CITY OF JOHNSON
JOHNSON, KANSAS

DECEMBER 31, 2012

CITY OF JOHNSON

JOHNSON, KANSAS

REPORT ON AUDIT OF ACCOUNTS

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012

DIRKS, ANTHONY & DUNCAN, LLC
CERTIFIED PUBLIC ACCOUNTANTS
104 N. Main
Ulysses, Kansas 67880

CITY OF JOHNSON, KANSAS
Financial Statement
For the Year Ended December 31, 2012

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Dirks, Anthony & Duncan, LLC
Certified Public Accountants & Management Consultants

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Johnson
Johnson, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Johnson, 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 A 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 A of the financial statement, the financial statement is prepared by the City of Johnson 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 the basis of accounting other than accounting principles generally accepted in the United States of America.

The effects of the financial statement of the variances between the regulatory basis of accounting described in Note A 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 of Johnson as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Johnson 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 A.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the 2012 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 and other supporting schedules (Schedules 1-7, 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 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 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 2012 basic financial statement or to the 2012 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 2012 basic financial statement as a whole, on the basis of accounting described in Note A.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual (Schedules 2 listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statements upon when we rendered an unqualified opinion dated May 30, 2012. The 2011 basic financial statement 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 and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 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 2011 basic financial statement or to the 2011 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 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note A.

Dirks, Anthony, & Duncan L.L.C

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

June 10, 2013

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

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance
General Fund	$ 108,134.75	329,344.69	287,865.46	149,613.98
Special Purpose Funds:				
Special Highway Fund	8,440.34	38,919.81	32,547.54	14,812.61
Employee Benefits Fund	2,683.51	91,402.00	79,359.13	14,726.38
Special Parks Fund	-	-	-	-
Bond and Interest Fund:				
Bond & Interest Fund	43,662.87	61,306.07	69,636.26	35,332.68
Business Funds:				
Enterprise Type Funds				
Electric Utility Fund	1,551,886.40	2,169,606.69	1,999,940.17	1,721,552.92
Water Utility Fund	451,729.46	395,920.68	415,964.73	431,685.41
Trash Utility Fund	1,303.79	224,725.55	222,748.77	3,280.57
Sewer Maintenance Fund	2,999.04	62,389.97	62,178.23	3,210.78
Total Primary Government	$ 2,170,840.16	3,373,615.46	3,170,240.29	2,374,215.33

Composition of Cash:

Time Deposits, Johnson State Bank, Johnson, Kansas	
Cash in checking, Johnson State Bank, Johnson, Kansas	
Less: O/S checks	
Add: Transit deposit	
Johnson State Bank - Special Account	
Money Market Account, Johnson State Bank, Johnson, Kansas	
Less: O/S checks	
Add: Transit deposit	
Time Deposits, First National Bank, Johnson, Kansas	
Petty cash	
Less: O/S checks	
Additional Transit Deposit	
Add: Transit deposit	
Total Composition of Cash	

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

STATEMENT 1

	Add: Encumbrances and Accounts Payable	Ending Cash Balance
	7,369.41	156,983.39
	-	14,812.61
	3,652.94	18,379.32
	-	-
	-	35,332.68
	118,967.90	1,840,520.82
	305.49	431,990.90
	7,369.85	10,650.42
	116.14	3,326.92
	137,781.73	2,511,997.06
		$ 500,000.00
$	70,451.27	
	(95,072.73)	
	-	
		(24,621.46)
		2,198.35
	1,428,560.15	
	-	
		1,428,560.15
		604,360.02
$	1,872.13	
	(372.13)	
	-	
	-	
		1,500.00
		$ 2,511,997.06

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

The City of Johnson, Kansas is a municipal corporation governed by an elected mayor and an elected five member council. This financial statement presents the City of Johnson, Kansas (the municipality). A related municipal entity is an entity established to benefit the City and/or its constituents. The City has no related municipal entities.

2. Regulatory Basis Fund Types

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

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

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.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services.

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.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

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

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

The City 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.

4. 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 the final budget on or before August 25th.

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

A legal operating budget is not required for utility reserve funds and certain special purpose funds.

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

5. Ad Valorem Tax Revenue

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. Taxes are levied by November 1 and a lien for all taxes attaches on that same date until the taxes are paid. One-half of the property taxes is due December 20 and distributed to the City by January 20, and the second half is due May 10 and distributed to the City by June 5. The City draws available funds from the County Treasurer's office at designated times throughout the year.

6. Special Assessments

Projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

B. 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 to 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 to 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.

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%. All deposits were not legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the City's deposits, including certificates of deposit, was $2,511,997 and the bank balance was $2,607,442. Of the bank balance, $750,000 was covered by federal depository insurance, and $1,503,082 was collateralized with securities held by the pledging financial institutions agents in the City's name. $354,360 was unsecured as of December 31, 2012 at the First National Bank of Johnson, Kansas. In January, 2013, pledged securities were obtained to cover the deficiency that existed as of December 31, 2012.

C. PENSION COSTS AND EMPLOYEE BENEFITS

1. Defined Benefit Pension Plan

Plan Description. The City of Johnson, Kansas, contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPER provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPER issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603), at the following website: http://www.kpers.org/annualreport2012.pdf or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and 74-49,210 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 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. KPER is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City of Johnson employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were $40,755, $35,090 and $32,988, respectively, equal to the regulatory required contributions for each year as set forth by the legislature.

2. Other Employee Benefits

Vacation leave and Sick leave – Vacation and sick leave is earned and credited according to a table in the employee policy handbook. Unused sick leave and vacation pay can accrue at the end of each calendar year, as follows: sick leave-24 days; vacation-12 days. The amounts of accrued compensated absences are $47,750.80 and $3,652.94 for related accrued employee benefits as of 12-131-2012; and are $46,406.80 and

$3,550.12 as of 12-31-2011. These amounts are included in encumbrances and accounts payable.
Section 125 Cafeteria Plan/Health Insurance - The City does not offer a Section 125 cafeteria plan.

3. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement. This year the City had no retirees participating in the health insurance.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City 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.

D. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regularity Authority	Amount
Sewer Utility	Electric Utility	K.S. A. 12-825d	$5,410.29
Water Utility Fund	Electric Utility	K.S. A. 12-825d	$100,032.23
Trash Utility	Electric Utility	K.S. A. 12-825d	$75,000.00
Electric Utility	General Fund	K.S. A. 12-825d	$31,470.43

E. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets: errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workman's compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other Kansas municipalities 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 147 participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust for its workman's 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 event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Municipal Insurance Trust.

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

F. CONTINGENCIES

The City, at times, receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the City at December 31, 2012.

G. CAPITAL PROJECTS

The City of Johnson had no capital projects in place for the year ending December 31, 2012.

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

I. CUSTOMER DEPOSITS

The City has been paying interest on meter deposits in accordance with K.S.A. 12-822.

J. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There were no cash basis law or budget law violations for the year ending December 31, 2012.
As noted in Deposits and Investments section, there were deposits that were unsecured at December 31, 2012 which is a violation of K.S.A. 9-1402 and K.S.A. 9-1405.

J. Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds:				
Series 2006	Varied	8/25/2006	520,000	2017
Total Long-Term Debt				

Current maturities of long-term debt and interest next five years and through maturity are as follows:

	Year			
	2013	2014	2015	2016
Principal:				
General obligation Bonds Series 2006	55,000.00	60,000.00	60,000.00	65,000.00
Total principal	$ 55,000.00	60,000.00	60,000.00	65,000.00
Interest:				
General obligation Bonds Series 2006	12,505.00	10,250.00	7,790.00	5,330.00
Total interest	$ 12,505.00	10,250.00	7,790.00	5,330.00
Total principal and interest	$ 67,505.00	70,250.00	67,790.00	70,330.00

	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
$	360,000	-	55,000	305,000	14,636
$	360,000	$ -	55,000	305,000	14,636

Year			
2017	2018	2019	Total
65,000.00	-	-	305,000.00
65,000.00	-	-	305,000.00
2,665.00	-	-	38,540.00
2,665.00	-	-	38,540.00
67,665.00	-	-	343,540.00

CITY OF JOHNSON

REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION

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

SCHEDULE 1

Fund		Certified Budget	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over (Under)
General Fund	$	426,025.00	426,025.00	287,865.46	138,159.54
Special Purpose Funds:					
Special Highway Fund		44,386.00	44,386.00	32,547.54	11,838.46
Employee Benefits Fund		80,063.00	80,063.00	79,359.13	703.87
Special Parks Fund		-	-	-	-
Bond and Interest Fund:					
Bond & Interest Fund		99,000.00	99,000.00	69,636.26	29,363.74
Business Funds:					
Enterprise Type Funds					
Electric Utility Fund		3,499,153.00	3,499,153.00	1,999,940.17	1,499,212.83
Water Utility Fund		763,764.00	763,764.00	415,964.73	347,799.27
Trash Utility Fund		247,449.00	247,449.00	222,748.77	24,700.23
Sewer Maintenance Fund		66,425.00	66,425.00	62,178.23	4,246.77
Total Primary Government				$ 3,170,240.29	

CITY OF JOHNSON, KANSAS
General Fund
SCHEDULE 2-1
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Taxes	$	197,488.06	171,821.61	157,654.94	14,166.67
Intergovernmental revenue		96,218.01	103,728.91	97,000.00	6,728.91
License and permits		19,272.36	20,474.03	19,545.00	929.03
Fines, forfeitures & penalties		1,330.00	679.50	895.00	(215.50)
Use of money and property		1,121.06	533.71	408.00	125.71
Miscellaneous		31,068.26	32,106.93	30,010.00	2,096.93
Total Cash Receipts	$	346,497.75	329,344.69	305,512.94	23,831.75
Expenditures and Transfers Subject to Budget					
General government	$	8,029.91	27,085.55	7,482.00	(19,603.55)
Street department		189,549.17	174,964.94	333,543.00	158,578.06
Fire department		1,900.00	-	2,000.00	2,000.00
Police department		72,341.48	72,436.72	72,389.00	(47.72)
Shop		841.96	1,433.92	1,040.00	(393.92)
Dog control		7,258.84	11,944.33	9,571.00	(2,373.33)
Transfers to other funds		-	-	-	-
Total Expenditures and Transfers Subject to Budget	$	279,921.36	287,865.46	426,025.00	138,159.54
Receipts Over (Under) Expenditures	$	66,576.39	41,479.23		
Unencumbered Cash, Beginning		41,558.36	108,134.75		
Unencumbered Cash, Ending	$	108,134.75	149,613.98		

CITY OF JOHNSON, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-2

		2011 Actual	2012 Actual	2012 Budget	Variance-Over (Under)
Cash Receipts					
Intergovernmental revenue					
State of Kansas	$	36,877.90	38,874.76	36,890.00	1,984.76
Total Intergovernmental Revenue	$	36,877.90	38,874.76	36,890.00	1,984.76
Miscellaneous					
Miscellaneous	$	-	-	-	-
Interest		94.65	45.05	35.00	10.05
Total Miscellaneous	$	94.65	45.05	35.00	10.05
Total Cash Receipts	$	36,972.55	38,919.81	36,925.00	1,994.81
Expenditures and Transfers Subject to Budget					
Personal services	$	-	-	-	-
Contractual service		-	-	-	-
Commodities		40,000.00	32,547.54	44,386.00	11,838.46
Capital outlay		-	-	-	-
Total Expenditures and Transfers Subject to Budget	$	40,000.00	32,547.54	44,386.00	11,838.46
Receipts Over (Under) Expenditures	$	(3,027.45)	6,372.27		
Unencumbered Cash, Beginning		11,467.79	8,440.34		
Unencumbered Cash, Ending	$	8,440.34	14,812.61		

CITY OF JOHNSON, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-3

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Taxes					
Ad valorem property taxes	$	31,368.39	80,822.43	82,106.20	(1,283.77)
Back taxes		380.69	695.55	-	695.55
Motor vehicle tax		14,139.17	9,475.16	5,802.00	3,673.16
16/20M vehicle tax		81.32	98.43	32.00	66.43
Miscellaneous tax		59.30	42.81	-	42.81
Recreational vehicle tax		225.85	146.70	123.00	23.70
Total Taxes	$	46,254.72	91,281.08	88,063.20	3,217.88
Miscellaneous					
Interest income & Misc.	$	225.66	120.92	-	120.92
Total Miscellaneous	$	225.66	120.92	-	120.92
Total Cash Receipts	$	46,480.38	91,402.00	88,063.20	3,338.80
Expenditures and Transfers Subject to Budget					
Employer's contribution	$	68,625.26	79,359.13	80,063.00	703.87
Total Expenditures and Transfers Subject to Budget	$	68,625.26	79,359.13	80,063.00	703.87
Receipts Over (Under) Expenditures	$	(22,144.88)	12,042.87		
Unencumbered Cash, Beginning		24,828.39	2,683.51		
Unencumbered Cash, Ending	$	2,683.51	14,726.38		

CITY OF JOHNSON, KANSAS
Special Parks Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-4

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Intergovernmental revenue					
State payments	$	-	-	-	-
Total Intergovernmental Revenue	$	-	-	-	-
Miscellaneous					
Miscellaneous	$	-	-	-	-
Interest		-	-	-	-
Total Miscellaneous	$	-	-	-	-
Total Cash Receipts	$	-	-	-	-
Expenditures and Transfers Subject to Budget					
Personal services	$	-	-	-	-
Contractual services		-	-	-	-
Commodities		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures and Transfers Subject to Budget	$	-	-	-	-
Receipts Over (Under) Expenditures	$	-	-		
Unencumbered Cash, Beginning		-	-		
Unencumbered Cash, Ending	$	-	-		

CITY OF JOHNSON, KANSAS
Bond & Interest Fund
SCHEDULE 2-5
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Taxes					
Ad valorem property taxes	$	61,899.99	45,855.12	46,581.80	(726.68)
Back taxes		539.19	469.44	-	469.44
Motor vehicle tax		5,770.86	14,747.00	11,449.00	3,298.00
16/20M vehicle tax		88.00	18.24	62.00	(43.76)
Recreational vehicle tax		89.45	207.34	242.00	(34.66)
Special assessments/Antique Tax		65.09	8.93	-	8.93
Total Cash Receipts	$	68,452.58	61,306.07	58,334.80	2,971.27
Expenditures and Transfers Subject to Budget					
Principal	$	55,000.00	55,000.00	55,000.00	-
Interest		16,767.50	14,636.26	14,636.00	(0.26)
Cash Basis Requirement		-	-	29,364.00	29,364.00
Other		-	-	-	-
Total Expenditures and Transfers Subject to Budget	$	71,767.50	69,636.26	99,000.00	29,363.74
Receipts Over (Under) Expenditures	$	(3,314.92)	(8,330.19)		
Unencumbered Cash, Beginning		46,977.79	43,662.87		
Unencumbered Cash, Ending	$	43,662.87	35,332.68		

CITY OF JOHNSON, KANSAS
Electric Utility Fund
SCHEDULE 2-6
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Net collection fees	$	1,736,726.98	1,974,248.93	1,800,000.00	174,248.93
Miscellaneous collections		3,606.43	6,434.01	-	6,434.01
Interest income		4,506.07	2,145.23	3,789.00	(1,643.77)
Transfer from other Funds		92,182.46	180,442.52	92,130.00	88,312.52
Bond proceeds		-	-	-	-
Customer deposits		5,472.00	6,336.00	6,400.00	(64.00)
Sale of assets		-	-	-	-
Total Cash Receipts	$	1,842,493.94	2,169,606.69	1,902,319.00	267,287.69
Expenditures and Transfers Subject to Budget					
Production Expense					
Personal services	$	109,990.27	109,724.79	105,185.00	(4,539.79)
Contractual services		83.55	2,296.77	6,000.00	3,703.23
Commodities		1,056,837.67	1,347,654.04	1,113,935.00	(233,719.04)
Capital outlay		-	2,818.05	1,002,072.00	999,253.95
	$	1,166,911.49	1,462,493.65	2,227,192.00	764,698.35
Transmission & Distribution Expense					
Personal services	$	81,365.49	91,760.15	76,825.00	(14,935.15)
Contractual services		7,668.73	10,923.36	9,225.00	(1,698.36)
Commodities		105,419.16	136,765.08	76,365.00	(60,400.08)
Capital outlay		8,700.53	40,852.60	844,487.00	803,634.40
	$	203,153.91	280,301.19	1,006,902.00	726,600.81
Commercial & General Expense					
Personal services	$	135,922.69	142,365.92	138,090.00	(4,275.92)
Contractual services		59,678.82	58,335.84	70,258.00	11,922.16
Commodities		32,957.11	14,758.58	5,130.00	(9,628.58)
Capital outlay		3,386.87	-	14,776.00	14,776.00
	$	231,945.49	215,460.34	228,254.00	12,793.66
Non-Operating Expense					
Interest on deposits	$	411.84	366.56	405.00	38.44
Refund of customer deposits		7,332.00	9,848.00	6,400.00	(3,448.00)
Sales tax		-	-	-	-
Interest on service deposits		-	-	-	-
Customer Deposits		-	-	-	-
Transfer to other funds		207,929.91	31,470.43	30,000.00	(1,470.43)
	$	215,673.75	41,684.99	36,805.00	(4,879.99)
Total Expenditures and Transfers Subject to Budget	$	1,817,684.64	1,999,940.17	3,499,153.00	1,499,212.83
Receipts Over (Under) Expenditures	$	24,809.30	169,666.52		
Unencumbered Cash, Beginning		1,527,077.10	1,551,886.40		
Unencumbered Cash, Ending	$	1,551,886.40	1,721,552.92		

CITY OF JOHNSON, KANSAS
Water Utility Fund
SCHEDULE 2-7
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Net collection fees	$	351,714.47	368,116.52	375,000.00	6,883.48
Interest income		808.06	384.65	22.00	(362.65)
Miscellaneous		336.78	25,835.51	-	(25,835.51)
Customer deposits		1,368.00	1,584.00	1,600.00	16.00
Sale of assets		-	-	-	-
Transfer - due to electric utility		-	-	-	-
Total Cash Receipts	$	354,227.31	395,920.68	376,622.00	(19,298.68)
Expenditures and Transfers Subject to Budget					
Production Expense					
Contractual services	$	-	-	30,196.00	30,196.00
Commodities		59.54	2,674.25	-	(2,674.25)
Commodities - transfer to electric		89,150.35	100,032.23	-	(100,032.23)
Capital outlay		-	109,445.40	305,180.00	195,734.60
	$	89,209.89	212,151.88	335,376.00	123,224.12
Transmission and Distribution Expense					
Personal services	$	41,554.12	48,770.63	39,070.00	(9,700.63)
Contractual services		4,808.97	3,556.66	8,280.00	4,723.34
Commodities		41,523.68	39,879.85	44,975.00	5,095.15
Capital outlay		1,611.96	5,526.73	144,867.00	139,340.27
	$	89,498.73	97,733.87	237,192.00	139,458.13
Commercial and General Expense					
Personal services	$	24,230.80	26,394.03	24,795.00	(1,599.03)
Contractual services		12,197.54	12,474.47	15,795.00	3,320.53
Commodities		2,229.16	3,046.63	1,040.00	(2,006.63)
Capital outlay		623.90	-	4,966.00	4,966.00
	$	39,281.40	41,915.13	46,596.00	4,680.87
Non-Operating Expense					
Due to electric fund	$	-	-	-	-
Interest on service deposits		102.95	91.63	100.00	8.37
Transfer to electric		-	-	79,000.00	79,000.00
Water protection fee		4,219.30	5,083.39	4,600.00	(483.39)
Clean drinking water fee		3,955.59	4,760.60	4,300.00	(460.60)
Refund of customer deposits		1,833.00	2,462.00	1,600.00	(862.00)
Sales tax		44,631.30	51,766.23	55,000.00	3,233.77
Miscellaneous		-	-	-	-
	$	54,742.14	64,163.85	144,600.00	80,436.15
Total Expenditures and Transfers Subject to Budget	$	272,732.16	415,964.73	763,764.00	347,799.27
Receipts Over (Under) Expenditures	$	81,495.15	(20,044.05)		
Unencumbered Cash, Beginning		370,234.31	451,729.46		
Unencumbered Cash, Ending	$	451,729.46	431,685.41		

CITY OF JOHNSON, KANSAS
Trash Utility Fund
SCHEDULE 2-8
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Net collection fees	$	165,554.21	223,012.40	232,594.00	(9,581.60)
Transfer from Electric Utility		86,000.00	-	-	-
Interest		363.99	173.29	-	173.29
Other income		235.24	1,539.86	-	1,539.86
Total Cash Receipts	$	252,153.44	224,725.55	232,594.00	(7,868.45)
Expenditures and Transfers Subject to Budget					
Transmission and Distribution Expense					
Personal services	$	69,865.40	47,276.94	80,786.00	33,509.06
Contractual services		15,112.55	14,197.91	18,550.00	4,352.09
Commodities		54,673.85	64,033.54	67,320.00	3,286.46
Capital outlay		190,436.35	1,941.75	52,306.00	50,364.25
	$	330,088.15	127,450.14	218,962.00	91,511.86
Commercial and General Expense					
Personal services	$	19,572.72	16,474.05	18,210.00	1,735.95
Contractual services		3,147.12	2,842.13	4,247.00	1,404.87
Commodities		1,087.85	982.45	530.00	(452.45)
Capital outlay		311.95	-	500.00	500.00
	$	24,119.64	20,298.63	23,487.00	3,188.37
Transfer to Electric Utility	$	-	75,000.00	5,000.00	(70,000.00)
Total Expenditures and Transfers Subject to Budget	$	354,207.79	222,748.77	247,449.00	24,700.23
Receipts Over (Under) Expenditures	$	(102,054.35)	1,976.78		
Unencumbered Cash, Beginning		103,358.14	1,303.79		
Unencumbered Cash, Ending	$	1,303.79	3,280.57		

CITY OF JOHNSON, KANSAS
Sewer Maintenance Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-9

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Net collection fees	$	61,866.85	62,148.27	63,920.00	(1,771.73)
Interest income		160.16	76.26	13.00	63.26
Transfer from Electric Utility		91,000.00	-	-	-
Miscellaneous		46.70	165.44	-	165.44
Total Cash Receipts	$	153,073.71	62,389.97	63,933.00	(1,543.03)
Expenditures and Transfers Subject to Budget					
Production Expense					
Personal services	$	6,366.49	14,440.13	13,110.00	(1,330.13)
Contractual services		137.77	626.42	5,130.00	4,503.58
Commodities		27,669.92	24,770.87	26,947.00	2,176.13
Commodities - transfer to electric		3,032.11	5,410.29	8,130.00	2,719.71
Capital outlay		131,403.70	5,233.45	4,028.00	(1,205.45)
	$	168,609.99	50,481.16	57,345.00	6,863.84
Transmission and Distribution Expense					
Personal services	$	-	-	-	-
Contractual services		1.70	2.03	20.00	17.97
Commodities		690.07	4,186.96	650.00	(3,536.96)
Capital outlay		-	-	-	-
	$	691.77	4,188.99	670.00	(3,518.99)
Commercial and General Expense					
Personal services	$	5,634.37	5,636.24	5,370.00	(266.24)
Contractual services		1,690.15	1,452.05	2,708.00	1,255.95
Commodities		405.54	419.79	232.00	(187.79)
Capital outlay		133.70	-	100.00	100.00
	$	7,863.76	7,508.08	8,410.00	901.92
Total Expenditures and Transfers Subject to Budget	$	177,165.52	62,178.23	66,425.00	4,246.77
Receipts Over (Under) Expenditures	$	(24,091.81)	211.74		
Unencumbered Cash, Beginning		27,090.85	2,999.04		
Unencumbered Cash, Ending	$	2,999.04	3,210.78		

CITY OF JOHNSON, KANSAS
Detailed Schedule of Cash Receipts
Years Ended December 31, 2011 and 2012

SCHEDULE 3

		2011 Actual	2012 Actual	2012 Budget	Variance-Over (Under)
General Operating Fund					
Taxes					
Ad valorem property tax	$	154,590.89	126,292.57	128,298.94	(2,006.37)
Motor vehicle tax		40,495.39	43,037.19	28,596.00	14,441.19
16/20M vehicle tax		132.49	322.09	156.00	166.09
Recreational vehicle tax		651.84	646.90	604.00	42.90
Miscellaneous tax		95.47	138.27	-	138.27
Back taxes		1,521.98	1,384.59	-	1,384.59
	$	197,488.06	171,821.61	157,654.94	14,166.67
Intergovernmental Revenue					
State revenue sharing	$	-	-	-	-
Liquor tax		-	-	-	-
Local sales tax		96,218.01	103,728.91	97,000.00	6,728.91
Local ad valorem tax reduction		-	-	-	-
	$	96,218.01	103,728.91	97,000.00	6,728.91
License and Permits					
Franchise tax	$	17,516.36	18,674.03	18,000.00	674.03
License and permits		1,630.00	1,735.00	1,445.00	290.00
Dog permits		126.00	65.00	100.00	(35.00)
	$	19,272.36	20,474.03	19,545.00	929.03
Fines, Forfeitures & Penalties					
City court fines	$	1,330.00	679.50	895.00	(215.50)
	$	1,330.00	679.50	895.00	(215.50)
Use of Money and Property					
Interest income	$	1,121.06	533.71	408.00	125.71
	$	1,121.06	533.71	408.00	125.71
Miscellaneous					
Transfer from other funds	$	30,929.91	31,470.43	30,000.00	1,470.43
Sale of assets		-	-	-	-
Miscellaneous		138.35	636.50	10.00	626.50
Federal aid -emergency preparedness		-	-	-	-
State aid -emergency preparedness		-	-	-	-
	$	31,068.26	32,106.93	30,010.00	2,096.93
Total Cash Receipts	$	346,497.75	329,344.69	305,512.94	23,831.75

CITY OF JOHNSON, KANSAS
Detailed Schedule of Expenditures
Years Ended December 31, 2011 and 2012

SCHEDULE 4

General Operating Fund		2011 Actual	2012 Actual	2012 Budget	Variance-Over (Under)
General Government					
Personal services	$	4,885.71	3,843.47	4,935.00	1,091.53
Contractual services		3,061.58	8,078.35	2,547.00	(5,531.35)
Commodities		82.62	1,178.81	-	(1,178.81)
Capital outlay		-	13,984.92	-	(13,984.92)
Miscellaneous		-	-	-	-
	$	8,029.91	27,085.55	7,482.00	(19,603.55)
Highway Department					
Personal services	$	106,105.25	110,132.25	105,084.00	(5,048.25)
Contractual services		5,328.44	7,896.41	6,746.00	(1,150.41)
Commodities		55,365.71	35,226.31	61,345.00	26,118.69
Capital outlay		22,749.77	21,709.97	160,368.00	138,658.03
	$	189,549.17	174,964.94	333,543.00	158,578.06
Fire Department					
Personal services	$	-	-	-	-
Contractual services		-	-	-	-
Commodities		-	-	-	-
Capital outlay		1,900.00	-	2,000.00	2,000.00
	$	1,900.00	-	2,000.00	2,000.00
Police Department					
Personal services	$	2,341.48	2,411.72	2,389.00	(22.72)
Contractual services		70,000.00	70,025.00	70,000.00	(25.00)
Commodities		-	-	-	-
Capital outlay		-	-	-	-
	$	72,341.48	72,436.72	72,389.00	(47.72)
Shop					
Personal services	$	-	-	-	-
Contractual services		-	-	-	-
Commodities		841.96	1,433.92	1,040.00	(393.92)
Capital outlay		-	-	-	-
	$	841.96	1,433.92	1,040.00	(393.92)
Dog Control					
Personal services	$	3,824.00	8,703.94	6,081.00	(2,622.94)
Contractual services		1,338.99	1,386.81	1,315.00	(71.81)
Commodities		2,095.85	1,853.58	2,175.00	321.42
Capital outlay		-	-	-	-
	$	7,258.84	11,944.33	9,571.00	(2,373.33)
Transfer to Other Funds	$	-	-	-	-
Total Expenditures	$	279,921.36	287,865.46	426,025.00	138,159.54

CITY OF JOHNSON, KANSAS
Schedule of Investments
December 31, 2012

SCHEDULE 5

	Cost
First National Bank	
Certificate of Deposit	$ 604,360.02
Johnson State Bank	
Certificate of Deposit	500,000.00
Total Investments	$ 1,104,360.02

CITY OF JOHNSON, KANSAS
Comparison of Depository Security with
Balances on Deposit and Composition of Cash
December 31, 2012

SCHEDULE 6

	FDIC Coverage	Security Pledged	Total Coverage	Gross Bank Balance	Bank Balance Unsecured
The Johnson State Bank					
Operating account	$ 500,000.00	1,717,923.78	2,217,923.78	70,451.27	-
Special Account				2,198.35	
Petty Cash				1,872.13	-
Money Market account				1,428,560.15	-
Certificates of Deposit				500,000.00	-
First National Bank					
Certificates of Deposit	250,000.00	-	250,000.00	604,360.02	354,360.02
Total	$ 750,000.00			2,607,441.92	354,360.02

Composition of Cash			
The Johnson State Bank			
Account # 307009	$ 70,451.27		
Account # 107247	2,198.35		
Add: transit deposits	-		
Less: outstanding checks	(95,072.73)		
		(22,423.11)	
Time deposits		500,000.00	
Petty Cash			
Balance per certificate	$ 1,872.13		
Add: transit deposits	-		
Additional Transit Deposit	-		
Less: outstanding checks	(372.13)		
		1,500.00	
Money Market Account			
Balance per certificate	$ 1,428,560.15		
Add: transit deposits	-		
Less: outstanding checks	-		
		1,428,560.15	
First National Bank			
Time deposits		604,360.02	
Total Available Cash			$ 2,511,997.06