

CITY OF LENORA, KANSAS

Lenora, Kansas

Financial Statement with Independent Auditor's Report

January 1, 2012 to December 31, 2012

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF LENORA, KANSAS
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January 1, 2012 to December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

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

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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.

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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.

117 N. Main St.
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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.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis cash receipts and expenditures-actual and budget and regulatory basis summary of cash receipts and cash disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, 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 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

Norton, Kansas
September 16, 2013

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General	\$ 61,827	0	141,730	117,787	85,770	697	86,467
Special Purpose Funds:							
Cemetery	0	0	7,466	6,516	950	0	950
Library	0	0	5,128	5,128	0	0	0
Employee Benefits	13,408	0	28,582	27,032	14,958	1,004	15,962
Special Street and Highway	39,013	0	29,548	3,948	64,613	97	64,710
Special Parks & Recreation	6,098	0	1,112	511	6,699	0	6,699
Fire	10,842	0	15,714	17,104	9,452	845	10,297
Capital Improvements	91,749	0	5,000	0	96,749	0	96,749
Special Equipment	36,295	0	5,000	13,465	27,830	0	27,830
Special Fire Equipment	400	0	0	0	400	0	400
Hansen Foundation Grant	23,170	0	50,000	17,561	55,609	0	55,609
Business Funds:							
Water Revenue	0	0	73,188	73,188	0	2,903	2,903
Water Surplus	23,258	0	13,002	(2,555)	38,815	0	38,815
Water System Debt Service	16,130	0	20,544	20,076	16,598	0	16,598
Sewer	11,352	0	18,143	19,512	9,983	4	9,987
Solid Waste	50,870	0	30,414	30,062	51,222	1,025	52,247
Customer Deposits	0	0	200	200	0	450	450
Total Primary Government (Excluding Agency Funds)	\$ 384,412	0	444,771	349,535	479,648	7,025	486,673

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

CITY OF LENORA, KANSAS
Composition of Cash
Regulatory Basis
For the Year Ended December 31, 2012

STATEMENT 1
Page 2

Cash on Hand	\$	50
First Security Bank and Trust Company		
Norton, Kansas - Lenora, Kansas Banch		
NOW Account		217,753
Certificates of Deposit		<u>270,000</u>
Total Cash and Investments		487,803
Less Agency Funds - Schedule 3		<u>1,130</u>
Total Reporting Entity per Statement 1, Page 1	\$	<u>486,673</u>

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

CITY OF LENORA, KANSAS

Notes to the Financial Statement

December 31, 2012

I. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Lenora, Kansas operates as a third class city in accordance with the laws of the State of Kansas. The City operates under a mayor-council form of government and provides the following services: public safety (fire protection), highways and streets, water, sewer, sanitation, social services, culture and recreation, planning and zoning, public improvements, and general administrative services. The financial statement presents the City of Lenora, Kansas (the municipality).

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the City for the year 2012:

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

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

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

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

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Agency fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing 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 mandatory, the statutes provide for the following sequence and timetable in 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. No funds were amended in this manner for 2012.

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

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

A legal operating budget is not required for capital projects funds, trust funds and the following funds:

Capital Improvements	K.S.A. 12-1,118
Special Equipment	K.S.A. 12-1,117
Fire Special Equipment	K.S.A. 12-1,117
Hansen Foundation Grant	K.S.A. 79-2925
Business Funds:	
Water Surplus	K.S.A. 12-825d
Water System Debt	K.S.A. 12-825d
Customer Deposits	K.S.A. 12-822

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

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 County in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on the 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 it's investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$487,803 and the bank balance was \$490,433. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$240,433 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. At December 31, 2012, the City held no investments except for certificates of deposit which are considered as a component of deposits.

3. Defined Benefit Pension Plan

Plan Description

The City of Lenora, 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. 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. That report may be obtained by writing to KPERs (611 S. 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. State law provides that the employer contribution rate 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 OperationsOther 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 this financial statement.

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. There is no cost to the City under this program.

Compensated Absences

Vacation Pay. Each full-time employee earns paid vacation time after working for the City six months, as per the schedule below:

<u>Completed Years of Service</u>	<u>Vacation Hours Earned</u>
1 Year	4 Hours Per Month or 6 Days Annually
2 Years	6 Hours Per Month or 9 Days Annually
3 – 5 Years	8 Hours Per Month or 12 Days Annually
5 - 10 Years	10 Hours Per Month or 15 Days Annually
Over 10 Years	12 Hours Per Month or 18 Days Annually

Employees may carry over only 40 hours of vacation time from one year to another year. The cost of accumulated vacation pay as of December 31, 2012 was \$1,209.

Sick Pay. Each full-time employee is entitled to 8 hours per month sick leave with a total accumulation limit of 500 hours or 62 days. All employees rights to sick leave end and will be forfeited on termination of employment, therefore, no cost of accumulated sick pay has been computed.

5. **Regulatory Requirements**

Budget Violations

K.S.A. 79-2935 states that expenditures shall be controlled so that no indebtedness is created in excess of budgeted limits. Expenditures in the Fire Fund exceeded the published budget by \$376. This appears to be a violation of this statute.

6. **Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Equipment	K.S.A. 12-1,117	\$ 5,000
General	Capital Improvement	K.S.A. 12-1,118	5,000
Water Revenue	Water System Debt	K.S.A. 12-825d	20,544
Water Revenue	Water Surplus	K.S.A. 12-825d	12,861

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 worker's 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 (KMIT), a municipal group funded pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The agreement to participate provides that KMIT 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 KMIT's management.

The City continues to carry commercial insurance for all other risks of loss, including property, general liability, inland marine, law enforcement liability, underground storage tank liability, airport owners and operators general liability and automobile. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. **Claims and Judgments**

The City participates in federal, state and county 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 the date of this report, the 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 of any of the individual government 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.

9. **Compliance with Finance related Legal and Contractual Provisions**

Series 2003 Water System Refunding General Obligation Bond Indenture Compliance

Section 801(b) of the bond indenture requires all earnings on any investment held in any of the required funds under the indenture shall accrue to and become part of such fund. All of the City's money is in interest bearing accounts, however, no interest is being credited to the Water System Debt Service funds. This appears to be a violation of the bond indenture agreement

10. Long-term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
2003 Series Water System Refunding	1.40-4.50%	03/01/03	\$ 225,000	09/01/18	\$ 125,000	0	15,000		110,000	5,074
Capital Leases:										
1990 E-One Pumper Fire Truck	5.75%	03/27/06	69,000	03/27/15	13,954	0	4,889		9,065	804
John Deere Backhoe	3.55%	11/25/11	30,000	11/25/16	30,000	0	5,674		24,326	991
Revolving Loan - State of Kansas:										
Sewer Plant Construction	3.74%	02/22/93	128,598	09/01/13	<u>16,832</u>	<u>0</u>	<u>8,260</u>		<u>8,572</u>	<u>553</u>
Total Contractual Indebtedness					<u>185,786</u>	<u>0</u>	<u>33,823</u>		<u>151,963</u>	<u>7,422</u>
Compensated Absences:										
Vacation	N/A	N/A	N/A	N/A	<u>1,209</u>			<u>0</u>	<u>1,209</u>	
Total Long-term Debt					\$ <u>186,995</u>	<u>0</u>	<u>33,823</u>	<u>0</u>	<u>153,172</u>	<u>7,422</u>

(Continued)

10. Long-term Debt - (Continued)

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2022</u>	<u>Total</u>
PRINCIPAL							
General Obligation Bonds:							
2003 Series Water System Refunding	\$ 15,000	15,000	20,000	20,000	20,000	20,000	110,000
Capital Leases:							
1990 E-One Pumper Fire Truck	5,170	3,895	0	0	0	0	9,065
John Deere Backhoe	5,767	5,975	6,190	6,394	0	0	24,326
Revolving Loan - State of Kansas:							
Sewer Plant Construction	<u>8,572</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,572</u>
Total Principal	<u>34,509</u>	<u>24,870</u>	<u>26,190</u>	<u>26,394</u>	<u>20,000</u>	<u>20,000</u>	<u>151,963</u>
INTEREST							
General Obligation Bonds:							
2003 Series Water System Refunding	4,474	3,855	3,110	2,240	1,350	450	15,479
Capital Leases:							
1990 E-One Pumper Fire Truck	523	225	0	0	0	0	748
John Deere Backhoe	898	690	474	271	0	0	2,333
Revolving Loan - State of Kansas:							
Sewer Plant Construction	<u>241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>241</u>
Total Interest	<u>6,136</u>	<u>4,770</u>	<u>3,584</u>	<u>2,511</u>	<u>1,350</u>	<u>450</u>	<u>18,801</u>
Total Principal and Interest	<u>\$ 40,645</u>	<u>29,640</u>	<u>29,774</u>	<u>28,905</u>	<u>21,350</u>	<u>20,450</u>	<u>170,764</u>

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF LENORA, KANSAS

SCHEDULE 1

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over (Under)
General	\$ 166,990	756	167,746	117,787	(49,959)
Special Revenue:					
Cemetery	10,961	0	10,961	6,516	(4,445)
Library	5,578	0	5,578	5,128	(450)
Employee Benefits	33,150	0	33,150	27,032	(6,118)
Special Street and Highway	44,560	0	44,560	3,948	(40,612)
Special Parks and Recreation	4,587	0	4,587	511	(4,076)
Fire	16,728	0	16,728	17,104	376
Enterprise:					
Water Revenue	75,496	0	75,496	73,188	(2,308)
Sewer	20,213	0	20,213	19,512	(701)
Solid Waste	35,338	0	35,338	30,062	(5,276)

CITY OF LENORA, KANSAS
GENERAL FUND

SCHEDULE 2

Page 1

Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 66,692	67,095	(403)
Delinquent	217	16	201
Motor Vehicle	8,821	9,594	(773)
16/20M Vehicle	471	0	471
Recreational Vehicle	256	310	(54)
Intangibles	661	751	(90)
Intergovernmental			
Countywide Sales Tax	22,182	25,000	(2,818)
Local Alcoholic Liquor	0	375	(375)
Fees and Charges			
Beer and Liquor Licenses	125	250	(125)
Building Permits	55	50	5
Dog Tags	300	200	100
Late Charge on Utility Fees	1,810	1,500	310
Utility Franchise Fees	6,215	6,500	(285)
Interest on Idle Funds	2,748	7,000	(4,252)
Other			
Capital Credits	276	250	26
Community Center Room Rent	930	1,000	(70)
Donations	240	0	240
Farm Income	1,091	1,500	(409)
Insurance Dividend	1,003	400	603
Land Lease	600	300	300
Miscellaneous	2,184	1,000	1,184
Mowing	1,835	1,500	335
Sale of Equipment	510	0	510
Spraying Mosquito	92	200	(108)
Insurance Claim	21,660	0	21,660
Reimbursed Expenses			
Other Reimbursed Expenses	756	0	756
Total Cash Receipts	141,730	124,791	16,939

CITY OF LENORA, KANSAS
GENERAL FUND

SCHEDULE 2

Page 2

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>(Under)</u>
Expenditures:			
Administrative	\$ 0	7,500	(7,500)
Animal Control	57	200	(143)
Backhoe Upkeep	1,081	0	1,081
Beautification	0	0	0
Capital Outlay	741	28,696	(27,955)
Chemicals	1,899	2,000	(101)
Community Building	649	2,000	(1,351)
Continuing Education & Travel	0	0	0
Donations	1,100	0	1,100
Dues	407	1,400	(993)
Election	1,223	1,000	223
Electricity	5,168	4,500	668
Farm Expense	0	650	(650)
Fire Station	18	1,500	(1,482)
Fuel and Oil	4,710	5,500	(790)
Heating	2,754	6,000	(3,246)
Insurance	15,214	13,000	2,214
Lease Payments	755	0	755
Legal and Professional Fees	6,427	7,000	(573)
Miscellaneous	3,081	1,700	1,381
Office Equipment	110	0	110
Office Supplies	2,097	1,700	397
Park Repairs	437	2,000	(1,563)
Permits and Licenses	75	124	(49)
Postage	200	600	(400)
Publications	627	420	207
Repairs	1,183	8,000	(6,817)
Salaries and Wages	42,654	50,000	(7,346)
School Expense	4,334	100	4,234
Shop Expenses	893	0	893
Street Lights	6,464	7,000	(536)
Supplies	596	1,000	(404)

(Continued)

CITY OF LENORA, KANSAS
GENERAL FUND

SCHEDULE 2

Page 3

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(Continued)	<u>Actual</u>	<u>Budget</u>	Variance Over <u>(Under)</u>
Telephone	\$ 1,429	1,500	(71)
Tools and Equipment	1,404	1,900	(496)
Transfer to Capital Improvements	5,000	5,000	0
Transfer to Special Equipment	5,000	5,000	0
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	<u>0</u>	<u>756</u>	<u>(756)</u>
 Total Expenditures	 <u>117,787</u>	 <u>167,746</u>	 <u>(49,959)</u>
 Cash Receipts Over (Under) Expenditures	 23,943		
Unencumbered Cash, Beginning	<u>61,827</u>		
 Unencumbered Cash, Ending	 \$ <u>85,770</u>		

CITY OF LENORA, KANSAS
CEMETERY FUND

SCHEDULE 2

Page 4

Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
For the Year Ended December 31, 2012

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 868	873	(5)
Delinquent	3	0	3
Motor Vehicle	111	121	(10)
16/20M Vehicle	6	0	6
Recreational Vehicle	3	4	(1)
Grave Opening/Closing	465	1,000	(535)
Research Fee	10	0	10
Reimbursed Expenses	6,000	6,000	0
Total Cash Receipts	7,466	7,998	(532)
Expenditures:			
Appropriations to Lenora Cemetery District	830	1,000	(170)
Fuel and Oil	601	1,000	(399)
Miscellaneous	220	350	(130)
Repairs	837	500	337
Salaries and Wages	4,028	7,000	(2,972)
Capital Outlay	0	811	(811)
Transfer to Employee Benefits	0	300	(300)
Total Expenditures	6,516	10,961	(4,445)
Cash Receipts Over (Under) Expenditures	950		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 950		

CITY OF LENORA, KANSAS

LIBRARY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 4,493	4,521	(28)
Delinquent	14	150	(136)
Motor Vehicle	576	627	(51)
16/20M Vehicle	28	0	28
Recreational Vehicle	<u>17</u>	<u>20</u>	<u>(3)</u>
Total Cash Receipts	<u>5,128</u>	<u>5,318</u>	<u>(190)</u>
Expenditures:			
Appropriations to Library Board	<u>5,128</u>	<u>5,578</u>	<u>(450)</u>
Cash Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

CITY OF LENORA, KANSAS
EMPLOYEE BENEFITS FUND

SCHEDULE 2

Page 6

Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 24,771	24,921	(150)
Delinquent	74	0	74
Motor Vehicle	2,865	3,116	(251)
16/20M Vehicle	153	0	153
Recreational Vehicle	83	101	(18)
Miscellaneous	636	0	636
Transfer from Cemetery	0	300	(300)
Transfer from Special Street and Highway	0	300	(300)
Transfer from Water Revenue	0	500	(500)
Transfer from Sewer	0	350	(350)
Transfer from Solid Waste	0	1,000	(1,000)
	<u>28,582</u>	<u>30,588</u>	<u>(2,006)</u>
Total Cash Receipts			
Expenditures:			
Health Insurance	13,805	16,500	(2,695)
KPERs Retirement	4,644	4,000	644
Miscellaneous Benefits	0	550	(550)
Social Security Taxes	5,891	7,500	(1,609)
Unemployment Tax	73	100	(27)
Workman's Compensation Insurance	2,619	4,500	(1,881)
	<u>27,032</u>	<u>33,150</u>	<u>(6,118)</u>
Total Expenditures			
Cash Receipts Over (Under) Expenditures	1,550		
Unencumbered Cash, Beginning	<u>13,408</u>		
Unencumbered Cash, Ending	\$ <u>14,958</u>		

CITY OF LENORA, KANSAS
SPECIAL STREET AND HIGHWAY FUND

SCHEDULE 2

Page 7

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 19,970	20,090	(120)
Delinquent	63	150	(87)
Motor Vehicle	2,560	2,784	(224)
16/20M Vehicle	137	0	137
Recreational Vehicle	74	90	(16)
Intergovernmental			
Special City/County Highway	6,450	7,000	(550)
Equipment Sales	134	0	134
Miscellaneous	160	0	160
Total Cash Receipts	29,548	30,114	(566)
Expenditures:			
Fuel and Oil	373	500	(127)
Miscellaneous	0	500	(500)
Repairs	110	20,000	(19,890)
Salaries and Wages	2,035	2,000	35
Snow Removal	1,232	1,200	32
Supplies	198	5,000	(4,802)
Sweeper Repairs	0	600	(600)
Tools & Small Equipment	0	2,900	(2,900)
Transfer to Employee Benefit	0	300	(300)
Transfer to Special Equipment	0	11,560	(11,560)
Total Expenditures	3,948	44,560	(40,612)
Cash Receipts Over (Under) Expenditures	25,600		
Unencumbered Cash, Beginning	39,013		
Unencumbered Cash, Ending	\$ 64,613		

CITY OF LENORA, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ <u>1,112</u>	<u>350</u>	<u>762</u>
Expenditures:			
Park Supplies	<u>511</u>	<u>4,587</u>	<u>(4,076)</u>
Cash Receipts Over (Under) Expenditures	601		
Unencumbered Cash, Beginning	<u>6,098</u>		
Unencumbered Cash, Ending	\$ <u>6,699</u>		

CITY OF LENORA, KANSAS

FIRE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 9,186	9,243	(57)
Delinquent	29	100	(71)
Motor Vehicle	1,178	1,281	(103)
16/20M Vehicle	63	0	63
Recreational Vehicle	34	41	(7)
Grant	5,224	0	5,224
Miscellaneous	<u>0</u>	<u>20</u>	<u>(20)</u>
Total Cash Receipts	<u>15,714</u>	<u>10,685</u>	<u>5,029</u>
Expenditures:			
Equipment	0	0	0
Fuel and Oil	422	500	(78)
Lease Payments	5,692	5,700	(8)
Miscellaneous	5,399	100	5,299
Repairs	1,974	1,500	474
Supplies	933	500	433
Telephone	426	500	(74)
Tools and Equipment	2,258	3,000	(742)
Transfer to Special Fire Equipment	<u>0</u>	<u>4,928</u>	<u>(4,928)</u>
Total Expenditures	<u>17,104</u>	<u>16,728</u>	<u>376</u>
Cash Receipts Over (Under) Expenditures	(1,390)		
Unencumbered Cash, Beginning	<u>10,842</u>		
Unencumbered Cash, Ending	<u>\$ 9,452</u>		

CITY OF LENORA, KANSAS

WATER REVENUE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Charges for Services	\$ 71,865	62,000	9,865
Bulk Water Sales	816	0	816
Hookup/Reconnect Fees	280	220	60
Capital Credits	<u>227</u>	<u>270</u>	<u>(43)</u>
 Total Cash Receipts	 <u>73,188</u>	 <u>62,490</u>	 <u>10,698</u>
Expenditures:			
Administrative	0	8,000	(8,000)
Chemicals	479	250	229
Dues	173	160	13
Education and Travel	0	300	(300)
Electricity	4,214	5,400	(1,186)
Fire Hydrant Replacement	4,561	500	4,061
Heating	2,304	1,000	1,304
Lab Expenses	515	0	515
Legal and Professional Fees	2,169	2,000	169
Miscellaneous	0	500	(500)
Permits and Licenses	100	180	(80)
Postage	1,000	0	1,000
Publications	44	200	(156)
Repairs	10,295	6,100	4,195
Salaries and Wages	7,985	8,000	(15)
Sales and Groundwater Taxes and Fees	655	0	655
Supplies	59	3,100	(3,041)
Telephone	1,194	1,300	(106)
Tools and Equipment	800	300	500
Water Tower Maintenance	3,236	3,300	(64)

(Continued)

CITY OF LENORA, KANSAS

WATER REVENUE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
(Continued)			
Transfer to Water Surplus	12,861	14,362	(1,501)
Transfer to Water System Debt Service	<u>20,544</u>	<u>20,544</u>	<u>0</u>
Total Expenditures	<u>73,188</u>	<u>75,496</u>	<u>(2,308)</u>
Cash Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

CITY OF LENORA, KANSAS
SEWER FUND

SCHEDULE 2
Page 12

Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Charges for Services	\$ 18,103	19,000	(897)
Miscellaneous	0	0	0
Capital Credits	40	120	(80)
Total Cash Receipts	18,143	19,120	(977)
Expenditures:			
Administrative	41	800	(759)
Chemicals	385	1,600	(1,215)
Education and Travel	0	150	(150)
Electricity	907	1,200	(293)
Heating	126	0	126
Legal and Professional Fees	2,000	1,000	1,000
Miscellaneous	211	0	211
Permits and Licenses	185	220	(35)
Repairs	661	1,200	(539)
Revolving Loan Payment	8,813	8,813	0
Salaries and Wages	5,793	4,500	1,293
Telephone	390	380	10
Transfer to Employee Benefits	0	350	(350)
Total Expenditures	19,512	20,213	(701)
Cash Receipts Over (Under) Expenditures	(1,369)		
Unencumbered Cash, Beginning	11,352		
Unencumbered Cash, Ending	\$ 9,983		

CITY OF LENORA, KANSAS
SOLID WASTE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Charges for Services	\$ 30,331	28,900	1,431
Miscellaneous	83	0	83
Total Cash Receipts	30,414	28,900	1,514
Expenditures:			
Administrative	66	450	(384)
Fuel and Oil	4,450	4,500	(50)
Landfill Fees	9,280	11,500	(2,220)
Miscellaneous	75	0	75
Office Supplies	0	300	(300)
Repairs	2,520	4,088	(1,568)
Salaries and Wages	13,671	13,500	171
Transfer to Employee Benefits	0	1,000	(1,000)
Total Expenditures	30,062	35,338	(5,276)
Cash Receipts Over (Under) Expenditures	352		
Unencumbered Cash, Beginning	50,870		
Unencumbered Cash, Ending	\$ 51,222		

CITY OF LENORA, KANSAS
 Any Non-Budgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2012

	<u>Capital Improve- ments</u>	<u>Special Equipment</u>	<u>Special Fire Equipment</u>
Cash Receipts:			
Transfer from General	\$ 5,000	5,000	0
Expenditures:			
Equipment	0	13,465	0
Cash Receipts Over (Under) Expenditures	5,000	(8,465)	0
Unencumbered Cash, Beginning	<u>91,749</u>	<u>36,295</u>	<u>400</u>
Unencumbered Cash, Ending	\$ <u><u>96,749</u></u>	<u><u>27,830</u></u>	<u><u>400</u></u>

CITY OF LENORA, KANSAS
 Any Non-Budgeted Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
For the Year Ended December 31, 2012

	<u>Hansen Foundation Grant</u>	<u>Water Surplus</u>	<u>Water System Debt Service</u>	<u>Customer Deposits</u>
Cash Receipts:				
Customer Deposits	\$ 0	0	0	200
Grant	50,000	0	0	0
Interest on Idle Funds	0	141	0	0
Transfer from Water Revenue	<u>0</u>	<u>12,861</u>	<u>20,544</u>	<u>0</u>
Total Cash Receipts	<u>50,000</u>	<u>13,002</u>	<u>20,544</u>	<u>200</u>
Expenditures:				
Capital Outlay	17,561	(2,555)	0	0
Bond Principal	0	0	20,076	0
Bond Interest	0	0	0	0
Customer Refunds	<u>0</u>	<u>0</u>	<u>0</u>	<u>200</u>
Total Expenditures	<u>17,561</u>	<u>(2,555)</u>	<u>20,076</u>	<u>200</u>
Cash Receipts Over (Under) Expenditures	32,439	15,557	468	0
Unencumbered Cash, Beginning	<u>23,170</u>	<u>23,258</u>	<u>16,130</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>55,609</u>	<u>38,815</u>	<u>16,598</u>	<u>0</u>

CITY OF LENORA, KANSAS

SCHEDULE 3

Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
For the Year Ended December 31, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Sales Tax	\$ 114	541	530	125
Payroll Clearing:				
AFLAC	72	410	450	32
KPERS	90	2,296	2,287	99
FICA	250	3,227	3,230	247
Medicare	85	1,114	1,114	85
Federal Withholding	390	5,256	5,272	374
State Withholding	(99)	2,287	2,020	168
Total Agency Funds	\$ <u>902</u>	<u>15,131</u>	<u>14,903</u>	<u>1,130</u>