

CITY OF DWIGHT
MORRIS COUNTY, KANSAS
INDEPENDENT AUDITORS' REPORT AND
REGULATORY BASIS FINANCIAL STATEMENT
YEAR ENDED DECEMBER 31, 2012

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
COUNCIL GROVE, KANSAS 66846

City of Dwight
Morris County, Kansas

Year Ended December 31, 2012

REGULATORY BASIS FINANCIAL STATEMENT
TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1-2
Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statements	4-8
Regulatory-Required Supplementary Information:	
Schedule 1 - Summary of Expenditures	9
Schedule 2 – Schedule of Cash Receipts and Expenditures	
General Fund	10
Special Purpose Funds	
Library	11
Employee Benefits	12
Special Highway	13
Equipment Reserve	14
Capital Improvement Reserve	15
Capital Projects Fund	
Water Project	16
Business Funds	
Water Utility	17
Sewer Utility	18
Schedule 3 – Schedule of Cash Receipts and Disbursements - Agency Funds	
Taxes & Deposits	19

Independent Auditors' Report

To the City Council
City of Dwight, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Dwight, 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 Statements

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.

Auditor's 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes 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 the U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the City of Dwight, Kansas prepared this financial statement to meet the requirements of the State of Kansas on the basis of the 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 accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the 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 Dwight, Kansas, as of December 31, 2012, or the changes in its financial position or cash flows 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 Dwight, Kansas, 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, and the schedule of regulatory basis receipts and disbursements-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 basic financial statement, but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. As part of this presentation, certain prior year comparative information has been derived from the City's 2011 financial statements and, in our report dated June 22, 2012, we expressed an unqualified opinion on the respective basic financial statements, taken as a whole, on the regulatory basis of accounting. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 to 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.

Aldrich & Company, LLC

Aldrich & Company LLC
Certified Public Accountants
June 25, 2013

The City of Dwight
Morris County, Kansas

Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 33,196	\$ 58,971	\$ 59,427	\$ 32,740	\$ 623	\$ 33,363
Special Purpose Funds						
Library	0	2,214	2,214	0	0	0
Employee Benefits	0	5,019	5,019	0	0	0
Special Highway	10,806	7,007	13,196	4,617	0	4,617
Equipment Reserve	3,359	7,000	360	9,999	0	9,999
Capital Improvement Reserve	37,682	8,000	0	45,682	0	45,682
Capital Projects Fund						
Water project	4,148	9,329	13,477	0	0	0
Business Funds						
Water Utility	97,424	96,368	79,208	114,584	4,548	119,132
Sewer Utility	11,947	19,718	20,235	11,430	1,005	12,435
Total Reporting Entity(Excluding Agency Funds)	<u>\$ 198,562</u>	<u>\$ 213,626</u>	<u>\$ 193,136</u>	<u>\$ 219,052</u>	<u>\$ 6,176</u>	<u>\$ 225,228</u>

Composition of Cash:

Checking	\$ 180,196
Community Building Account	2,456
Petty Cash	134
Water Deposit Account	17,074
Water Project Account	0
Certificates of Deposit	27,312
Less: Agency Funds	(1,944)
Total Cash	<u>225,228</u>

The accompanying notes are an integral part of this statement.

The City of Dwight
Morris County, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Dwight, Kansas operates under a Mayor-Council form of government. The City's major operations include streets and highways, parks and recreation, and general administrative services. The City also operates two business activities: a sewer system and a water system. The City also contracts for solid waste collection. The City's financial statements do not include any related municipal entities.

Regulatory Basis Fund Types

The accounts of the City are organized and operated on the basis of funds, which are used to record the City's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations including State Statutes and City Ordinances. The following types of funds comprise the financial activities of the City.

Governmental Funds:

General Fund The General Fund is the chief operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Purpose Funds – Special Purpose Funds are used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Capital Project Fund – Capital Project Funds are 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 Funds:

Business Funds – Business Funds are financed in whole or in part by fees charged to users of the goods or services. Funds are operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of receipts, expenses, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Agency Funds: Agency Fund are used to report assets held by the municipality in a purely custodial capacity.

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

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

The City of Dwight
Morris County, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2012

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), debt service 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 the 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 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 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 projects funds and the following special purpose funds: Equipment Reserve and Capital Improvement Reserve. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the municipality.

Management is not aware of any items of noncompliance with Kansas statutes or other contracts for the period covered by this audit.

NOTE 3 - CASH AND DEPOSITS

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.

The City of Dwight
Morris County, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2012

NOTE 3 - CASH AND DEPOSITS (CONT)

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

Concentration of credit risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under 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 entirely returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2012.

At year-end, the carrying amount of the city's deposits was \$227,172. The bank balance was \$228,145. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank resulting in a concentration of credit risk. The entire bank balance was covered by FDIC insurance. The city held no investments on December 31, 2012.

NOTE 4 - PROPERTY TAXES

The City certifies its' budget to the county clerk annually. Using this certified budget and those of other political subdivisions within the county, the county clerk spreads the annual assessment onto the tax rolls and levies property tax on November 1 of each year. The property tax is payable in two installments. The first installment is due December 20 of the same year. The second installment is due May 10 of the subsequent year. The county collects and distributes the property taxes. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operations. Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the county treasurer at year end and, further, the amounts are not material in relationship to the financial statements taken as a whole.

NOTE 5 - DEFINED BENEFIT PENSION PLAN

The City does not employ any full-time employees and thus, does not participate in the Kansas Public Employees Retirement System (KPERs), a cost sharing multiple-employer defined pension benefit plan as provided by K.S.A. 74-4901, et seq.

NOTE 6 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

The City of Dwight
Morris County, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2012

NOTE 7 - TRANSFERS

The City transferred monies between funds as allowed by applicable Kansas statutes. The following schedule details transfers made in 2012.

Transferred from:	Transferred to:	Statute	Amount
General	Capital Improvement Reserve	12-1,118	8,000
General	Equipment Reserve	12-1,117	7,000
Employee Benefits	General	79-2,958	5,019

NOTE 8 - AGREEMENT WITH RURAL WATER DISTRICT NO 1

The City of Dwight entered into a contract on July 22, 1992, with the Rural Water District No. 1, Morris County, Kansas, for the purpose of obtaining a source of water for the City. Rural Water District No. 1 is a Kansas entity formed under Kansas Statutes Annotated 82a-612. Per contract, Rural Water District No. 1 constructed a water supply and distribution system. The Rural Water District will deliver to the City potable treated water, meeting applicable quality standards of the Kansas Department of Health and Environment. The City has no right of ownership in the fixed assets or interest in the net income or loss of the Rural Water District. The City of Dwight's obligation is to pay the Water District a total fixed monthly charge of \$318 and to purchase a minimum of 400,000 gallons of water per month. The full faith and credit of the City is not pledged; and the City has no obligation to levy a tax to make any payment pursuant to this contract. However, the City will adjust water rates charged its users at a level sufficient to meet the City's obligations. The City's contract obligation to purchase water from the Rural Water District extends for a term of 40 years from the date of the initial delivery of any water to the City. The contract does not contain a termination clause. In the event of any occurrence rendering the Water District incapable of performing under this contract, any successor of the Water District, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Water District.

During 2012, the City purchased 7,883,000 gallons of water from the Rural Water District for \$17,519; which includes the fixed charge of \$318 per month for twelve months. No provision has been made in the financial statements for the amount remaining to be paid to the Rural Water District over the life of the contract for the water to be purchased by the City.

The City's obligation will continue in effect until July 8, 2034.

NOTE 9 – WATER PROJECT

In 2010, the City started a waterline replacement project. The estimated cost of the project was \$680,315. A United States Department of Agriculture (USDA) Rural Development grant in the amount of \$124,315 was awarded and the remaining \$556,000 of funding was obtained with general obligation bonds. USDA Rural Development purchased the bonds. The project was completed in 2012 at a cost of \$680,734.

NOTE 10 - LONG-TERM DEBT

2010 General Obligation Bonds

In 2010, the City issued general obligation bonds in the amount of \$556,000 to make improvements to its' water infrastructure. Annual payments began in October 2011. The bonds carry interest rates of 3.75%. USDA Rural Development purchased the bonds.

The City of Dwight
Morris County, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2012

NOTE 10 - LONG TERM DEBT (CONT)

Changes in long term liabilities for the City for the year ended December 31, 2012 are as follows:

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Payable January 1	Additions	Reductions/ Payments	Net Change	Balance Payable December 31	Interest Paid
General Obligation Bonds:										
Series 2010	3.75%	10/21/2010	200,000	10/21/2049	\$ 506,000	\$ 0	\$ 11,200	\$ 0	\$ 494,800	\$ 18,970
Total contractual indebtedness					<u>506,000</u>	<u>0</u>	<u>11,200</u>	<u>0</u>	<u>494,800</u>	<u>18,970</u>
Total long term debt					<u>\$ 506,000</u>	<u>\$ 0</u>	<u>\$ 11,200</u>	<u>\$ 0</u>	<u>\$ 494,800</u>	<u>\$ 18,970</u>

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

	Principal	Interest	Principal & Interest		Principal	Interest	Principal & Interest
2010 GO Bonds:							
2013	6,400	18,555	24,955	Forward:	76,800	173,501	250,301
2014	6,700	18,315	25,015	2023-2027	51,100	74,696	125,796
2015	6,900	18,064	24,964	2028-2032	62,500	64,294	126,794
2016	7,200	17,805	25,005	2033-2037	75,800	51,619	127,419
2017	7,500	17,535	25,035	2038-2042	91,700	36,259	127,959
2018-2022	<u>42,100</u>	<u>83,227</u>	<u>125,327</u>	2043-2047	113,000	17,512	130,512
	76,800	173,501	250,301	2048-2049	<u>23,900</u>	<u>896</u>	<u>24,796</u>
					<u>\$ 494,800</u>	<u>\$ 418,777</u>	<u>\$ 913,577</u>

REGULATORY-REQUIRED

SUPPLEMENTARY INFORMATION

The City of Dwight
Morris County, Kansas

Schedule 1

Summary of Expenditures – Actual and Budget
Regulatory Basis
Budgeted Funds Only
For the Year Ended December 31, 2012

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General Fund	\$ 80,110		\$ 80,110	\$ 59,427	\$ 20,683
Special Purpose Funds:					
Library	2,300		2,300	2,214	86
Employee benefits	15,000		15,000	5,019	9,981
Special Highway	18,900		18,900	13,196	5,704
Business Funds:					
Water Utility	130,850		130,850	79,208	51,642
Sewer Utility	24,100		24,100	20,235	3,865

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2A

GENERAL FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes				
Morris County	\$ 24,392	\$ 25,425	\$ 25,202	\$ 223
Sales tax	16,670	15,467	17,400	(1,933)
Franchise taxes	11,678	10,810	9,000	1,810
Use of money and property	452	446	0	446
Reimbursed expense	13,653	470	0	470
Other receipts	2,230	1,334	400	934
Transfers In	0	5,019	0	5,019
Total Cash Receipts	<u>69,075</u>	<u>58,971</u>	<u>52,002</u>	<u>6,969</u>
Expenditures				
General government				
Personal Services	15,004	18,265	20,000	1,735
Operations	20,864	21,211	35,110	13,899
Capital Outlay	5,400	0	0	0
Community Building	5,386	4,610	0	(4,610)
Library	923	341	0	(341)
Transfers out	19,500	15,000	25,000	10,000
Total Expenditures	<u>67,077</u>	<u>59,427</u>	<u>80,110</u>	<u>20,683</u>
Receipts Over (Under) Expenditures	1,998	(456)	<u>\$ (28,108)</u>	<u>\$ 27,652</u>
Unencumbered Cash, January 1	<u>31,198</u>	<u>33,196</u>		
Unencumbered Cash, December 31	<u>\$ 33,196</u>	<u>\$ 32,740</u>		

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2B

SPECIAL PURPOSE FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

LIBRARY

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Morris County	\$ 2,094	\$ 2,214	\$ 2,224	\$ (10)
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Receipts	<u>2,094</u>	<u>2,214</u>	<u>2,224</u>	<u>(10)</u>
Expenditures				
Library appropriation	<u>2,094</u>	<u>2,214</u>	<u>2,300</u>	<u>86</u>
Receipts Over (Under) Expenditures	0	0	<u>\$ (76)</u>	<u>\$ 76</u>
Unencumbered Cash, January 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 0</u>		

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2C

SPECIAL PURPOSE FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

EMPLOYEE BENEFITS

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Morris County	\$ 3,372	\$ 5,019	\$ 5,000	\$ 19
Other	0	0	10,000	(10,000)
Total Cash Receipts	<u>3,372</u>	<u>5,019</u>	<u>15,000</u>	<u>(9,981)</u>
Expenditures				
Fund closing transfer to general	<u>3,372</u>	<u>5,019</u>	<u>15,000</u>	<u>9,981</u>
Receipts Over (Under) Expenditures	0	0	<u>\$ 0</u>	<u>\$ 0</u>
Unencumbered Cash, January 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, December 31	<u>\$ 0</u>	<u>\$ 0</u>		

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2D

SPECIAL PURPOSE FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SPECIAL HIGHWAY

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State payments	\$ 7,788	\$ 7,007	\$ 8,820	\$ (1,813)
Other	0	0	0	0
Total Cash Receipts	<u>7,788</u>	<u>7,007</u>	<u>8,820</u>	<u>(1,813)</u>
Expenditures				
Streets & highways	<u>8,907</u>	<u>13,196</u>	<u>18,900</u>	<u>5,704</u>
Receipts Over (Under) Expenditures	(1,119)	(6,189)	<u>\$ (10,080)</u>	<u>\$ 3,891</u>
Unencumbered Cash, January 1	<u>11,925</u>	<u>10,806</u>		
Unencumbered Cash, December 31	<u>\$ 10,806</u>	<u>\$ 4,617</u>		

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2E

SPECIAL PURPOSE FUND
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

EQUIPMENT RESERVE

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 0	\$ 7,000
Other income	0	0
Total Cash Receipts	<u>0</u>	<u>7,000</u>
Expenditures		
Equipment maintenance & replacement	<u>816</u>	<u>360</u>
Receipts Over (Under) Expenditures	(816)	6,640
Unencumbered Cash, January 1	<u>4,175</u>	<u>3,359</u>
Unencumbered Cash, December 31	<u>\$ 3,359</u>	<u>\$ 9,999</u>

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2F

SPECIAL PURPOSE FUND
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

CAPITAL IMPROVEMENT RESERVE

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 19,500	\$ 8,000
Other income	0	0
Total Cash Receipts	<u>19,500</u>	<u>8,000</u>
Expenditures		
Capital improvements	<u>3,344</u>	<u>0</u>
Receipts Over (Under) Expenditures	16,156	8,000
Unencumbered Cash, January 1	<u>21,526</u>	<u>37,682</u>
Unencumbered Cash, December 31	<u>\$ 37,682</u>	<u>\$ 45,682</u>

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2G

CAPITAL PROJECTS FUND
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

WATER PROJECT

	Prior Year Actual	Current Year Actual
Cash Receipts		
USDA income	\$ 115,000	\$ 9,315
Interest	<u>282</u>	<u>14</u>
Total Cash Receipts	115,282	9,329
Expenditures		
Project expenditures	89,060	13,477
Transfer out	<u>0</u>	<u>0</u>
Total Expenditures	89,060	13,477
Receipts Over (Under) Expenditures	26,222	(4,148)
Unencumbered Cash, January 1	<u>(22,074)</u>	<u>4,148</u>
Unencumbered Cash, December 31	<u>\$ 4,148</u>	<u>\$ 0</u>

The City of Dwight
Morris County, Kansas

Schedule 2H

BUSINESS FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

WATER UTILITY

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Water collections	\$ 71,874	\$ 71,453	\$ 56,000	\$ 15,453
Delinquent fees	2,740	2,877	0	2,877
Trash collections	20,081	19,630	19,000	630
Interest income	276	160	0	160
Miscellaneous	2,750	2,248	0	2,248
Total Cash Receipts	97,721	96,368	75,000	21,368
Expenditures				
Personnel services	8,346	7,740	7,500	(240)
Commodities/Operations	6,582	9,853	50,000	40,147
Water purchased	17,024	9,747	20,000	10,253
Contractual/Repairs	2,231	3,321	6,000	2,679
Principal, interest and fees	70,850	30,175	27,350	(2,825)
Capital outlay	0	0	0	0
Trash expense	18,681	18,372	20,000	1,628
Total Expenditures	123,714	79,208	130,850	51,642
Receipts Over (Under) Expenditures	(25,993)	17,160	\$ (55,850)	\$ 73,010
Unencumbered Cash, January 1	123,417	97,424		
Unencumbered Cash, December 31	\$ 97,424	\$ 114,584		

See Accompanying Auditors' Report.

The City of Dwight
Morris County, Kansas

Schedule 2I

BUSINESS FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SEWER UTILITY

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Sewer collections	\$ 15,646	\$ 16,901	\$ 16,000	\$ 901
Miscellaneous	0	2,817	0	2,817
Total Cash Receipts	<u>15,646</u>	<u>19,718</u>	<u>16,000</u>	<u>3,718</u>
Expenditures				
Personnel services	4,690	6,225	4,200	(2,025)
Commodities/Operations	5,738	13,800	19,900	6,100
Contractual	330	210	0	(210)
Capital Outlay	0	0	0	0
Miscellaneous	0	0	0	0
Total Expenditures	<u>10,758</u>	<u>20,235</u>	<u>24,100</u>	<u>3,865</u>
Receipts Over (Under) Expenditures	4,888	(517)	<u>\$ (8,100)</u>	<u>\$ 7,583</u>
Unencumbered Cash, January 1	<u>7,059</u>	<u>11,947</u>		
Unencumbered Cash, December 31	<u>\$ 11,947</u>	<u>\$ 11,430</u>		

The City of Dwight
Morris County, Kansas

Schedule 3

AGENCY FUNDS
Summary of Cash Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Taxes & Deposits	\$ 3,043	\$ 12,720	\$ 13,819	\$ 1,944
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 3,043</u>	<u>\$ 12,720</u>	<u>\$ 13,819</u>	<u>\$ 1,944</u>

See Accompanying Auditors' Report.