenditures</u>	<u>24,854.52</u>		
<u>Beginning Fund Balance</u>	<u>135,675.43</u>		
<u>Ending Fund Balance</u>	<u>\$ 160,529.95</u>		

See Independent Auditors' Report.

CITY OF BLUE RAPIDS, KANSAS

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Cash Receipts:</u>			
Ad Valorem tax	\$ 8,708.14	\$ 9,144.00	\$ (435.86)
Delinquent tax	328.35	-	328.35
Motor Vehicle tax	1,730.30	1,651.00	79.30
Recreational Vehicle tax	50.88	52.00	(1.12)
16/20 M Vehicle tax	29.39	27.00	2.39
Neighborhood Revitalization Program	(93.31)	(106.00)	12.69
<u>Total Cash Receipts</u>	<u>10,753.75</u>	<u>\$ 10,768.00</u>	<u>\$ (14.25)</u>
<u>Expenditures and Transfers Subject to Budget:</u>			
Annual Library Appropriation	10,753.75	\$ 10,850.00	\$ (96.25)
<u>Total Cash Expenditures and Transfers Subject to Budget</u>	<u>10,753.75</u>	<u>\$ 10,850.00</u>	<u>\$ (96.25)</u>
<u>Receipts Over (Under) Expenditures</u>	-		
<u>Unencumbered Cash, Beginning</u>	-		
<u>Unencumbered Cash, Ending</u>	<u>\$ -</u>		

CITY OF BLUE RAPIDS, KANSAS

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Cash Receipts:</u>			
State of Kansas Gas Tax	\$ 26,241.58	\$ 27,690.00	\$ (1,448.42)
Materials Sold	-	800.00	(800.00)
<u>Total Cash Receipts</u>	<u>26,241.58</u>	<u>\$ 28,490.00</u>	<u>\$ (2,248.42)</u>
<u>Expenditures and Transfers Subject to Budget:</u>			
Road Materials	<u>26,241.56</u>	<u>\$ 28,940.00</u>	<u>\$ (2,698.44)</u>
<u>Total Cash Expenditures and Transfers Subject to Budget</u>	<u>26,241.56</u>	<u>\$ 28,940.00</u>	<u>\$ (2,698.44)</u>
<u>Receipts Over (Under) Expenditures</u>	0.02		
<u>Unencumbered Cash, Beginning</u>	-		
<u>Unencumbered Cash, Ending</u>	<u>\$ 0.02</u>		

CITY OF BLUE RAPIDS, KANSAS

SPECIAL LAW ENFORCEMENT TRUST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Cash Receipts:</u>			
Seizure Money	\$ -	\$ 1,200.00	\$ (1,200.00)
<u>Total Cash Receipts</u>	<u>-</u>	<u>\$ 1,200.00</u>	<u>\$ (1,200.00)</u>
<u>Expenditures and Transfers Subject to Budget:</u>			
Commodities	515.00	\$ 2,165.00	\$ (1,650.00)
<u>Total Cash Expenditures and Transfers Subject to Budget</u>	<u>515.00</u>	<u>\$ 2,165.00</u>	<u>\$ (1,650.00)</u>
<u>Receipts Over (Under) Expenditures</u>	(515.00)		
<u>Unencumbered Cash, Beginning</u>	<u>515.00</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ -</u>		

CITY OF BLUE RAPIDS, KANSAS

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Cash Receipts:</u>			
<u>Total Cash Receipts</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Expenditures and Transfers Subject to Budget:</u>			
Principal Repayment	2,000.00	\$ 2,000.00	\$ -
Interest Payment	13,328.00	13,328.00	-
Fees	1.25	2.00	(0.75)
Cash Basis Reserve	<u>-</u>	<u>15,245.00</u>	<u>(15,245.00)</u>
 <u>Total Cash Expenditures and Transfers Subject to Budget</u>	 <u>15,329.25</u>	 <u>\$ 30,575.00</u>	 <u>\$ (15,245.75)</u>
 <u>Receipts Over (Under) Expenditures</u>	 (15,329.25)		
 <u>Unencumbered Cash, Beginning</u>	 <u>26,854.87</u>		
 <u>Unencumbered Cash, Ending</u>	 <u>\$ 11,525.62</u>		

CITY OF BLUE RAPIDS, KANSAS

CAPITAL IMPROVEMENTS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Cash Receipts:</u>			
Interest on idle funds	\$ 1,011.01	\$ 2,120.00	\$ (1,108.99)
Transfer from General Fund	-	15,000.00	(15,000.00)
<u>Total Cash Receipts</u>	<u>1,011.01</u>	<u>\$ 17,120.00</u>	<u>\$ (16,108.99)</u>
<u>Expenditures and Transfers Subject to Budget:</u>			
Commodities	-	\$ 12,500.00	\$ (12,500.00)
Capital Outlay	-	120,069.00	(120,069.00)
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>-</u>	<u>\$ 132,569.00</u>	<u>\$ (132,569.00)</u>
<u>Receipts Over (Under) Expenditures</u>	1,011.01		
<u>Unencumbered Cash, Beginning</u>	<u>116,523.39</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 117,534.40</u>		

CITY OF BLUE RAPIDS, KANSAS

CDBG HOUSING REHABILITATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Total Project</u>
<u>Cash Receipts:</u>		
CDBG Grant	\$ 219,695.00	\$ 219,695.00
Local Income	460.00	460.00
Transfer from General Fund	2,000.00	2,000.00
<u>Total Cash Receipts</u>	<u>222,155.00</u>	<u>222,155.00</u>
<u>Expenditures and Transfers Subject to Budget:</u>		
Housing Repairs	181,935.00	181,935.00
Administrative	51,858.93	51,858.93
<u>Total Expenditures and Transfers Not Subject to Budget</u>	<u>233,793.93</u>	<u>233,793.93</u>
<u>Receipts Over (Under) Expenditures</u>	<u>(11,638.93)</u>	<u>\$ (11,638.93)</u>
<u>Unencumbered Cash, Beginning</u>	<u>-</u>	
<u>Unencumbered Cash, Ending</u>	<u>\$ (11,638.93)</u>	

CITY OF BLUE RAPIDS, KANSAS

STORM SEWER CAPITAL PROJECT 2012 FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Total Project</u>
<u>Cash Receipts:</u>		
CDBG Grants	\$ 126,991.00	\$ 126,991.00
Temporary Note	90,000.00	90,000.00
Transfer from Water/Sewer/Refuse Utility Fund	75,000.00	75,000.00
<u>Total Cash Receipts</u>	<u>291,991.00</u>	<u>291,991.00</u>
<u>Expenditures and Transfers Subject to Budget:</u>		
Contractual Storm Sewer	345,668.87	345,668.87
<u>Total Expenditures and Transfers Not Subject to Budget</u>	<u>345,668.87</u>	<u>345,668.87</u>
<u>Receipts Over (Under) Expenditures</u>	<u>(53,677.87)</u>	<u>\$ (53,677.87)</u>
<u>Unencumbered Cash, Beginning</u>	<u>(2,000.00)</u>	
<u>Unencumbered Cash, Ending</u>	<u>\$ (55,677.87)</u>	

See Independent Auditors' Report.

CITY OF BLUE RAPIDS, KANSAS

POOL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Total Project</u>
<u>Cash Receipts:</u>		
Private Donations	\$ 500.00	\$ 10,001.00
Pool Receipts	3,056.25	3,056.25
Interest	46.82	46.82
<u>Total Cash Receipts</u>	<u>3,603.07</u>	<u>13,104.07</u>
<u>Expenditures and Transfers Subject to Budget:</u>		
Contractual Service	-	-
<u>Total Expenditures and Transfers Not Subject to Budget</u>	<u>-</u>	<u>-</u>
<u>Receipts Over (Under) Expenditures</u>	<u>3,603.07</u>	<u>\$ 13,104.07</u>
<u>Unencumbered Cash, Beginning</u>	<u>9,501.00</u>	
<u>Unencumbered Cash, Ending</u>	<u>\$ 13,104.07</u>	

CITY OF BLUE RAPIDS, KANSAS

WATER/SEWER/REFUSE UTILITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Actual	Budget	Variance Over (Under)
<u>Cash Receipts:</u>			
Delayed Payment charges	\$ 7,388.70	\$ 7,200.00	\$ 188.70
Water receipts	179,790.23	178,000.00	1,790.23
Sewer receipts	36,181.78	33,000.00	3,181.78
Refuse receipts	72,845.80	74,850.00	(2,004.20)
Connect fees	4,920.43	5,850.00	(929.57)
Special assessments	228.95	500.00	(271.05)
Interest on idle funds	701.93	2,950.00	(2,248.07)
Retail Sales Tax Revenue	-	125.00	(125.00)
Miscellaneous	120.00	2,000.00	(1,880.00)
Reimbursements	1,093.00	-	1,093.00
Transfer from Utility Reserve	75,000.00	-	75,000.00
	<u>378,270.82</u>	<u>\$ 304,475.00</u>	<u>\$ 73,795.82</u>
<u>Expenditures and Transfers Subject to Budget</u>			
Commodities	50,692.43	\$ 35,000.00	\$ 15,692.43
Contractual services	8,186.75	10,500.00	(2,313.25)
Utilities	13,467.93	14,300.00	(832.07)
Fees deposited into Utility System Reserve	5,177.18	5,300.00	(122.82)
Capital Outlay	-	257,680.00	(257,680.00)
Refuse contractual services	73,800.00	73,200.00	600.00
KDHE Loan Payments	15,185.92	14,211.00	974.92
Transfer to Utility System Reserve	5,000.00	5,000.00	-
Transfer to General Fund	140,000.00	140,000.00	-
Transfer to Storm Sewer Capital Project 2012	75,000.00	-	75,000.00
Adjustment for qualifying budget credits	-	-	-
	<u>386,510.21</u>	<u>\$ 555,191.00</u>	<u>\$ (168,680.79)</u>
<u>Total Cash Expenditures and Transfers Subject to Budget</u>			
	<u>386,510.21</u>	<u>\$ 555,191.00</u>	<u>\$ (168,680.79)</u>
<u>Excess (Deficit) Cash Revenues Over Cash Expenditures</u>	(8,239.39)		
<u>Beginning Fund Balance</u>	<u>201,744.29</u>		
<u>Ending Fund Balance</u>	<u>\$ 193,504.90</u>		

See Independent Auditors' Report.

CITY OF BLUE RAPIDS, KANSAS

UTILITY SYSTEM RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<u>Cash Receipts:</u>			
Utility Reserve receipts	\$ 5,177.18	\$ 5,300.00	\$ (122.82)
Interest on idle funds	2,071.19	1,400.00	671.19
Transfer from Water/Sewer/Refuse Utility Fund	<u>5,000.00</u>	<u>5,000.00</u>	<u>-</u>
<u>Total Cash Receipts</u>	<u>12,248.37</u>	<u>\$ 11,700.00</u>	<u>\$ 548.37</u>
<u>Expenditures and Transfers Subject to Budget:</u>			
Commodities	24.70	\$ 163,741.00	\$ (163,716.30)
Transfer to Water/Sewer/Refuse Utility Fund	<u>75,000.00</u>	<u>-</u>	<u>75,000.00</u>
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>75,024.70</u>	<u>\$ 163,741.00</u>	<u>\$ (88,716.30)</u>
<u>Receipts Over (Under) Expenditures</u>	(62,776.33)		
<u>Unencumbered Cash, Beginning</u>	<u>168,736.70</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 105,960.37</u>		

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

June 21, 2013

Mayor and City Council
City of Blue Rapids, Kansas

We have audited the financial statement of the City of Blue Rapids, Kansas, as of and for the year ended December 31, 2012, and have issued our report thereon dated June 21, 2013. That report disclosed the City prepares its financial statement in accordance with provisions of the Kansas Municipal Audit and Accounting Guide, a regulatory basis of accounting that demonstrates compliance with the budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 and Accounting Guide.

Internal Control Over Financial Reporting

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

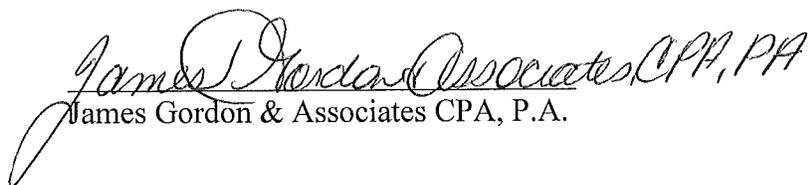
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination 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 the 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 the City of Blue Rapids, 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 of the City Council, management, and the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


James Gordon & Associates CPA, P.A.