

CITY OF HILL CITY, KANSAS

Financial Statement with Independent Auditor's Report

For the Year Ended December 31, 2012

MAPES & MILLER LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To Honorable Mayor and City Council
City of Hill City
Hill City, Kansas 67642

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

Management's Responsibility for the Financial Statement

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

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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.

Mapes & Miller LLP

Certified Public Accountants

September 3, 2013

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

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund	\$ 499,774	862,806	848,580	514,000	2,180	516,180
Special Purpose Funds						
Airport Fund	42,284	61,736	47,095	56,925	0	56,925
Special City Highway Fund	9,802	38,501	28,121	20,182	0	20,182
Employee Benefits Fund	28,059	128,103	97,989	58,173	0	58,173
Special Parks and Recreation Fund	153,659	29,174	0	182,833	0	182,833
Equipment Reserve Fund	65,543	213,905	138,253	141,195	0	141,195
Capital Improvements Fund	548,242	227,582	265,942	509,882	115,044	624,926
Recreation Commission Fund	223	99	0	322	0	322
LE Seizure Trust Fund	509	0	0	509	0	509
Municipal Judge Training Fund	0	3	0	3	0	3
Crime Prevention Fund	129	250	0	379	0	379
Tree and Park Fund	189	0	0	189	0	189
Law Enforcement Training Fund	0	141	0	141	0	141
Ball Complex Lights Fund	20,471	0	0	20,471	0	20,471
Housing Grant Fund	16	1,950	0	1,966	0	1,966
Meth Lab Fund	529	0	0	529	0	529
Dane G. Hansen Fund	6,689	75,000	0	81,689	0	81,689
Bike Safety Program Fund	11	0	0	11	0	11
Industrial Park Lot Fund	2,500	2,500	0	5,000	0	5,000
Diversion Fund	550	200	0	750	0	750
Tort Liability Fund	58,470	0	0	58,470	0	58,470
Fema Disaster #1885 Fund	2,964	0	0	2,964	0	2,964

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

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

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund						
Airport Bond and Interest Fund	2,258	46,161	45,333	3,086	0	3,086
Capital Project Funds						
Airport Runway Fund	26,189	280,846	94,896	212,139	29,185	241,324
Water Improvement Project Fund	33,561	0	8,013	25,548	0	25,548
Sewer Construction Fund	0	262,484	262,484	0	18,429	18,429
Business Funds:						
Light Utility Fund	171,403	1,818,650	1,760,726	229,327	72,264	301,591
Water Utility Fund	368,473	607,114	496,577	479,010	3,980	482,990
Sewer Utility Fund	77,373	247,410	171,542	153,241	0	153,241
Golf Course Fund	9,394	50,406	51,991	7,809	0	7,809
Light Emergency Maintenance Fund	95,000	0	0	95,000	0	95,000
Light and Water Surplus Fund	5,119	0	203	4,916	0	4,916
Sewer Reserve Fund	171,877	51,786	94,065	129,598	0	129,598
Customer Deposits Fund	200	6,293	6,293	200	13,377	13,577
Total Reporting Entity	\$ 2,401,460	5,013,100	4,418,103	2,996,457	254,459	3,250,916

Compositon of Cash	Cash on Hand	\$ 100
	Checking Accounts - First State Bank	1,883,702
	Checking Account - Farmers and Merchants Bank	147,860
	Checking Account - Citizens State Bank	288,697
	Certificates of Deposit - First State Bank	360,186
	Certificates of Deposit - Farmers and Merchants Bank	570,371
Total Reporting Entity	\$ 3,250,916	

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

CITY OF HILL CITY, KANSAS
Notes to the Financial Statement
For The Year Ended December 31, 2012

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Hill City, Kansas, is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Hill City (the municipality). The following related municipal entity is not included in the financial statement:

Housing Authority. The City of Hill City Housing Authority operates the City's public housing facilities. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The governing body of the housing authority is appointed by the City. The audited financial statements for the Hill City Housing Authority may be obtained from the Executive Director, Hill City Housing Authority, Hill City, KS 67642.

Regulatory Basis Fund Types

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 projects and tax levies for long-term debt) that are intended for specified purposes.

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

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – used to account for 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.)

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.

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 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 final budget on or before August 25th.

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditures authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Capital Improvements Fund, LE Seizure Trust Fund, Municipal Judge Training Fund, Crime Prevention Fund, Tree and Park Fund, Law Enforcement Training Fund, Ball Complex Lights Fund, Housing Grant Fund, Meth Lab Fund, Dane G. Hansen Fund, Bike Safety Program Fund, Industrial Park Lot Fund, Diversion Fund, Tort Liability Fund and the Fema Disaster #1885 Fund; and the following business funds: Emergency Maintenance Fund, Light and Water Surplus Fund, Sewer Reserve Fund, Water Improvement Project Fund, Sewer Construction Fund, and Customer Deposits Fund.

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.

Reimbursements

The City records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

2. Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City in which the City is located, or in an adjoining City 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 investments choices.

Concentration of Credit Risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments consist solely of certificates of deposits.

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 did not use "peak periods" during 2012. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$3,250,816, and the bank balance was \$3,385,282. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$530,186 was covered by federal depository insurance and \$2,855,096 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.

3. Defined Benefit Pension Plan

Plan description. The City of Hill City, Kansas, 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. The report 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. 74-49,210 establish 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 members 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 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 employer contribution rates.

4. Other Long-Term Obligations from Operations

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality 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 municipality 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.

Compensated Absences

Full-time employees earn one day of vacation leave for each month worked. Employees who have been employed by the City for ten or more years earn 1 ¼ days of vacation leave per month. No vacation shall be taken until an employee has worked 12 consecutive, uninterrupted months. Permanent part-time employees who work 20 hours or more per week earn ½ day of vacation leave per month. Carryover of vacation leave from one year to the next is not permitted without authorization by the City Superintendent.

The liability for vacation leave was \$26,331 at December 31, 2012.

Full-time employees earn one day of sick leave for each month worked. Part-time employees who work 20 hours or more per week earn ½ day of sick leave per month. No more than 120 days of sick leave may accrue. Unused sick leave is not paid upon termination of employment with the City except upon retirement. All full-time City employees who retire and receive benefits pursuant to the Kansas Public Retirement System are entitled to a lump-sum cash payment equal to \$20 for each day of unused sick leave.

The liability for sick leave was \$14,210 at December 31, 2012.

5. Regulatory Compliance

Outstanding warrants/check. K.S.A. 10-816 states that warrants/checks outstanding for two years or more are canceled and restored to the fund originally charged. The City's bank reconciliation shows checks outstanding for two years or more. This appears to be a violation of this statute.

Unclaimed property. Per K.S.A. 58-3934 et seq unclaimed property is to be disposed of properly and required reports filed with the state treasurer. Old outstanding payroll checks on the City's books appear to be a violation of this statute.

Public works bond. K.S.A. 60-111 mandates public work contracts exceeding \$100,000 to be properly bonded. The contractor hired to upgrade the power plant engines did not obtain proper bonding. This appears to be a violation of this statute.

Mandatory nondiscrimination provisions. K.S.A. 44-1030 requires that public work contracts comply with the mandatory nondiscrimination provisions. Such provisions were not noted on the contract for the power plant engine improvements, which appears to be a violation of this statute.

6. Interfund Transfers

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes.

The City's operating transfers and regulatory authority for December 31, 2012, were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 96,332
General Fund	Capital Improvements Fund	K.S.A. 12-1,118	101,582
General Fund	Airport Runway Fund	K.S.A. 12-1,118	39,522
Light Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	109,000
Light Utility Fund	Capital Improvements Fund	K.S.A. 12-825d	126,000
Sewer Utility Fund	Employee Benefits Fund	K.S.A. 12-825d	7,500
Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	7,500
Sewer Utility Fund	Airport Bond and Interest Fund	K.S.A. 12-825d	7,500
Sewer Utility Fund	Light Utility Fund	K.S.A. 12-825d	15,209
Sewer Utility Fund	Sewer Reserve Fund	K.S.A. 12-825d	51,786
Sewer Reserve Fund	Sewer Construction Fund	K.S.A. 12-631o	94,065

7. 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 has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 149 participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management.

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and automobiles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. Capital Projects

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

<u>Project</u>	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable to Date</u>
Airport Runway	\$3,538,886	\$3,276,269
Water Improvement	842,250	663,368
Sewer Construction	4,999,110	267,779

9. Claims and Judgments

The City participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of September 3, 2013, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

During the ordinary 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.

10. Long-term Debt

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Airport Improvement Bonds	3.25-5.50%	08/15/02	\$ 500,000	09/01/17	\$ 240,000	0	35,000	205,000	10,325
Water Improvement Bonds	1.51-4.99%	08/15/09	560,000	09/01/24	80,000	0	30,000	50,000	2,004
KDHE Loans:									
Water Improvement Loan	3.44%	12/05/05	2,360,731	02/01/28	2,051,958	0	94,230	1,957,728	69,784
Water Improvement Loan	3.47%	11/18/09	421,125	08/01/31	338,199	0	89,290	248,909	9,687
Sewer Construction Loan	2.50%	10/25/11	4,999,110	03/01/33	0	168,419	0	168,419	0
Capital Leases Payable:									
Freightliner Lease	4.00%	07/25/11	65,102	07/25/16	65,102	0	12,098	53,004	2,526
Loader Lease	4.35%	05/05/09	87,500	05/06/13	35,698	0	17,467	18,231	1,572
Total Contractual Indebtedness					\$ 2,810,957	168,419	278,085	2,701,291	95,898

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

	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033	Total
Principal:										
General Obligation Bonds	\$ 65,000	60,000	40,000	45,000	45,000	0	0	0	0	255,000
KDHE Loans	140,202	246,525	322,735	331,949	341,434	1,859,452	2,141,996	1,659,631	161,823	7,205,747
Capital Leases Payable	30,731	13,000	13,520	13,984	0	0	0	0	0	71,235
Total Principal	235,933	319,525	376,255	390,933	386,434	1,859,452	2,141,996	1,659,631	161,823	7,531,982 *
Interest:										
General Obligation Bonds	10,248	8,042	5,790	4,050	2,025	0	0	0	0	30,155
KDHE Loans	137,559	195,082	186,971	177,757	168,272	689,077	406,533	132,835	2,024	2,096,110
Capital Leases Payable	2,916	1,624	1,104	640	0	0	0	0	0	6,284
Total Interest	150,723	204,748	193,865	182,447	170,297	689,077	406,533	132,835	2,024	2,132,549
Total Principal and Interest	\$ 386,656	524,273	570,120	573,380	556,731	2,548,529	2,548,529	1,792,466	163,847	9,664,531 *

*Includes payments on unissued KDHE Loan of \$4,830,691.

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

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

SCHEDULE 1

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
Governmental Type Funds:					
General Fund	\$ 950,000	0	950,000	848,580	(101,420)
Special Purpose Funds					
Airport Fund	58,460	0	58,460	47,095	(11,365)
Special City Highway Fund	39,686	0	39,686	28,121	(11,565)
Employee Benefits Fund	141,429	0	141,429	97,989	(43,440)
Special Parks and Recreation Fund	101,762	0	101,762	0	(101,762)
Equipment Reserve Fund	214,824	0	214,824	138,253	*
Capital Improvements Fund	390,800	0	390,800	265,942	**
Recreation Commission Fund	219	0	219	0	(219)
LE Seizure Trust Fund	355	0	355	0	***
Bond and Interest Fund					
Airport Bond and Interest Fund	50,132	0	50,132	45,333	(4,799)
Business Funds:					
Light Utility Fund	2,083,077	0	2,083,077	1,760,726	(322,351)
Water Utility Fund	468,594	85,740	554,334	496,577	(57,757)
Sewer Utility Fund	207,234	0	207,234	171,542	(35,692)
Golf Course Fund	62,100	0	62,100	51,991	(10,109)
Light Emergency Maintenance Fund	47,500	0	47,500	0	****

* Exempt from the Budget Law K.S.A. 12-1,117.

** Exempt from the Budget Law K.S.A. 12-1,118.

*** Exempt from the Budget Law K.S.A. 60-4114d (2).

**** Exempt from the Budget Law K.S.A. 12-825d.

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 323,701	321,989	1,712
Delinquent Tax	10,977	16,099	(5,122)
Motor Vehicle Tax	56,461	41,967	14,494
Recreational Vehicle Tax	1,261	1,199	62
16/20M Vehicle Tax	772	637	135
Sales and Compensating Use Tax	399,474	317,592	81,882
Local Liquor Tax	4,852	5,109	(257)
Licenses, Permits, and Fines			
Franchise Fees	17,767	21,000	(3,233)
Licenses and Permits	2,080	2,200	(120)
Court Fines	1,124	1,500	(376)
Dog Pound Fees	55	225	(170)
Charges for Services			
Swimming Pool	8,027	4,500	3,527
Cemetery	2,332	2,500	(168)
Interest on Idle Funds	2,173	4,000	(1,827)
Miscellaneous	27,252	5,000	22,252
Recycling Center	2,458	1,500	958
Reimbursements	2,040	0	2,040
	<u>862,806</u>	<u>747,017</u>	<u>115,789</u>

CITY OF HILL CITY, KANSAS

SCHEDULE 2

General Fund

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Expenditures:			
General Administration			
Personal Services	\$ 15,240	16,658	(1,418)
Contractual Services	110,404	67,699	42,705
Commodities	4,808	21,000	(16,192)
Miscellaneous	3,281	5,000	(1,719)
Alcohol Appropriation	1,150	2,000	(850)
	<u>134,883</u>	<u>112,357</u>	<u>22,526</u>
Total General Administration			
Police Department			
Personal Services	150,700	159,390	(8,690)
Contractual Services	52,903	57,443	(4,540)
Commodities	26,181	20,700	5,481
Capital Outlay	2,054	2,000	54
Miscellaneous	838	0	838
	<u>232,676</u>	<u>239,533</u>	<u>(6,857)</u>
Total Police Department			
Legal			
Personal Services	22,196	37,000	(14,804)
Contractual Services	1,345	800	545
Commodities	1,511	500	1,011
	<u>25,052</u>	<u>38,300</u>	<u>(13,248)</u>
Total Legal			
Airport, Parks, and Cemetery			
Personal Services	0	18,000	(18,000)
Contractual Services	3,169	3,000	169
Commodities	12,370	21,000	(8,630)
	<u>15,539</u>	<u>42,000</u>	<u>(26,461)</u>
Total Airport, Parks, and Cemetery			

CITY OF HILL CITY, KANSAS

SCHEDULE 2

General Fund

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Fire Department			
Personal Services	\$ 8,836	15,000	(6,164)
Contractual Services	6,455	9,000	(2,545)
Commodities	1,972	6,500	(4,528)
Capital Outlay	0	4,000	(4,000)
Total Fire Department	<u>17,263</u>	<u>34,500</u>	<u>(17,237)</u>
Street Department			
Personal Services	75,996	52,490	23,506
Contractual Services	26,126	37,500	(11,374)
Commodities	27,314	56,140	(28,826)
Total Street Department	<u>129,436</u>	<u>146,130</u>	<u>(16,694)</u>
Oil Museum			
Contractual Services	462	1,200	(738)
Swimming Pool			
Personal Services	28,975	30,985	(2,010)
Contractual Services	4,333	9,500	(5,167)
Commodities	21,409	15,500	5,909
Miscellaneous	22	0	22
Total Swimming Pool	<u>54,739</u>	<u>55,985</u>	<u>(1,246)</u>
Scout House			
Contractual Services	1,094	1,500	(406)

CITY OF HILL CITY, KANSAS

SCHEDULE 2

General Fund

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Other			
Golf Course	\$ 0	12,522	(12,522)
Airport	0	10,000	(10,000)
Neighborhood Revitalization Rebate	0	3,091	(3,091)
	<u>0</u>	<u>25,613</u>	<u>(25,613)</u>
Total Other			
Operating Transfers			
Transfer to Equipment Reserve Fund	96,332	120,000	(23,668)
Transfer to Capital Improvements Fund	101,582	132,882	(31,300)
Transfer to Airport Runway Fund	39,522	0	39,522
	<u>237,436</u>	<u>252,882</u>	<u>(15,446)</u>
Total Operating Transfers			
	<u>848,580</u>	<u>950,000</u>	<u>(101,420)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	14,226		
Unencumbered Cash, Beginning	<u>499,774</u>		
Unencumbered Cash, Ending	<u>\$ 514,000</u>		

CITY OF HILL CITY, KANSAS

SCHEDULE 2

Special Purpose Funds

Page 5

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Airport Fund			
Receipts:			
Rent	\$ 2,905	3,500	(595)
Farm Income	13,109	1,500	11,609
Fuel	43,101	25,000	18,101
Miscellaneous	28	0	28
Reimbursements	2,593	0	2,593
	<u>61,736</u>	<u>30,000</u>	<u>31,736</u>
Total Receipts			
Expenditures:			
Contractual Services	8,061	9,000	(939)
Commodities	38,973	37,000	1,973
Capital Outlay	0	12,460	(12,460)
Miscellaneous	61	0	61
	<u>47,095</u>	<u>58,460</u>	<u>(11,365)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	14,641		
Unencumbered Cash, Beginning	<u>42,284</u>		
Unencumbered Cash, Ending	\$ <u>56,925</u>		

CITY OF HILL CITY, KANSAS

SCHEDULE 2

Special Purpose Funds

Page 6

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Special City Highway Fund			
Receipts:			
Intergovernmental	\$ 38,501	37,900	601
Expenditures:			
Contractual Services	14,517	12,686	1,831
Commodities	13,604	27,000	(13,396)
Total Expenditures	28,121	39,686	(11,565)
Receipts Over (Under) Expenditures	10,380		
Unencumbered Cash, Beginning	9,802		
Unencumbered Cash, Ending	\$ 20,182		

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Employee Benefits Fund			
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 98,211	97,691	520
Delinquent Tax	2,989	4,885	(1,896)
Motor Vehicle Tax	18,735	14,048	4,687
Recreational Vehicle Tax	418	401	17
16/20M Vehicle Tax	238	214	24
Reimbursements	12	0	12
Transfer from Sewer Utility Fund	7,500	10,000	(2,500)
	<u>128,103</u>	<u>127,239</u>	<u>864</u>
Expenditures:			
Social Security Tax	18,420	17,000	1,420
Medicare Tax	4,308	4,000	308
KPERS	16,628	15,000	1,628
Health Insurance Premiums	57,953	103,500	(45,547)
Unemployment Tax	680	1,000	(320)
Neighborhood Revitalization Rebate	0	929	(929)
	<u>97,989</u>	<u>141,429</u>	<u>(43,440)</u>
Receipts Over (Under) Expenditures	30,114		
Unencumbered Cash, Beginning	<u>28,059</u>		
Unencumbered Cash, Ending	<u>\$ 58,173</u>		

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Special Parks and Recreation Fund			
Receipts:			
Taxes			
Delinquent Tax	\$ 958	0	958
Motor Vehicle Tax	6,551	4,810	1,741
Recreational Vehicle Tax	147	137	10
16/20M Vehicle Tax	94	73	21
State Aid	9,377	0	9,377
Miscellaneous	7,195	0	7,195
Local Liquor Tax	4,852	5,109	(257)
	<u>29,174</u>	<u>10,129</u>	<u>19,045</u>
Expenditures:			
Personal Services	0	20,000	(20,000)
Contractual Services	0	37,971	(37,971)
Commodities	0	11,791	(11,791)
Capital Outlay	0	32,000	(32,000)
	<u>0</u>	<u>101,762</u>	<u>(101,762)</u>
Receipts Over (Under) Expenditures	29,174		
Unencumbered Cash, Beginning	<u>153,659</u>		
Unencumbered Cash, Ending	<u>\$ 182,833</u>		

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Equipment Reserve Fund			
Receipts:			
Miscellaneous	\$ 1,073	0	1,073
Transfer from General Fund	96,332	96,332	0
Transfer from Light Utility Fund	109,000	109,000	0
Transfer from Sewer Utility Fund	7,500	10,000	(2,500)
	<u>213,905</u>	<u>215,332</u>	<u>(1,427)</u>
Total Receipts			
Expenditures:			
Sewer Equipment	0	13,000	(13,000)
Police Equipment	27,438	31,600	(4,162)
Airport Dump Truck	0	25,000	(25,000)
Street	50,302	59,500	(9,198)
Light Equipment	6,551	12,100	(5,549)
Loader Lease	19,039	19,024	15
Fire	0	6,600	(6,600)
Other Equipment	8,644	0	8,644
Golf Course	11,655	0	11,655
Freightliner Lease	14,624	0	14,624
Recycle Center	0	18,000	(18,000)
City Hall	0	30,000	(30,000)
	<u>138,253</u>	<u>214,824</u>	<u>(76,571)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	75,652		
Unencumbered Cash, Beginning	<u>65,543</u>		
Unencumbered Cash, Ending	<u>\$ 141,195</u>		

* Exempt from the Budget Law K.S.A. 12-1,117.

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 2
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	Actual	*Budget	Variance- Over (Under)
Capital Improvements Fund			
Receipts:			
Transfer from General Fund	\$ 101,582	101,582	0
Transfer from Light Utility Fund	<u>126,000</u>	<u>126,000</u>	<u>0</u>
Total Receipts	<u>227,582</u>	<u>227,582</u>	<u>0</u>
Expenditures:			
Street Repair	0	70,000	(70,000)
Lights, Capital Improvements	255,655	68,800	186,855
Curb, Gutter, and Sidewalks	0	40,000	(40,000)
Airport Improvements	0	74,000	(74,000)
Swimming Pool	0	50,000	(50,000)
Other Capital Improvements	0	88,000	(88,000)
Miscellaneous	<u>10,287</u>	<u>0</u>	<u>10,287</u>
Total Expenditures	<u>265,942</u>	<u>390,800</u>	<u>(124,858)</u>
Receipts Over (Under) Expenditures	<u>(38,360)</u>		
Unencumbered Cash, Beginning	<u>548,242</u>		
Unencumbered Cash, Ending	<u>\$ 509,882</u>		

* Exempt from the Budget Law K.S.A. 12-1,118.

CITY OF HILL CITY, KANSAS

SCHEDULE 2

Special Purpose Funds

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Recreation Commission Fund			
Receipts:			
Taxes			
Delinquent Tax	\$ <u>99</u>	<u>0</u>	<u>99</u>
Expenditures:			
Appropriations	<u>0</u>	<u>219</u>	<u>(219)</u>
Receipts Over (Under) Expenditures	99		
Unencumbered Cash, Beginning	<u>223</u>		
Unencumbered Cash, Ending	\$ <u><u>322</u></u>		

CITY OF HILL CITY, KANSAS

SCHEDULE 2

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>*Budget</u>	Variance- Over (Under)
LE Seizure Trust Fund			
Receipts:			
Other Revenue	\$ <u>0</u>	<u>100</u>	<u>(100)</u>
Expenditures:			
Contractual Services	<u>0</u>	<u>355</u>	<u>(355)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>509</u>		
Unencumbered Cash, Ending	\$ <u>509</u>		

* Exempt from the Budget Law K.S.A. 60-4114d (2).

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>
Municipal Judge Training Fund	
Receipts:	
Municipal Court Fines	\$ <u>3</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	3
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>3</u></u>
Crime Prevention Fund	
Receipts:	
Donations	\$ <u>250</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	250
Unencumbered Cash, Beginning	<u>129</u>
Unencumbered Cash, Ending	\$ <u><u>379</u></u>
Tree and Park Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>189</u>
Unencumbered Cash, Ending	\$ <u><u>189</u></u>

CITY OF HILL CITY, KANSAS
Special Purpose Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	Actual
Law Enforcement Training Fund	
Receipts:	
Municipal Court Fines	\$ <u>141</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	141
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>141</u></u>
Ball Complex Lights Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>20,471</u>
Unencumbered Cash, Ending	\$ <u><u>20,471</u></u>
Housing Grant Fund	
Receipts	
Federal Aid	\$ <u>1,950</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	1,950
Unencumbered Cash, Beginning	<u>16</u>
Unencumbered Cash, Ending	\$ <u><u>1,966</u></u>
Meth Lab Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>529</u>
Unencumbered Cash, Ending	\$ <u><u>529</u></u>

CITY OF HILL CITY, KANSAS

SCHEDULE 2

Special Purpose Funds

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Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>
Dane G. Hansen Fund	
Receipts	
Donations	\$ <u>75,000</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	75,000
Unencumbered Cash, Beginning	<u>6,689</u>
Unencumbered Cash, Ending	\$ <u><u>81,689</u></u>
Bike Safety Program Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>11</u>
Unencumbered Cash, Ending	\$ <u><u>11</u></u>
Industrial Park Lot Fund	
Receipts:	
Lot sales	\$ <u>2,500</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	2,500
Unencumbered Cash, Beginning	<u>2,500</u>
Unencumbered Cash, Ending	\$ <u><u>5,000</u></u>

Special Purpose Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>
Diversion Fund	
Receipts:	
Diversion Fines	\$ <u>200</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	200
Unencumbered Cash, Beginning	<u>550</u>
Unencumbered Cash, Ending	\$ <u><u>750</u></u>
Tort Liability Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>58,470</u>
Unencumbered Cash, Ending	\$ <u><u>58,470</u></u>
Fema Disaster #1885 Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>2,964</u>
Unencumbered Cash, Ending	\$ <u><u>2,964</u></u>

Bond and Interest Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Airport Bond and Interest Fund			
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 31,399	31,232	167
Delinquent Tax	970	1,562	(592)
Motor Vehicle Tax	6,052	4,311	1,741
Recreational Vehicle Tax	136	123	13
16/20M Vehicle Tax	104	66	38
Transfer from Sewer Utility Fund	7,500	10,000	(2,500)
	<u>46,161</u>	<u>47,294</u>	<u>(1,133)</u>
Total Receipts			
Expenditures:			
Principal	35,000	35,000	0
Interest	10,325	10,325	0
Fees	8	10	(2)
Neighborhood Revitalization Rebate	0	297	(297)
Cash Basis Reserve	0	4,500	(4,500)
	<u>45,333</u>	<u>50,132</u>	<u>(4,799)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	828		
Unencumbered Cash, Beginning	<u>2,258</u>		
Unencumbered Cash, Ending	<u>\$ 3,086</u>		

Capital Project Funds

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>
Airport Runway Fund	
Receipts:	
FAA Grant	\$ 215,081
KDOT Grant	26,243
Transfer from General Fund	<u>39,522</u>
 Total Receipts	 <u>280,846</u>
Expenditures:	
Airport Runway	<u>94,896</u>
Receipts Over (Under) Expenditures	185,950
Unencumbered Cash, Beginning	<u>26,189</u>
Unencumbered Cash, Ending	<u>\$ 212,139</u>
 Water Improvement Project Fund	
Receipts	<u>\$ 0</u>
Expenditures:	
Capital Outlay	<u>8,013</u>
Receipts Over (Under) Expenditures	(8,013)
Unencumbered Cash, Beginning	<u>33,561</u>
Unencumbered Cash, Ending	<u>\$ 25,548</u>
 Sewer Construction Fund	
Receipts:	
KDHE Loan Proceeds	\$ 168,419
Transfer from Sewer Reserve Fund	<u>94,065</u>
 Total Receipts	 <u>262,484</u>
Expenditures:	
Sewer Project	<u>262,484</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Light Utility Fund			
Receipts:			
Charges for Services	\$ 1,777,701	1,817,445	(39,744)
Other Sales and Services	4,304	2,000	2,304
Refunds	1,605	0	1,605
Miscellaneous	16,402	15,000	1,402
Reimbursements	3,429	0	3,429
Transfer from Sewer Utility Fund	15,209	20,279	(5,070)
	<u>1,818,650</u>	<u>1,854,724</u>	<u>(36,074)</u>
Total Receipts			
Expenditures:			
General and Administration			
Personal Services	218,818	246,653	(27,835)
Contractual Services	38,600	46,575	(7,975)
Commodities	24,574	25,875	(1,301)
Sales Tax	54,266	48,000	6,266
Miscellaneous	4,511	0	4,511
	<u>340,769</u>	<u>367,103</u>	<u>(26,334)</u>
Total General and Administration			
Production			
Personal Services	77,153	147,559	(70,406)
Contractual Services	33,462	54,855	(21,393)
Commodities	7,806	80,000	(72,194)
Purchased Power	881,387	1,015,975	(134,588)
	<u>999,808</u>	<u>1,298,389</u>	<u>(298,581)</u>
Total Production			

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Light Utility Fund (Continued)			
Distribution			
Personal Services	\$ 84,343	85,500	(1,157)
Contractual Services	25,938	32,085	(6,147)
Commodities	74,868	65,000	9,868
	<u>185,149</u>	<u>182,585</u>	<u>2,564</u>
Operating Transfers			
Transfer to Equipment Reserve Fund	109,000	109,000	0
Transfer to Capital Improvements Fund	126,000	126,000	0
	<u>235,000</u>	<u>235,000</u>	<u>0</u>
Total Expenditures	<u>1,760,726</u>	<u>2,083,077</u>	<u>(322,351)</u>
Receipts Over (Under) Expenditures	57,924		
Unencumbered Cash, Beginning	<u>171,403</u>		
Unencumbered Cash, Ending	<u>\$ 229,327</u>		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Water Utility Fund			
Receipts:			
Charges for Services	\$ 511,098	447,201	63,897
Other Sales and Services	4,390	2,344	2,046
Miscellaneous	2,800	0	2,800
KDHE Principal Forgiveness	85,740	0	85,740
Reimbursements	3,086	0	3,086
	<u>607,114</u>	<u>449,545</u>	<u>157,569</u>
Total Receipts			
Expenditures:			
General and Administration			
Taxes and Water Fees	3,578	11,265	(7,687)
Miscellaneous	429	93	336
	<u>4,007</u>	<u>11,358</u>	<u>(7,351)</u>
Total General and Administration			
Distribution			
Personal Services	55,933	106,721	(50,788)
Contractual Services	62,039	64,107	(2,068)
Commodities	74,840	54,173	20,667
Capital Outlay	0	6,841	(6,841)
	<u>192,812</u>	<u>231,842</u>	<u>(39,030)</u>
Total Distribution			
Debt Service			
Water Bond Principal and Interest	32,004	32,004	0
KDHE Loan Principal	183,520	109,121	74,399
KDHE Loan Interest	79,471	84,269	(4,798)
KDHE Fees	4,763	0	4,763
	<u>299,758</u>	<u>225,394</u>	<u>74,364</u>
Total Debt Service			
Adjustment for Qualifying Budget Credit:			
KDHE Principal Forgiveness	0	85,740	(85,740)
	<u>496,577</u>	<u>554,334</u>	<u>(57,757)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	110,537		
Unencumbered Cash, Beginning	<u>368,473</u>		
Unencumbered Cash, Ending	\$ <u>479,010</u>		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
Sewer Utility Fund			
Receipts:			
Charges for Services	\$ 242,593	194,000	48,593
Other Sales and Services	1,400	100	1,300
Miscellaneous	2,929	0	2,929
Reimbursements	488	0	488
	<u>247,410</u>	<u>194,100</u>	<u>53,310</u>
Total Receipts			
Expenditures:			
Personal Services	40,432	51,750	(11,318)
Contractual Services	20,938	23,805	(2,867)
Commodities	19,094	20,700	(1,606)
Capital Outlay	0	20,700	(20,700)
Miscellaneous	1,583	0	1,583
Transfer to Employee Benefits Fund	7,500	10,000	(2,500)
Transfer to Equipment Reserve Fund	7,500	10,000	(2,500)
Transfer to Airport Bond and Interest Fund	7,500	10,000	(2,500)
Transfer to Light Utility Fund	15,209	20,279	(5,070)
Transfer to Sewer Reserve Fund	51,786	40,000	11,786
	<u>171,542</u>	<u>207,234</u>	<u>(35,692)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	75,868		
Unencumbered Cash, Beginning	<u>77,373</u>		
Unencumbered Cash, Ending	\$ <u>153,241</u>		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Golf Course Fund			
Receipts:			
Charges for Services	\$ 7,335	8,000	(665)
Membership Dues	24,341	26,600	(2,259)
Rent	9,450	9,000	450
Miscellaneous	744	0	744
Reimbursements	8,536	12,522	(3,986)
	<u>50,406</u>	<u>56,122</u>	<u>(5,716)</u>
Total Receipts			
Expenditures:			
Personal Services	10,093	27,117	(17,024)
Contractual Services	3,157	6,417	(3,260)
Commodities	36,691	17,595	19,096
Capital Outlay	0	10,971	(10,971)
Miscellaneous	2,050	0	2,050
	<u>51,991</u>	<u>62,100</u>	<u>(10,109)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(1,585)		
Unencumbered Cash, Beginning	<u>9,394</u>		
Unencumbered Cash, Ending	<u>\$ 7,809</u>		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>*Budget</u>	<u>Variance- Over (Under)</u>
Light Emergency Maintenance Fund			
Receipts	\$ <u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Emergency Maintenance	<u>0</u>	<u>47,500</u>	<u>(47,500)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>95,000</u>		
Unencumbered Cash, Ending	\$ <u><u>95,000</u></u>		

* Exempt from the Budget Law K.S.A. 12-825d.

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>
Light and Water Surplus Fund	
Receipts	\$ <u>0</u>
Expenditures:	
Industrial Park Project	<u>203</u>
Receipts Over (Under) Expenditures	(203)
Unencumbered Cash, Beginning	<u>5,119</u>
Unencumbered Cash, Ending	\$ <u><u>4,916</u></u>
Sewer Reserve Fund	
Receipts:	
Transfer from Sewer Utility Fund	\$ <u>51,786</u>
Expenditures:	
Transfer to Sewer Construction Fund	<u>94,065</u>
Receipts Over (Under) Expenditures	(42,279)
Unencumbered Cash, Beginning	<u>171,877</u>
Unencumbered Cash, Ending	\$ <u><u>129,598</u></u>
Customer Deposits Fund	
Receipts:	
Customer Deposits	\$ <u>6,293</u>
Expenditures:	
Customer Refunds	<u>6,293</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>200</u>
Unencumbered Cash, Ending	\$ <u><u>200</u></u>

* Exempt from the Budget Law K.S.A. 12-825d.