

CITY OF EUDORA, KANSAS

Financial Statements

For the Year Ended December 31, 2012

This page intentionally left blank.

CITY OF EUDORA, KANSAS
 Financial Statements
 For the Year Ended December 31, 2012

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL STATEMENTS SECTION	
Independent Auditor's Report on the Financial Statements	1 - 2
Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 11
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	12
SCHEDULE 2	
Schedule of Cash Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	13
Special Police and Fire Equipment Fund	14
Special Street Maintenance Fund	15
Capital Improvement Fund	16
Special Park Fees Fund	17
Pond Retention Fees Fund	18
Winchester Road Impact Fees Fund	19
Public Assistance Fund	20
Hamlin Scholarship Fund	21
Kansas Historical Society Grant Fund	22
Equipment Reserve Fund	23
EMS Response Reimbursement Fund	24
Energy Management Grant Fund	25
Efficiency Kansas Loan Program Fund	26
Bond and Interest Fund	27
Public Safety Building Fund	28
Water Utility Fund	29
Sewer Utility Fund	30
Electric Utility Fund	31
Refuse Utility Fund	32
Storm Drainage Utility Fund	33
Utility Reserve Funds	34
SCHEDULE 3	
Schedule of Cash Receipts and Expenditures - Agency Funds	35



INDEPENDENT AUDITOR'S REPORT

Mayor and City Commission
City of Eudora, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Eudora, Kansas (the City), 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 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 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 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 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 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, schedule of regulatory basis 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 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 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.

Mike Houser : Company PA

June 12, 2013

CITY OF EUDORA, KANSAS
Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

<u>Funds</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Fund	\$ 947,151	\$ -	\$ 2,709,196	\$ 2,699,795	\$ 956,552	\$ 18,983	\$ 975,535
Special Purpose Funds:							
Special Police and Fire Equipment	109,420	-	151,480	149,058	111,842	-	111,842
Special Street Maintenance	97,451	-	176,936	208,555	65,832	-	65,832
Capital Improvement	321,353	-	49,704	109,531	261,526	-	261,526
Special Park Fees	42,898	-	4,850	-	47,748	-	47,748
Pond Retention Fees	1,226	-	-	-	1,226	-	1,226
Winchester Road Impact Fees	13,200	-	-	-	13,200	-	13,200
Public Assistance	75	-	696	754	17	-	17
Hamlin Scholarship	1,000	-	-	-	1,000	-	1,000
Kansas Historical Society Grant	-	-	1,282	1,350	[68]	-	[68]
Equipment Reserve	105,534	-	187,064	283,875	8,723	-	8,723
EMS Response Reimbursement	[13]	-	13,169	14,701	[1,545]	-	[1,545]
Energy Management Grant	151	-	115,377	115,098	430	-	430
Efficiency Kansas Loan Program	5,988	-	63	6,029	22	-	22
Debt Service Fund:							
Bond and Interest	188,904	-	356,806	357,445	188,265	-	188,265
Capital Project Fund:							
Public Safety Building	8,510	-	2,857,183	864,045	2,001,648	352,129	2,353,777
Business Funds:							
Water Utility	559,026	-	1,122,702	1,036,235	645,493	3,380	648,873
Sewer Utility	804,208	-	1,106,016	1,067,895	842,329	515	842,844
Electric Utility	1,069,314	-	5,507,508	4,868,438	1,708,384	224,087	1,932,471
Refuse Utility	90,525	-	385,068	377,756	97,837	28,135	125,972
Storm Drainage Utility	76,316	-	63,843	110,679	29,480	-	29,480
Utility Reserve Funds	986,215	-	75	986,290	-	-	-
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,428,452</u>	<u>\$ -</u>	<u>\$ 14,809,018</u>	<u>\$ 13,257,529</u>	<u>\$ 6,979,941</u>	<u>\$ 627,229</u>	<u>\$ 7,607,170</u>

Composition of Cash:

Kaw Valley Bank	Demand Account	\$ 3,192,938
	Time Deposit	1,354,725
	Clerk Revolving	2,843
	Municipal Court	19,765
	Total Kaw Valley Bank	<u>4,570,271</u>
Mutual Savings Association	Time Deposit	152,116
	Savings	35,892
	Total Mutual Savings Association	<u>188,008</u>
Douglas County Bank	Time Deposit	25,000
	Public Safety Building Bond Proceeds Account	2,857,173
	Total Douglas County Bank	<u>2,882,173</u>
	Total Cash	7,640,452
	Less: Agency Funds (Schedule 3)	<u>[33,282]</u>
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 7,607,170</u>

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Eudora, Kansas (the City) is a municipal corporation governed by a five-member commission.

Basis of Accounting

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 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 regulatory basis of accounting.

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

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), 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 accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Regulatory Basis Fund Types

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.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

The following types of funds comprise the financial activities of the City for the year ended December 31, 2012:

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

Special Purpose 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.

Debt Service Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects 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.)

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 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. The budget for the year ended December 31, 2012 was not amended.

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.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital project funds, and the following special purpose and business funds: Capital Improvement, Special Park Fees, Pond Retention Fees, Winchester Road Impact Fees, Public Assistance, Hamlin Scholarship, Kansas Historical Society Grant, Equipment Reserve, EMS Response Reimbursement, Energy Management Grant, Efficiency Kansas Loan Program, Public Safety Building and Utility Reserve Funds.

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

NOTE 2 - Deposits

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.

Investments. 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.

As of December 31, 2012, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>		<u>Rating</u>
		<u>Less than 1 year</u>		
Certificates of Deposit	\$ 1,531,841	\$ 1,531,841		NA
Total fair value	<u>\$ 1,531,841</u>	<u>\$ 1,531,841</u>		

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has no designated "peak periods". All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$7,640,452 and the bank balance was \$7,773,846. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$688,009 was covered by federal depository insurance and the balance of \$7,085,837 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

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 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.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 3 – Defined Benefit Pension Plan

Plan description - The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen’s Retirement System (KP&F). Both are part a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. These reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$100,842, \$90,283, and \$87,960, respectively. The City’s contributions to KP&F for the years ending December 31, 2012, 2011, and 2010 were \$70,005, \$65,778 and \$58,189, respectively.

NOTE 4 - Long-Term Debt

General Obligation Bonds. The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund both general obligation and revenue bonds.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued with equal amounts of principal maturing each year. General Obligation Bonds currently outstanding are as follows:

Purpose	Issuance Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2012
Water & Sewer Refunding Bonds, Series 2003-B	12/15/2003	10/1/2013	1.90-3.75%	\$ 200,000	\$ 20,000
General Obligation Bonds, Series 2006-A	1/15/2006	9/1/2020	3.50-4.40%	465,000	280,000
General Obligation Bonds, Series 2006-B	10/1/2006	9/1/2026	3.55-5.00%	4,155,000	3,130,000
General Obligation Bonds, Series 2010-A	10/1/2010	9/1/2030	3.25-5.00%	300,000	280,000
General Obligation Refunding Bonds, Series 2011-A	8/1/2011	10/1/2017	1.00-1.75%	810,000	670,000
General Obligation Improvement Bonds, Series 2012-A	9/1/2012	9/1/2032	2.00-3.00%	<u>2,840,000</u>	<u>2,840,000</u>
				<u>\$ 8,770,000</u>	<u>\$ 7,220,000</u>

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 4 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Funds</u>	<u>Business Funds</u>
2013	\$ 542,355	\$ 195,725
2014	540,348	178,200
2015	549,350	181,375
2016	547,710	184,013
2017	500,598	96,200
2018 - 2022	2,423,723	112,488
2023 - 2027	2,036,520	112,600
2028 - 2032	<u>916,620</u>	<u>66,000</u>
Total principal and interest	8,057,224	1,126,601
Less: Interest	<u>[1,807,224]</u>	<u>[156,601]</u>
Total principal	<u>\$ 6,250,000</u>	<u>\$ 970,000</u>

State Agency Loans. The City has also obtained two loans from the State of Kansas (KDHE) to finance costs of water and sewer improvements. The first loan agreement provides for a maximum principal of \$5,515,000 which includes \$65,776 of capitalized interest and loan service fees. The loan carries a gross interest rate of 3.07% and is payable in semi-annual installments beginning March 1, 2000 and ending September 1, 2019. Beginning September 1, 2008, the semi-annual installments are \$191,971 through September 1, 2019. Prior to September 1, 2008, the semi-annual installments were \$90,500 beginning March 1, 2000 through September 1, 2001, \$177,845 beginning March 1, 2002 through September 1, 2004 and \$194,571 beginning March 1, 2005 through March 1, 2008.

The second loan agreement provides for a maximum principal of \$2,767,450 which includes \$2,098 of capitalized interest and loan service fees. The loan carries a gross interest rate of 2.57% and is payable in semi-annual installments beginning September 1, 2008 and ending March 1, 2028. Beginning September 1, 2014, the semi-annual installments are \$100,701 through March 1, 2028. Prior to September 1, 2014, the semi-annual installments vary between \$32,691 and \$91,455. The notes outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>
Water and Sewer - KDHE loan, 1998-99	3.07%	\$ 2,401,954
Water and Sewer - KDHE loan, 2005	2.57%	<u>2,499,607</u>
		<u>\$ 4,901,561</u>

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 4 - Long-Term Debt (Continued)

All proceeds have not been received on the KDHE loans. Annual debt service requirements to maturity on the KDHE loan projected balance are as follows:

<u>Year Ending December 31,</u>	
2013	\$ 532,325
2014	575,335
2015	585,345
2016	585,345
2017	585,345
2018 - 2022	1,774,897
2023 - 2027	1,007,012
2028	<u>100,696</u>
Total principal, interest, and service fees	5,746,300
Less: Interest and service fees	<u>[844,739]</u>
Total principal	<u>\$ 4,901,561</u>

Changes in Long-term Debt. During the year ended December 31, 2012, the following changes occurred in long-term liabilities:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2012</u>
General obligation debt - Governmental funds	\$ 3,625,000	\$2,840,000	\$ 215,000	\$ 6,250,000
General obligation debt - Enterprise funds	1,140,000	-	170,000	970,000
State agency loans	<u>5,241,126</u>	<u>-</u>	<u>339,565</u>	<u>4,901,561</u>
Totals	<u>\$ 10,006,126</u>	<u>\$ 2,840,000</u>	<u>\$ 724,565</u>	<u>\$ 12,121,561</u>

NOTE 5 - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits. Accumulated vacation carries over to the following year and will be paid upon termination or retirement. This liability for the years ending December 31, 2012 and 2011 totaled \$111,162 and \$115,923, respectively.

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; injuries to employees; and natural disasters. The City carries commercial insurance for risks of loss with the exception of certain losses from damage to or destruction of the electrical distribution system, including related lost income. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 7 - Capital Leases of Equipment

The City has entered into lease agreements as lessee for financing the acquisition of equipment.

During the year ended December 31, 2012, the following changes occurred in capital leases:

	Balance January 1, 2012	Additions	Retirements	Balance December 31, 2012
Capital lease obligations -				
Governmental funds	\$ 15,279	\$ -	\$ 7,417	\$ 7,862
Totals	\$ 15,279	\$ -	\$ 7,417	\$ 7,862

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2012, are as follows:

Year Ending December 31,	Governmental Funds
2013	\$ 8,334
Less: amount representing interest	[472]
Present value of minimum lease payments	\$ 7,862

NOTE 8 - Interfund Transfers

A reconciliation of all transfers for 2012 follows:

	Transfers In	Transfers Out
General Fund	\$ 361,000	\$ 62,024
Special Police and Fire Equipment Fund	8,510	-
Capital Improvement Fund	48,024	-
Public Safety Building Fund	-	8,510
Equipment Reserve Fund	138,220	-
Water Utility Fund	26,520	65,220
Sewer Utility Fund	133,548	60,000
Electric Utility Fund	826,222	330,000
Refuse Utility Fund	-	30,000
Utility Reserve Funds	-	986,290
Total	\$ 1,542,044	\$ 1,542,044

This page intentionally left blank.

CITY OF EUDORA, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 9 - Capital Projects

On September 1, 2012 the City issued \$2,840,000 of Series 2012-A General Obligation Improvement Bonds to provide financing for a new public safety building. During 2012, capital outlay and personal services expenditures related to the project of \$797,599 and \$15,759, respectively, had been incurred in the Public Safety Building Fund. The estimated completion date of the project is June 15, 2013.

NOTE 10 - Contingencies - Lawsuits

On September 27, 2007, the Rural Water District No. 4, Douglas County, Kansas filed a lawsuit against the City alleging federal statutory violations stemming from the annexation of properties which the water district claims to have been protected under 7 U.S.C. Sec. 1926(b). In addition to declaratory and injunctive relief, the lawsuit sought damages of \$170,000 plus attorney's fees. The damage portion of the case was tried by a jury in May of 2009 and the jury returned a verdict in favor of Rural Water District No. 4 in the amount of \$23,503. Briefing on plaintiff's attorney fee motion has been submitted to the Court but no ruling has been received. As part of these briefings, the plaintiff claimed attorney fees and litigation expenses in excess of \$700,000 at the time of the filing. The District Court entered an injunctive order on September 2, 2009 and Notice of Appeal was filed on September 30, 2009. The City's appellate brief was filed on February 22, 2010 and oral argument occurred on November 17, 2010. The Tenth Circuit Court of Appeals has reversed and remanded in an opinion dated September 26, 2011. Both parties moved for summary judgment which was denied by the District Court on June 26, 2012. The plaintiff petitioned the Tenth Circuit for permission to take an interlocutory appeal on June 29, 2012. The Tenth Circuit granted interlocutory appeal and oral argument took place on March 6, 2013. No decision has been reached by the Tenth Circuit. No conclusion has been formed as to whether an unfavorable outcome in this matter is either probable or remote, or as to whether a loss of a particular amount or within a particular range is possible.

As of the audit date, the City was not indebted to its attorneys for legal fees and disbursements for which statements had been rendered.

NOTE 11 – Other Post Employment Benefits

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

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

NOTE 12 - Statutory Violations

At December 31, 2012, the EMS Response Reimbursement Fund had a deficit unencumbered cash balance of \$1,545 and the Kansas Historical Society Grant Fund had a deficit unencumbered cash balance of \$68, which is a violation of K.S.A. 10-1113.

NOTE 11 – Subsequent Event

On February 1, 2013, the City issued Series 2013-A general obligation refunding bonds in the amount of \$3,180,000. The City will make the first payment on September 1, 2013, and the last payment on September 1, 2026. The interest rate on the bonds ranges from 2.0% to 2.125%. The bond proceeds will be used to refund \$225,000 of the Series 2006-A general obligation bonds and \$2,955,000 of the Series 2006-B general obligation bonds.

SCHEDULE 1

CITY OF EUDORA, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
Governmental Type Funds:					
General Fund	\$ 3,211,719	\$ -	\$ 3,211,719	\$ 2,699,795	\$ 511,924
Special Purpose Funds:					
Special Police and Fire Equipment	205,961	-	205,961	149,058	56,903
Special Street Maintenance	287,009	-	287,009	208,555	78,454
Debt Service Fund:					
Bond and Interest	510,868	-	510,868	357,445	153,423
Business Funds:					
Water Utility	1,337,321	-	1,337,321	1,036,235	301,086
Sewer Utility	1,474,582	-	1,474,582	1,067,895	406,687
Electric Utility	5,595,058	-	5,595,058	4,868,438	726,620
Refuse Utility	462,519	-	462,519	377,756	84,763
Storm Drainage Utility	133,008	-	133,008	110,679	22,329

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 General Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes	\$ 1,731,648	\$ 1,673,013	\$ 58,635
Franchise tax	118,572	143,900	[25,328]
Licenses	17,202	20,000	[2,798]
Recreation and aquatic center fees	255,228	244,695	10,533
Fines and fees	152,251	129,011	23,240
Interest	9,225	8,500	725
Use of property	50,498	4,100	46,398
Charges for services	2,265	-	2,265
Transfers in	361,000	331,000	30,000
Miscellaneous	<u>11,307</u>	<u>7,500</u>	<u>3,807</u>
Total Cash Receipts	<u>2,709,196</u>	<u>\$ 2,561,719</u>	<u>\$ 147,477</u>
Expenditures			
General Government	319,978	\$ 340,457	\$ 20,479
Planning and Zoning	106,926	102,923	[4,003]
Streets and Cemetery	401,347	355,326	[46,021]
Fire/EMS Department	239,345	225,050	[14,295]
Parks	72,068	133,029	60,961
Police Department/Municipal Court	958,130	1,056,345	98,215
Recreation	506,364	337,600	[168,764]
Economic Development	33,613	650,989	617,376
Transfer Out	<u>62,024</u>	<u>10,000</u>	<u>[52,024]</u>
Total Expenditures	<u>2,699,795</u>	<u>\$ 3,211,719</u>	<u>\$ 511,924</u>
Receipts Over [Under] Expenditures	9,401		
Unencumbered Cash, Beginning	<u>947,151</u>		
Unencumbered Cash, Ending	<u>\$ 956,552</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-2

CITY OF EUDORA, KANSAS
 Special Police and Fire Equipment Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes	\$ 142,863	\$ 159,600	\$ [16,737]
Use of money and property	107	400	[293]
Transfers in	<u>8,510</u>	<u>-</u>	<u>8,510</u>
Total Cash Receipts	<u>151,480</u>	<u>\$ 160,000</u>	<u>\$ [8,520]</u>
Expenditures			
Contractual services	15,984	\$ 16,668	\$ 684
Capital outlay	<u>133,074</u>	<u>189,293</u>	<u>56,219</u>
Total Expenditures	<u>149,058</u>	<u>\$ 205,961</u>	<u>\$ 56,903</u>
Receipts Over [Under] Expenditures	2,422		
Unencumbered Cash, Beginning	<u>109,420</u>		
Unencumbered Cash, Ending	<u>\$ 111,842</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 Special Street Maintenance Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes	\$ 160,025	\$ 166,930	\$ [6,905]
Intergovernmental	16,846	16,590	256
Miscellaneous	<u>65</u>	<u>-</u>	<u>65</u>
Total Cash Receipts	<u>176,936</u>	<u>\$ 183,520</u>	<u>\$ [6,584]</u>
Expenditures			
Personal services	54,496	\$ 58,277	\$ 3,781
Commodities	154,059	3,103	[150,956]
Capital outlay	<u>-</u>	<u>225,629</u>	<u>225,629</u>
Total Expenditures	<u>208,555</u>	<u>\$ 287,009</u>	<u>\$ 78,454</u>
Receipts Over [Under] Expenditures	[31,619]		
Unencumbered Cash, Beginning	<u>97,451</u>		
Unencumbered Cash, Ending	<u>\$ 65,832</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-4

CITY OF EUDORA, KANSAS
 Capital Improvement Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Use of money and property	\$ 1,680
Transfers in	<u>48,024</u>
Total Cash Receipts	<u>49,704</u>
Expenditures	
Capital outlay	<u>109,531</u>
Total Expenditures	<u>109,531</u>
Receipts Over [Under] Expenditures	[59,827]
Unencumbered Cash, Beginning	<u>321,353</u>
Unencumbered Cash, Ending	<u>\$ 261,526</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Special Park Fees Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Impact fees	\$ 2,969
Taxes	<u>1,881</u>
Total Cash Receipts	<u>4,850</u>
Expenditures	
Capital outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	4,850
Unencumbered Cash, Beginning	<u>42,898</u>
Unencumbered Cash, Ending	<u><u>\$ 47,748</u></u>

* This fund is not required to be budgeted.

SCHEDULE 2-6

CITY OF EUDORA, KANSAS
Pond Retention Fees Fund
Schedule of Cash Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2012

Cash Receipts	
Taxes	<u>\$ -</u>
Total Cash Receipts	<u>-</u>
Expenditures	
Capital outlay	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>1,226</u>
Unencumbered Cash, Ending	<u>\$ 1,226</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Winchester Road Impact Fees Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Miscellaneous	<u>\$ -</u>
Total Cash Receipts	<u>-</u>
Expenditures	
Commodities	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>13,200</u>
Unencumbered Cash, Ending	<u><u>\$ 13,200</u></u>

* This fund is not required to be budgeted.

SCHEDULE 2-8

CITY OF EUDORA, KANSAS
Public Assistance Fund
Schedule of Cash Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2012

Cash Receipts	
Miscellaneous	<u>\$ 696</u>
Total Cash Receipts	<u> 696</u>
Expenditures	
Miscellaneous	<u> 754</u>
Total Expenditures	<u> 754</u>
Receipts Over [Under] Expenditures	[58]
Unencumbered Cash, Beginning	<u> 75</u>
Unencumbered Cash, Ending	<u>\$ 17</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Hamlin Scholarship Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Donations	<u>\$ -</u>
Total Cash Receipts	<u>-</u>
Expenditures	
Scholarships	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>1,000</u>
Unencumbered Cash, Ending	<u>\$ 1,000</u>

* This fund is not required to be budgeted.

SCHEDULE 2-10

CITY OF EUDORA, KANSAS
Kansas Historical Society Grant Fund
Schedule of Cash Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2012

Cash Receipts	
Intergovernmental	<u>\$ 1,282</u>
Total Cash Receipts	<u>1,282</u>
Expenditures	
Contractual services	<u>1,350</u>
Total Expenditures	<u>1,350</u>
Receipts Over [Under] Expenditures	[68]
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ [68]</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Equipment Reserve Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Transfers in	\$ 138,220
Miscellaneous	<u>48,844</u>
Total Cash Receipts	<u>187,064</u>
Expenditures	
Capital outlay	<u>283,875</u>
Total Expenditures	<u>283,875</u>
Receipts Over [Under] Expenditures	[96,811]
Unencumbered Cash, Beginning	<u>105,534</u>
Unencumbered Cash, Ending	<u>\$ 8,723</u>

* This fund is not required to be budgeted.

SCHEDULE 2-12

CITY OF EUDORA, KANSAS
EMS Response Reimbursement Fund
Schedule of Cash Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2012

Cash Receipts	
Reimbursements	<u>\$ 13,169</u>
Total Cash Receipts	<u>13,169</u>
Expenditures	
Personnel	<u>14,701</u>
Total Expenditures	<u>14,701</u>
Receipts Over [Under] Expenditures	[1,532]
Unencumbered Cash, Beginning	<u>[13]</u>
Unencumbered Cash, Ending	<u>\$ [1,545]</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Energy Management Grant Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Intergovernmental	<u>\$ 115,377</u>
 Total Cash Receipts	 <u>115,377</u>
 Expenditures	
Personnel	57,353
Contractual services	<u>57,745</u>
 Total Expenditures	 <u>115,098</u>
 Receipts Over [Under] Expenditures	 279
 Unencumbered Cash, Beginning	 <u>151</u>
 Unencumbered Cash, Ending	 <u>\$ 430</u>

* This fund is not required to be budgeted.

SCHEDULE 2-14

CITY OF EUDORA, KANSAS
Efficiency Kansas Loan Program Fund
Schedule of Cash Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2012

Cash Receipts	
Intergovernmental	<u>\$ 63</u>
Total Cash Receipts	<u> 63</u>
Expenditures	
Contractual services	5,958
Loan payments	<u> 71</u>
Total Expenditures	<u> 6,029</u>
Receipts Over [Under] Expenditures	[5,966]
Unencumbered Cash, Beginning	<u> 5,988</u>
Unencumbered Cash, Ending	<u><u>\$ 22</u></u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
 Bond and Interest Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Taxes	\$ 356,806	\$ 279,000	\$ 77,806
Transfers in	<u>-</u>	<u>134,410</u>	<u>[134,410]</u>
 Total Cash Receipts	 <u>356,806</u>	 <u>\$ 413,410</u>	 <u>\$ [56,604]</u>
 Expenditures			
Debt service	<u>357,445</u>	<u>\$ 510,868</u>	<u>\$ 153,423</u>
 Total Expenditures	 <u>357,445</u>	 <u>\$ 510,868</u>	 <u>\$ 153,423</u>
 Receipts Over [Under] Expenditures	 [639]		
 Unencumbered Cash, Beginning	 <u>188,904</u>		
 Unencumbered Cash, Ending	 <u>\$ 188,265</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-16

CITY OF EUDORA, KANSAS
 Public Safety Building Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

Cash Receipts	
Bond proceeds	\$ 2,840,000
Net bond premium and accrued interest on bond proceeds	16,536
Use of money and property	<u>647</u>
 Total Cash Receipts	 <u>2,857,183</u>
 Expenditures	
Personal services	15,759
Capital outlay	797,599
Bond issuance costs	42,177
Transfers out	<u>8,510</u>
 Total Expenditures	 <u>864,045</u>
 Receipts Over [Under] Expenditures	 1,993,138
 Unencumbered Cash, Beginning	 <u>8,510</u>
 Unencumbered Cash, Ending	 <u>\$ 2,001,648</u>

* This fund is not required to be budgeted.

CITY OF EUDORA, KANSAS
Water Utility Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Charges to customers	\$ 1,093,252	\$ 961,771	\$ 131,481
Licenses and permits	600	4,550	[3,950]
Impact fees	1,375	-	1,375
Use of money and property	149	183	[34]
Transfers in	26,520	-	26,520
Miscellaneous	<u>806</u>	<u>-</u>	<u>806</u>
Total Cash Receipts	<u>1,122,702</u>	<u>\$ 966,504</u>	<u>\$ 156,198</u>
Expenditures			
Personnel	399,298	\$ 347,233	\$ [52,065]
Contractual services	100,201	124,138	23,937
Commodities	212,965	110,000	[102,965]
Capital outlay	58,644	434,272	375,628
Sales tax	5,108	16,000	10,892
Debt service	194,799	203,958	9,159
Transfers out	<u>65,220</u>	<u>101,720</u>	<u>36,500</u>
Total Expenditures	<u>1,036,235</u>	<u>\$ 1,337,321</u>	<u>\$ 301,086</u>
Receipts Over [Under] Expenditures	86,467		
Unencumbered Cash, Beginning	<u>559,026</u>		
Unencumbered Cash, Ending	<u>\$ 645,493</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 Sewer Utility Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Charges to customers	\$ 960,710	\$ 947,232	\$ 13,478
Use of money and property	482	800	[318]
Impact fees	10,500	11,550	[1,050]
Transfers in	133,548	-	133,548
Miscellaneous	776	-	776
 Total Cash Receipts	 1,106,016	 \$ 959,582	 \$ 146,434
 Expenditures			
Personnel	290,121	\$ 297,274	\$ 7,153
Contractual services	49,133	46,033	[3,100]
Commodities	125,232	90,000	[35,232]
Capital outlay	58,086	491,730	433,644
Debt service	485,323	485,323	-
Transfers out	60,000	64,222	4,222
 Total Expenditures	 1,067,895	 \$ 1,474,582	 \$ 406,687
 Receipts Over [Under] Expenditures	 38,121		
 Unencumbered Cash, Beginning	 804,208		
 Unencumbered Cash, Ending	 \$ 842,329		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
 Electric Utility Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Charges to customers	\$ 4,628,682	\$ 4,601,878	\$ 26,804
Licenses and permits	26,632	3,750	22,882
Use of money and property	1,352	1,000	352
Transfers in	826,222	-	826,222
Miscellaneous	<u>24,620</u>	<u>3,000</u>	<u>21,620</u>
Total Cash Receipts	<u>5,507,508</u>	<u>\$ 4,609,628</u>	<u>\$ 897,880</u>
Expenditures			
Personnel	585,014	\$ 609,217	\$ 24,203
Contractual services	3,617,947	3,420,142	[197,805]
Commodities	113,677	65,000	[48,677]
Capital outlay	116,531	1,151,199	1,034,668
Sales tax	105,269	-	[105,269]
Transfers out	<u>330,000</u>	<u>349,500</u>	<u>19,500</u>
Total Expenditures	<u>4,868,438</u>	<u>\$ 5,595,058</u>	<u>\$ 726,620</u>
Receipts Over [Under] Expenditures	639,070		
Unencumbered Cash, Beginning	<u>1,069,314</u>		
Unencumbered Cash, Ending	<u>\$ 1,708,384</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-20

CITY OF EUDORA, KANSAS
 Refuse Utility Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive [Negative]</u>
Cash Receipts			
Charges to customers	\$ 385,068	\$ 370,100	\$ 14,968
 Total Cash Receipts	 <u>385,068</u>	 <u>\$ 370,100</u>	 <u>\$ 14,968</u>
 Expenditures			
Contractual services	347,743	\$ 360,370	\$ 12,627
Commodities	13	500	487
Capital outlay	-	71,649	71,649
Transfers out	<u>30,000</u>	<u>30,000</u>	<u>-</u>
 Total Expenditures	 <u>377,756</u>	 <u>\$ 462,519</u>	 <u>\$ 84,763</u>
 Receipts Over [Under] Expenditures	 7,312		
 Unencumbered Cash, Beginning	 <u>90,525</u>		
 Unencumbered Cash, Ending	 <u>\$ 97,837</u>		

See independent auditor's report on the financial statements.

CITY OF EUDORA, KANSAS
Storm Drainage Utility Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts			
Charges to customers	\$ 63,843	\$ 62,000	\$ 1,843
Total Cash Receipts	<u>63,843</u>	<u>\$ 62,000</u>	<u>\$ 1,843</u>
Expenditures			
Contractual services	5,444	\$ -	\$ [5,444]
Commodities	93,235	-	[93,235]
Capital outlay	12,000	48,410	36,410
Transfers out	<u>-</u>	<u>84,598</u>	<u>84,598</u>
Total Expenditures	<u>110,679</u>	<u>\$ 133,008</u>	<u>\$ 22,329</u>
Receipts Over [Under] Expenditures	[46,836]		
Unencumbered Cash, Beginning	<u>76,316</u>		
Unencumbered Cash, Ending	<u>\$ 29,480</u>		

See independent auditor's report on the financial statements.

SCHEDULE 2-22

CITY OF EUDORA, KANSAS
 Utility Reserve Funds
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012

	<u>Water Reserve</u>	<u>Sewer Reserve</u>	<u>Electric Reserve</u>	<u>Totals</u>
Cash Receipts				
Use of money and property	\$ 75	\$ -	\$ -	\$ 75
Total Receipts	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Expenditures				
Transfers out	<u>26,520</u>	<u>133,548</u>	<u>826,222</u>	<u>986,290</u>
Total Expenditures	<u>26,520</u>	<u>133,548</u>	<u>826,222</u>	<u>986,290</u>
Receipts Over [Under] Expenditures	[26,445]	[133,548]	[826,222]	[986,215]
Unencumbered Cash, Beginning	<u>26,445</u>	<u>133,548</u>	<u>826,222</u>	<u>986,215</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* These funds are not required to be budgeted.

CITY OF EUDORA, KANSAS
 Schedule of Cash Receipts and Expenditures
 Agency Funds
 Regulatory Basis
 For the Year Ended December 31, 2012

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Expenditures</u>	Ending Cash <u>Balance</u>
Payroll clearing	\$ 2,767	\$ 7,907	\$ -	\$ 10,674
Clerk revolving fund	1,198	4,499	2,854	2,843
Municipal court bonds fund	<u>15,854</u>	<u>17,531</u>	<u>13,620</u>	<u>19,765</u>
 Total Agency Funds	 <u>\$ 19,819</u>	 <u>\$ 29,937</u>	 <u>\$ 16,474</u>	 <u>\$ 33,282</u>

See independent auditor's report on the financial statements.