

CITY OF FLORENCE, KANSAS

Financial Statement

December 31, 2012

City of Florence, Kansas  
City of the Second Class  
For the Year Ended December 31, 2012

Mary Shipman, Mayor

CITY COUNCIL

Trayce Warner

Randy Mills

Ed Robinson

Dan Ludwig

CITY OFFICERS

Janet Robinson, Clerk

Phil Baldwin, City Superintendent

Jane Grimmitt, Treasurer

Ken Moore, Public Officer

City of Florence, Kansas

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# Knudsen Monroe & Company LLC

## INDEPENDENT AUDITOR'S REPORT

City Council  
City of Florence  
Florence, Kansas 66851

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Florence, 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 these 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 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*

Also, 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 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 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.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated February 20, 2012. The 2011 financial statements and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

*Knudsen, Manwe & Company LLC*

Certified Public Accountants

February 28, 2013

## City of Florence, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
Regulatory Basis  
For the Year Ended December 31, 2012

<u>Funds</u>	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Fund</b>	\$ 29,667	308,273	315,211	22,729	7,890	30,619
<b>Special Purpose Funds</b>						
Library	57	10,723	10,266	514	-	514
Rural fire	7,918	2,660	5,112	5,466	-	5,466
Special parks and recreation	5,850	109	-	5,959	-	5,959
Special highway	41,598	11,994	652	52,940	-	52,940
Fire special	4,666	4,898	5,195	4,369	-	4,369
Community building	65,893	-	9,314	56,579	165	56,744
<b>Total Special Purpose Funds</b>	<u>125,982</u>	<u>30,384</u>	<u>30,539</u>	<u>125,827</u>	<u>165</u>	<u>125,992</u>
<b>Bond and Interest Fund</b>						
Bond and interest	<u>2,925</u>	-	<u>2,925</u>	-	-	-
<b>Capital Project Funds</b>						
Capital improvement	65,372	7,000	9,850	62,522	-	62,522
Equipment reserve	<u>39,363</u>	<u>29,144</u>	<u>33,216</u>	<u>35,291</u>	-	<u>35,291</u>
<b>Total Capital Project Funds</b>	<u>104,735</u>	<u>36,144</u>	<u>43,066</u>	<u>97,813</u>	-	<u>97,813</u>
<b>Business Funds</b>						
Ambulance	3,642	-	1,219	2,423	129	2,552
Sewer	23,869	36,001	35,824	24,046	49	24,095
Sewer reserve	49,000	15,000	-	64,000	-	64,000
Solid waste	29,894	88,896	81,307	37,483	754	38,237
Solid waste reserve	32,500	11,000	12,798	30,702	-	30,702
Water	29,754	115,398	105,822	39,330	14,134	53,464
Water reserve	<u>48,375</u>	<u>12,000</u>	-	<u>60,375</u>	-	<u>60,375</u>
<b>Total Business Funds</b>	<u>217,034</u>	<u>278,295</u>	<u>236,970</u>	<u>258,359</u>	<u>15,066</u>	<u>273,425</u>
<b>Total Financial Reporting Entity</b>	<u>\$ 480,343</u>	<u>653,096</u>	<u>628,711</u>	<u>504,728</u>	<u>23,121</u>	<u>527,849</u>
Composition of Cash:						
Cash on hand						\$ 300
Cash in bank, Cottonwood Valley Bank, Checking						276,326
Cash in bank, Cottonwood Valley Bank, Savings						11,223
Certificates of Deposit, Cottonwood Valley Bank						<u>240,000</u>
<b>Total Financial Reporting Entity</b>						<u>\$ 527,849</u>

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

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Florence is a municipal corporation governed by an elected five-member council. The financial statement presents the City of Florence (the primary government) as the only component unit.

In addition to the primary government, the City has two related municipal entities, their financial activities are not, however, included in the accompanying financial statements.

- 1) Housing Authority – The City of Florence Housing Authority operates the City’s housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City.
- 2) Library Board--The City of Florence Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

KMAAG Regulatory Basis of Presentation Fund Definitions

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

Special Purpose Funds – 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 specific 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. In previous years this fund was classified as a Special Purpose Fund.

Business Funds – funds financed in whole or in part by fees charged to users of the goods and services (i.e., water fund, electric fund, etc.).

Regulatory Basis of Accounting and 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.

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the regulatory basis of accounting.

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), 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 the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 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 budget amendments for the year 2012.

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 City 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, business fund reserve accounts, and the following special purpose funds:

Capital Improvements	Fire Special
Equipment Replacement	Fire Grant
Community Building	

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

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The Bond and Interest Fund appears to have a statutory violation in the year ended December 31, 2012, however, the City transferred the residual balance from this Fund to the General Fund in order to close out the fund balance.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that 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. As of December 31, 2012, the City's investments included only bank savings accounts and certificates of deposit with a fair value of \$240,000, which are not subject to investment rating.

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 not designated peak periods. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the carrying amount of the City's deposits, including related municipal entities, was \$527,549. The bank balance totaled \$531,024. The balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining \$281,024 was collateralized with securities held by the pledging financial institution's agents in the City's name.

City of Florence, Kansas

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Maturity Date	Balance 12-31-11	Additions	Retirements	Balance 12-31-12	Interest Paid 2012
KDHE Loan	4.22%	02/01/03	200,000	02/01/19	<u>\$ 101,215</u>	<u>-</u>	<u>6,485</u>	<u>94,730</u>	<u>4,683</u>

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

	Year ending December 31							
	2013	2014	2015	2016	2017	2018-2022	2023	Total
<b>KDHE Loan</b>								
Principal	\$ 6,729	7,053	7,394	7,751	8,125	46,898	10,780	94,730
Interest	4,114	3,813	3,497	3,166	2,820	8,284	359	26,053
Total principal and interest	<u>\$ 10,843</u>	<u>10,866</u>	<u>10,891</u>	<u>10,917</u>	<u>10,945</u>	<u>55,182</u>	<u>11,139</u>	<u>120,783</u>

5. INTERFUND TRANSFERS

Operating transfers were as follows:

Transfers to	Transfers From				Total
	Sewer	Solid Waste	Water	Bond & Interest	
Capital improvement	\$ -	-	7,000	-	7,000
Equipment reserve	-	-	7,000	-	7,000
General Fund	-	-	-	2,925	2,925
Sewer reserve	15,000	-	-	-	15,000
Solid waste reserve	-	11,000	-	-	11,000
Water reserve	-	-	12,000	-	12,000
	<u>\$ 15,000</u>	<u>11,000</u>	<u>26,000</u>	<u>2,925</u>	<u>54,925</u>

6. DEFINED BENEFIT PENSION PLAN

Defined Benefit Pension Plan

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

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

DEFINED BENEFIT PENSION PLAN (Continued)

**Funding Policy.** K.S.A. 74-4919 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 at 4% of covered salary for Tier 1 employees and at 6% of covered salary for Tier 2 members. 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 the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the contribution rates. The employer rate established by statute for calendar year 2012 was 8.34%. The City employer contributions to KPERS for the years ending December 31, 2012, 2011 and 2010 were \$10,164, \$9,529 and \$6,247 equal to the regulatory required contributions for each year as set forth by the legislature.

Other Employee Benefits

Full-time employees earn one week of paid vacation upon completion of one year of employment and two weeks of vacation after completing three or more years of service through ten years of service. After ten years of service, employees earn three weeks of paid vacation per year. Unused vacation time has not been recorded as a liability in accompanying financial statements.

Full-time employees earn five days of paid sick leave in one year of service which can be accumulated to a maximum of thirty days. Unused sick leave has not been recorded in the accompanying financial statements.

7. OPERATING LEASE

On May 25, 1920, the City entered into an agreement with R. G. and Amanda Robinson to lease approximately four acres of land for 99 years at \$500 per year. On this land is much of the building and equipment used by the City for its water system. It also includes the sprints used by the City for its water supply. The City renews this lease annually by paying \$500 advance rental. The lease terminates if the City fails to pay them annual rent in advance.

8. CLAIMS AND JUDGMENTS

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 has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

9. SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to December 31, 2012, to determine the need for any adjustments to and/or disclosures within the audited financial statements. Management has performed their analysis through February 28, 2013, which is the date at which the financial statements were available to be issue.

CITY OF FLORENCE  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2012

## City of Florence, Kansas

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
(Budgeted Funds Only)  
For the Year Ended December 31, 2012

<u>Funds</u>	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
GENERAL	\$ 368,828	-	368,828	315,211	53,617
SPECIAL PURPOSE FUNDS					
Library	11,200	-	11,200	10,266	934
Rural fire	6,901	-	6,901	5,112	1,789
Special parks and recreation	-	-	-	-	-
Special highway	56,121	-	56,121	652	55,469
Total Special Purpose Funds	74,222	-	74,222	16,030	58,192
BOND AND INTEREST FUND					
Bond and interest	-	-	-	2,925	(2,925)
BUSINESS FUNDS					
Ambulance	3,952	-	3,952	1,219	2,733
Sewer	36,000	-	36,000	35,824	176
Solid waste	85,000	-	85,000	81,307	3,693
Water	106,168	-	106,168	105,822	346
Total Business Funds	231,120	-	231,120	224,172	6,948
Expenditures subject to current budget	\$ 674,170	-	674,170	558,338	115,832
Expenditures not subject to budget				70,373	
Total expenditures, statement 1				\$ 628,711	

See Independent Auditor's Report.

## City of Florence, Kansas

**General Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Taxes -				
Ad valorem property tax	\$ 100,527	103,211	117,102	(13,891)
Back tax collections	4,636	4,416	-	4,416
Motor vehicle tax	16,425	19,622	19,453	169
Recreational vehicle tax	236	305	231	74
16/20M vehicle tax	58	71	77	(6)
Sales tax	82,064	65,482	65,000	482
Local alcoholic liquor tax	327	331	20	311
In lieu of taxes	<u>4,086</u>	<u>3,419</u>	<u>2,000</u>	<u>1,419</u>
Total taxes	<u>208,359</u>	<u>196,857</u>	<u>203,883</u>	<u>(7,026)</u>
Fines	<u>102,865</u>	<u>50,401</u>	<u>90,000</u>	<u>(39,599)</u>
Licenses and permits	<u>980</u>	<u>782</u>	<u>900</u>	<u>(118)</u>
Franchise tax				
AT & T	1,593	1,187	20,000	(18,813)
Atmos Energy	5,236	4,627	-	4,627
Eagle Communication	234	262	-	262
Westar Energy	<u>14,940</u>	<u>14,428</u>	<u>-</u>	<u>14,428</u>
Total Franchise Tax	<u>22,003</u>	<u>20,504</u>	<u>20,000</u>	<u>504</u>
Charges for Services -				
Swimming pool	3,955	10,438	4,500	5,938
Cemetery fees and charges	<u>3,935</u>	<u>4,600</u>	<u>5,000</u>	<u>(400)</u>
Total Charges for Services	<u>7,890</u>	<u>15,038</u>	<u>9,500</u>	<u>5,538</u>
Use of Money and Property -				
Interest on investments	<u>1,077</u>	<u>589</u>	<u>3,000</u>	<u>(2,411)</u>

See Independent Auditor's Report.

## City of Florence, Kansas

**General Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Other Income -				
Police other	50	25	-	25
Insurance collection	8,255	4,222	22,000	(17,778)
Miscellaneous	6,182	16,237		16,237
Parks	150	693	-	693
Transportation Federal aid	235	-	-	-
Transfer from Bond and Interest Fund	-	2,925	-	2,925
Total Other Income	<u>14,872</u>	<u>24,102</u>	<u>22,000</u>	<u>2,102</u>
Total Cash Receipts	<u>358,046</u>	<u>308,273</u>	<u>349,283</u>	<u>(41,010)</u>
<b>EXPENDITURES</b>				
General Government				
Personal services	35,824	29,808	80,000	50,192
Contractual services	8,181	8,511	-	(8,511)
Commodities	25,809	23,518	-	(23,518)
Miscellaneous	2,920	1,422	-	(1,422)
Total General Government	<u>72,734</u>	<u>63,259</u>	<u>80,000</u>	<u>16,741</u>
Special Utilities	13,887	16,933	15,000	(1,933)
Police				
Personal services	61,256	44,611	90,000	45,389
Contractual services	18,941	15,145	-	(15,145)
Commodities	19,521	12,225	-	(12,225)
Miscellaneous	799	1,528	-	(1,528)
Total Police	<u>100,517</u>	<u>73,509</u>	<u>90,000</u>	<u>16,491</u>
Street				
Personal services	16,098	12,114	20,000	7,886
Contractual services	7,870	10,042	-	(10,042)
Commodities	3,329	7,966	-	(7,966)
Miscellaneous	427	35	-	(35)
Total Street	<u>27,724</u>	<u>30,157</u>	<u>20,000</u>	<u>(10,157)</u>

See Independent Auditor's Report.

## City of Florence, Kansas

**General Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>Fire</b>				
Personal services	100	100	8,500	8,400
Contractual services	2,412	1,018	-	(1,018)
Commodities	16,446	17,236	-	(17,236)
Miscellaneous	-	72	-	(72)
<b>Total Fire</b>	<b>18,958</b>	<b>18,426</b>	<b>8,500</b>	<b>(9,926)</b>
<b>Parks &amp; Recreation</b>				
Personal services	8,608	12,722	7,500	(5,222)
Contractual services	2,300	4,260	-	(4,260)
Commodities	4,904	3,141	-	(3,141)
Miscellaneous	295	804	-	(804)
<b>Total Park</b>	<b>16,107</b>	<b>20,927</b>	<b>7,500</b>	<b>(13,427)</b>
<b>Swimming Pool</b>				
Personal services	13,811	12,529	15,000	2,471
Commodities	3,418	14,282	-	(14,282)
Miscellaneous	157	100	-	(100)
<b>Total Swimming Pool</b>	<b>17,386</b>	<b>26,911</b>	<b>15,000</b>	<b>(11,911)</b>
<b>Cemetery</b>				
Personal services	2,030	2,387	9,000	6,613
Contractual services	4,366	3,900	-	(3,900)
Commodities	450	826	-	(826)
<b>Total Cemetery</b>	<b>6,846</b>	<b>7,113</b>	<b>9,000</b>	<b>1,887</b>
<b>Employee benefits</b>				
Social security	15,120	13,371	50,000	36,629
KPERS	9,529	10,164	-	(10,164)
Unemployment tax	5,750	5,401	-	(5,401)
Workmens' compensation	8,346	9,179	-	(9,179)
Health insurance premiums	21,096	18,075	-	(18,075)
	<b>59,841</b>	<b>56,190</b>	<b>50,000</b>	<b>(6,190)</b>

See Independent Auditor's Report.

City of Florence, Kansas

**General Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
For the Year ended 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Dike				
Personal services	701	486	3,000	2,514
Historical Society				
Appropriations	1,300	1,300	1,300	-
Public safety	-	-	5,000	5,000
Economic development	-	-	5,000	5,000
Standards board	-	-	10,000	10,000
Transfer to Capital Improvement Fund	-	-	25,000	25,000
Transfer to Equipment Reserve Fund	-	-	24,528	24,528
Total Expenditures	<u>336,001</u>	<u>315,211</u>	<u>368,828</u>	<u>53,617</u>
Receipts over (under) expenditures	22,045	(6,938)		
UNENCUMBERED CASH, beginning	<u>7,622</u>	<u>29,667</u>		
UNENCUMBERED CASH, ending	<u>\$ 29,667</u>	<u>22,729</u>		

## City of Florence, Kansas

**Special Purpose Fund****Library Fund**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis

For the Year ended 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Ad valorem property tax	\$ 8,331	8,771	9,951	(1,180)
Delinquent tax	423	331	300	31
Motor vehicle tax	1,525	1,493	1,617	(124)
Recreational vehicle tax	22	23	19	4
16/20M vehicle tax	5	5	6	(1)
Donation	-	100	-	100
Total Cash Receipts	<u>10,306</u>	<u>10,723</u>	<u>11,893</u>	<u>(1,170)</u>
<b>EXPENDITURES</b>				
Appropriations to Library Board	10,000	9,733	10,000	267
Insurance	300	401	500	99
Utilities and other	<u>132</u>	<u>132</u>	<u>700</u>	<u>568</u>
Total Expenditures	<u>10,432</u>	<u>10,266</u>	<u>11,200</u>	<u>934</u>
Receipts over (under) expenditures	(126)	457		
UNENCUMBERED CASH, beginning	<u>183</u>	<u>57</u>		
UNENCUMBERED CASH, ending	<u>\$ 57</u>	<u>514</u>		

## City of Florence, Kansas

**Special Purpose Fund****Rural Fire Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
For the Year ended 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Contractual services	\$ 3,260	2,660	2,600	60
Contributions and other	650	-	500	(500)
Total Cash Receipts	3,910	2,660	<u>3,100</u>	<u>(440)</u>
<b>EXPENDITURES</b>				
Public safety	2,655	5,112	<u>6,901</u>	<u>1,789</u>
Receipts over (under) expenditures	1,255	(2,452)		
UNENCUMBERED CASH, beginning	<u>6,663</u>	<u>7,918</u>		
UNENCUMBERED CASH, ending	<u>\$ 7,918</u>	<u>5,466</u>		

## SCHEDULE 2-4

**Special Parks and Recreation Fund**

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Alcohol tax	\$ 105	109	<u>-</u>	<u>109</u>
<b>EXPENDITURES</b>				
Commodities	-	-	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	105	109		
UNENCUMBERED CASH, beginning	<u>5,745</u>	<u>5,850</u>		
UNENCUMBERED CASH, ending	<u>\$ 5,850</u>	<u>5,959</u>		

City of Florence, Kansas

**Special Purpose Fund****Special Highway Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Gasoline tax	\$ 13,776	8,973	16,300	(7,327)
Other	-	3,021	-	3,021
Total Cash Receipts	13,776	11,994	<u>16,300</u>	<u>(4,306)</u>
<b>EXPENDITURES</b>				
Contractual services	<u>15,100</u>	<u>652</u>	<u>56,121</u>	<u>55,469</u>
Receipts over (under) expenditures	(1,324)	11,342		
UNENCUMBERED CASH, beginning	<u>42,922</u>	<u>41,598</u>		
UNENCUMBERED CASH, ending	<u>\$ 41,598</u>	<u>52,940</u>		

See Independent Auditor's Report.

## City of Florence, Kansas

**Special Purpose Fund****Fire Special Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Other	\$ 9,636	4,898		
<b>EXPENDITURES</b>				
Operating expense	13,526	5,195		NOT APPLICABLE
Receipts over (under) expenditures	(3,890)	(297)		
UNENCUMBERED CASH, beginning	8,556	4,666		
UNENCUMBERED CASH, ending	<u>\$ 4,666</u>	<u>4,369</u>		

## SCHEDULE 2-7

**Fire Grant Fund**

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
	\$ -	-		
<b>EXPENDITURES</b>				
Safety equipment	6,235	-		NOT APPLICABLE
Receipts over (under) expenditures	(6,235)	-		
UNENCUMBERED CASH, beginning	6,235	-		
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>		

City of Florence, Kansas

**Special Purpose Fund****Community Building Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012		Variance Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
<b>CASH RECEIPTS</b>				
Rent	\$ 21,237	-		
<b>EXPENDITURES</b>				
Personal services	-	1,204		
Insurance	5,070	5,731		
Maintenance	980	22		
Utilities	<u>2,826</u>	<u>2,357</u>	NOT APPLICABLE	
Total Expenditures	<u>8,876</u>	<u>9,314</u>		
Receipts over (under) expenditures	12,361	(9,314)		
UNENCUMBERED CASH, beginning	<u>53,532</u>	<u>65,893</u>		
UNENCUMBERED CASH, ending	<u>\$ 65,893</u>	<u>56,579</u>		

## City of Florence, Kansas

**Bond and Interest Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Ad valorem property tax	\$ 7,495	-	-	-
Back tax collections	1,071	-	-	-
Motor vehicle tax	4,122	-	1,550	(1,550)
Recreational vehicle tax	58	-	18	(18)
16/20M vehicle tax	13	-	6	(6)
Total Cash Receipts	<u>12,759</u>	<u>-</u>	<u>1,574</u>	<u>(1,574)</u>
<b>EXPENDITURES</b>				
Bond principal	25,000	-	-	-
Interest	1,178	-	-	-
Transfer to General Fund	-	2,925	-	(2,925)
Total Expenditures	<u>26,178</u>	<u>2,925</u>	<u>-</u>	<u>(2,925)</u>
Receipts over (under) expenditures	(13,419)	(2,925)		
UNENCUMBERED CASH, beginning	<u>16,344</u>	<u>2,925</u>		
UNENCUMBERED CASH, ending	<u>\$ 2,925</u>	<u>-</u>		

## City of Florence, Kansas

**Capital Project Funds****Capital Improvement Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Transfer from Water Fund	\$ -	7,000		
<b>EXPENDITURES</b>				
City building	-	9,850		NOT APPLICABLE
Receipts over (under) expenditures	-	(2,850)		
UNENCUMBERED CASH, beginning	65,372	65,372		
UNENCUMBERED CASH, ending	<u>\$ 65,372</u>	<u>62,522</u>		

## SCHEDULE 2-11

**Equipment Reserve Fund**

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Reimbursements	\$ -	22,144		
Transfer from Water Fund	-	7,000		
Total cash receipts	-	29,144		
<b>EXPENDITURES</b>				
Capital outlay	2,575	33,216		NOT APPLICABLE
Receipts over (under) expenditures	(2,575)	(4,072)		
UNENCUMBERED CASH, beginning	41,938	39,363		
UNENCUMBERED CASH, ending	<u>\$ 39,363</u>	<u>35,291</u>		

## City of Florence, Kansas

**Business Fund****Ambulance Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
 Regulatory Basis  
 For the Year ended 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
CASH RECEIPTS	\$ -	-	<u>-</u>	<u>-</u>
EXPENDITURES				
Operating expense	<u>2,221</u>	<u>1,219</u>	<u>3,952</u>	<u>2,733</u>
Receipts over (under) expenditures	(2,221)	(1,219)		
UNENCUMBERED CASH, beginning	<u>5,863</u>	<u>3,642</u>		
UNENCUMBERED CASH, ending	<u>\$ 3,642</u>	<u>2,423</u>		

## City of Florence, Kansas

**Business Fund****Sewer Utility Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
For the Year ended 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Sales to consumers	\$ 34,100	36,001	30,000	6,001
<b>EXPENDITURES</b>				
Personal services	-	7,756	-	(7,756)
Contractual services	-	8,821	-	(8,821)
Commodities	18,474	4,247	28,000	23,753
Transfer to Sewer Reserve Fund	15,000	15,000	8,000	(7,000)
Total Expenditures	33,474	35,824	36,000	176
Receipts over (under) expenditures	626	177		
UNENCUMBERED CASH, beginning	23,243	23,869		
UNENCUMBERED CASH, ending	\$ 23,869	24,046		

## SCHEDULE 2-14

**Sewer Reserve Fund**

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Transfer from Sewer Fund	\$ 15,000	15,000		
<b>EXPENDITURES</b>				
	-	-		NOT APPLICABLE
Receipts over (under) expenditures	15,000	15,000		
UNENCUMBERED CASH, beginning	34,000	49,000		
UNENCUMBERED CASH, ending	\$ 49,000	64,000		

## City of Florence, Kansas

**Business Fund****Solid Waste Utility Fund**

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year ended 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
User fees	\$ 70,211	75,298	70,000	5,298
Container rent	9,632	13,382	6,800	6,582
Other	200	216	7,600	(7,384)
	<u>80,043</u>	<u>88,896</u>	<u>84,400</u>	<u>4,496</u>
<b>EXPENDITURES</b>				
Operating expense	58,067	70,307	70,000	(307)
Transfer to Equipment Reserve Fund	-	-	1,000	1,000
Transfer to Solid Waste Reserve Fund	5,000	11,000	14,000	3,000
	<u>63,067</u>	<u>81,307</u>	<u>85,000</u>	<u>3,693</u>
Receipts over (under) expenditures	16,976	7,589		
UNENCUMBERED CASH, beginning	<u>12,918</u>	<u>29,894</u>		
UNENCUMBERED CASH, ending	<u>\$ 29,894</u>	<u>37,483</u>		

## SCHEDULE 2-16

**Solid Waste Reserve Fund**

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Transfers from other funds	\$ 5,000	11,000		
<b>EXPENDITURES</b>	<u>-</u>	<u>12,798</u>	NOT APPLICABLE	
Receipts over (under) expenditures	5,000	(1,798)		
UNENCUMBERED CASH, beginning	<u>27,500</u>	<u>32,500</u>		
UNENCUMBERED CASH, ending	<u>\$ 32,500</u>	<u>30,702</u>		

## City of Florence, Kansas

**Business Fund****Water Utility Fund**

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year ended 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
<b>CASH RECEIPTS</b>				
Sales to customers	\$ 91,221	108,236	90,000	18,236
Fees	6,556	7,162	6,000	1,162
	<u>97,777</u>	<u>115,398</u>	<u>96,000</u>	<u>19,398</u>
<b>EXPENDITURES</b>				
Personal services	17,712	20,917	75,000	54,083
Commodities	56,032	47,737	-	(47,737)
Transfer to Water Reserve Fund	-	12,000	5,000	(7,000)
Transfer to Sewer Reserve Fund	-	-	5,000	5,000
Transfer to Capital Improvement Fund	-	7,000	5,000	(2,000)
Transfer to Equipment Reserve Fund	-	7,000	5,000	(2,000)
KDHE-SRF loan	11,168	11,168	11,168	-
	<u>84,912</u>	<u>105,822</u>	<u>106,168</u>	<u>346</u>
Receipts over (under) expenditures	12,865	9,576		
UNENCUMBERED CASH, beginning	<u>16,889</u>	<u>29,754</u>		
UNENCUMBERED CASH, ending	<u>\$ 29,754</u>	<u>39,330</u>		

City of Florence, Kansas

**Business Fund**

**Water Reserve Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
For the Year ended 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012		Variance Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Transfer from Water Fund	\$ 47,508	12,000		
EXPENDITURES	<u>59,133</u>	<u>-</u>	NOT APPLICABLE	
Receipts over (under) expenditures	(11,625)	12,000		
UNENCUMBERED CASH, beginning	<u>60,000</u>	<u>48,375</u>		
UNENCUMBERED CASH, ending	<u>\$ 48,375</u>	<u>60,375</u>		

See Independent Auditor’s Report.