

CITY OF LEON

LEON, KANSAS

Financial Statement

For the Year Ended December 31, 2012

City of Leon, Kansas

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December 31, 2012

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Knudsen Monroe & Company LLC

INDEPENDENT AUDITOR'S REPORT

City Council
City of Leon
Leon, Kansas

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

Management's Responsibility for the Financial 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.

Auditors' 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 to the financial statement, the financial statement is prepared by the City of Leon 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.

City of Leon
Leon, Kansas

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 Leon 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 Leon 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 2012 financial statement as a whole. The summary of expenditures-actual and budget and the individual fund schedules of cash receipts and expenditures-actual and budget (Schedules 1, and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 financial statement. 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 financial statement. The 2012 supplementary information has been subjected to the auditing procedures applied in the audit of the 2012 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 financial statement or to the 2012 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 financial statement as a whole.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated December 3, 2012. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://www.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 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

Krusden, Moore & Company, LLC

Certified Public Accountants
Newton, Kansas

December 5, 2013

City of Leon, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis

Year ended December 31, 2012

Funds	Unencumbered Cash Balance 12/31/11	Receipts	Expenditures	Unencumbered Cash Balance 12/31/12	Accounts Payable and Encumbrances	Cash Balance 12/31/12
Governmental Fund Types:						
General	\$ 30,048	134,774	133,564	31,258	7,690	38,948
Special Purpose Funds:						
Library	1,357	2,687	2,657	1,387	-	1,387
Employee Benefits	5,906	28,827	25,079	9,654	-	9,654
Law Enforcement	1,522	97,436	97,018	1,940	-	1,940
Special Steet and Highway	6,668	21,827	23,146	5,349	-	5,349
Senior Housing	593	27,920	28,085	428	-	428
Capital Improvement	1,698	-	-	1,698	-	1,698
Capital Project Fund:						
Sewer Line Rehabilitation	-	157,488	157,488	-	-	-
Business Funds:						
Waterworks	4,140	146,822	150,131	831	-	831
Sewer	31,369	103,335	77,297	57,407	-	57,407
Refuse	10,317	48,737	47,436	11,618	-	11,618
Total Primary Government	\$ 93,618	769,853	741,901	121,570	7,690	129,260

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Leon, Kansas is a municipal corporation incorporated under the laws of the State of Kansas. The City operates under a Mayor-Council form of government consisting of an elected Mayor and five council members. These financial statements present only the City of Leon as the primary government.

Related Municipal Entities

The Leon Public Library, a component unit of the City of Leon, Kansas, is not included in these financial statements.

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

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

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.

KMAAG Regulatory Basis of Presentation and Definitions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

General Fund--to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds--to account for the proceeds of specific revenue sources other than special assessments or major capital projects that are restricted by law or administrative action to expenditure for specified purposes.

Capital Project Funds--to account for financial resources segregated for the acquisition of major capital facilities other than those financed totally by proprietary funds.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

KMAAG Regulatory Basis of Presentation and Definitions (Continued)

Business Funds--to account for operations that are financed and operated in a manner similar to private business enterprises--where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication on notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The City's 2012 budget was not amended.

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

All legal annual operating budgets are prepared using a modified cash basis of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the Capital Improvement special revenue fund.

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

City of Leon, Kansas

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

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 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 investment policy that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

As of December 31, 2012, the City held no such investments.

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

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

At December 31, 2012, the carrying amount of the City's deposits was \$129,210. The bank balance totaled \$130,006. As of December 31, 2012, 100% of the bank balance was covered by FDIC insurance.

Composition of Cash Balance

The cash balance consisted of the following at December 31, 2012:

Cash on hand	\$	50
Amount on deposit with financial institutions		
City checking accounts		11,606
Walnut Grove Housing account		10,618
Money market savings account		106,986
	\$	<u>129,260</u>

City of Leon, Kansas

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

3. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Maturity Date	Balance 12/31/11	Additions	Retirements	Balance 12/31/12	Interest Paid
General Obligation Bonds:									
Series 1998	4.65-5.00%	10/01/98	\$ 345,000	09/01/18	\$ 165,000	-	20,000	145,000	8,080
Series 2010	2.75-4.50%	11/01/10	138,000	09/01/26	138,000	-	3,000	135,000	9,181
Series 2011	1.78-4.57%	07/01/11	22,350	09/01/28	22,350	-	850	21,500	884
					<u>325,350</u>	<u>-</u>	<u>23,850</u>	<u>301,500</u>	<u>18,145</u>
Revolving Loans:									
Sewer improvements 1993	3.74%	03/01/93	455,930	03/01/14	61,469	-	30,165	31,304	2,019
Sewer improvements 2012	2.32%	03/01/12	157,645	03/01/33	-	157,645	-	157,645	157
					<u>61,469</u>	<u>157,645</u>	<u>30,165</u>	<u>188,949</u>	<u>2,176</u>
Water Connection Contract:									
RWD #6	5.00%	11/04/85	87,153	06/01/25	49,859	-	2,646	47,213	2,433
Total Long-Term Debt					<u>\$436,678</u>	<u>157,645</u>	<u>56,661</u>	<u>537,662</u>	<u>22,754</u>

Current maturities of long-term debt and interest through final maturity are as follows:

	Year ending December 31								Total
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028	
Principal									
General Obligation Bonds	\$ 26,000	36,000	36,100	36,100	36,200	81,400	47,900	1,800	301,500
Sewer revolving loans	52,460	43,051	44,056	45,084	4,298	-	-	-	188,949
RWD #6 water connection	2,782	2,924	3,074	3,231	3,396	19,772	12,034	-	47,213
Total Principal	<u>81,242</u>	<u>81,975</u>	<u>83,230</u>	<u>84,415</u>	<u>43,894</u>	<u>101,172</u>	<u>59,934</u>	<u>1,800</u>	<u>537,662</u>
Interest									
General Obligation Bonds	12,963	11,845	10,337	8,803	7,219	19,041	5,929	82	76,219
Sewer revolving loan	2,709	2,918	1,914	886	50	-	-	-	8,477
RWD #6 water connection	2,298	2,155	2,006	1,848	1,683	5,624	801	-	16,415
Total Interest	<u>17,970</u>	<u>16,918</u>	<u>14,257</u>	<u>11,537</u>	<u>8,952</u>	<u>24,665</u>	<u>6,730</u>	<u>82</u>	<u>101,111</u>
Total Principal and Interest	<u>\$ 99,212</u>	<u>98,893</u>	<u>97,487</u>	<u>95,952</u>	<u>52,846</u>	<u>125,837</u>	<u>66,664</u>	<u>1,882</u>	<u>638,773</u>

2012 Sewer Improvement Revolving Loan

During 2011, the City was approved to receive a Kansas Water Pollution Control Revolving Fund loan to fund a portion of the City's share of the Sewer line rehabilitation project. As of December 31, 2012, the City had drawn down \$157,645, of the maximum loan amount of \$732,253. The loan agreement with the Kansas Department of Health and Environment (the lender) call for semi-annual payments of \$22,984.76 commencing on September 1, 2013, with a final maturity of March 1, 2033, in order to retire the maximum loan balance of \$732,253. The schedule of current maturities above, includes only the balance as of December 31, 2012.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Required Publications – The City did not publish an annual financial statement for 2012, as required by Kansas statutes governing third class cities. This is a violation of K.S.A. 12-1608.

Budget Violation – Expenditures in the Waterworks fund exceeded the adopted budget by \$26,967, a violation of K.S.A. 79-2935.

5. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Leon 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, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4 - 6% of covered salary. 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. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The employer rate established by statute was 8.74% at December 31, 2012. The City of Leon contribution to KPERs for the years ending December 31, 2012, 2011 and 2010 were \$9,691, \$7,679 and \$9,522 respectively, equal to the statutory required contribution for each year.

6. COMPENSATED ABSENCES

The City grants compensated absences in the form of vacation and sick leave for all full-time employees.

Vacation Leave

Vacation leave is accumulated monthly though out the calendar year in accordance with the employee's time of service, as follows:

<u>Yrs. of service</u>	<u>Hours earned</u>
0 - 5	8 hours per month
6 - 10	10 hours per month
11 - 15	12 hours per month
16 – or more	14 hours per month

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

6. COMPENSATED ABSENCES (Continued)

A maximum of 120 hours of vacation can be accumulated before mandatory usage is required. In addition to vacation leave, full-time employees earn one day per year of discretionary leave, to be used at the choice of the employee.

Sick Leave

Full-time employees receive eight hours of sick leave per month, limited to 45 days of total accumulation. Retiring employees may be awarded pay equal to an amount up to 50% of their accumulated sick leave.

Compensated absences have not been recorded in the accompanying financial statements.

7. CAPITAL IMPROVEMENT PROJECTS

2012 capital improvement authorizations compared to actual expenditures, are as follows:

	<u>Authorization</u>	<u>Expenditures to Date</u>	<u>Excess Authorization</u>
Sewer Line Rehabilitation	\$ 1,252,305	157,488	1,094,817

8. SUBSEQUENT EVENTS

Leon Sewer Improvement Project

During 2011, the City approved a capital project for sanitary sewer improvements within the corporate limits of the City of Leon. The City has been approved to receive \$500,000 in federal Community Development Block Grant funds, and a Kansas Department of Health and Environment revolving loan of \$732,253 to fund the project. At December 31, 2012, project to date expenditures totaled \$157,488, and \$157,645 had been drawn on the revolving loan to fund the project. The total cost of the improvements is estimated to be \$1,252,305, when completed in 2013.

9. MANAGEMENT'S DATE OF REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2012, to determine the need for any adjustments to and/or disclosures within the audited financial statements. Management has performed their analysis through December 5, 2013, which is the date the financial statements were available to be issue.

CITY OF LEON, KANSAS
SUPPLEMENTARY INFORMATION
December 31, 2012

City of Leon, Kansas

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

Year ended December 31, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
Governmental Funds:					
General	\$ 158,400	-	158,400	133,564	(24,836)
Special Purpose					
Library	3,400	-	3,400	2,657	(743)
Employee Benefits	52,000	-	52,000	25,079	(26,921)
Law Enforcement	132,400	-	132,400	97,018	(35,382)
Special Steet and Highway	23,500	-	23,500	23,146	(354)
Senior Housing	34,272	-	34,272	28,085	(6,187)
Business Funds:					
Waterworks	123,164	-	123,164	150,131	26,967
Sewer	102,400	-	102,400	77,297	(25,103)
Refuse	<u>60,800</u>	<u>-</u>	<u>60,800</u>	<u>47,436</u>	<u>(13,364)</u>
Expenditures subject to current budget	<u>\$ 690,336</u>	<u>-</u>	<u>690,336</u>	584,413	<u>(105,923)</u>
Add expenditures of unbudgeted funds					
Capital project fund				<u>157,488</u>	
Total Expenditures, Primary government				<u>\$ 741,901</u>	

City of Leon, Kansas

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
RECEIPTS				
Ad Valorem property tax	\$ 62,695	63,574	68,069	(4,495)
Delinquent taxes	3,585	3,166	545	2,621
Vehicle taxes	14,296	14,026	16,146	(2,120)
Franchise tax	39,427	37,125	39,000	(1,875)
Liquor tax	77	482	-	482
Fines, fees, and permits	1,915	1,685	2,500	(815)
Interest	523	326	800	(474)
Reimbursed expenditures	3,575	9,861	-	9,861
Other revenue	1,695	4,529	800	3,729
Transfers from other funds	-	-	-	-
	<u>127,788</u>	<u>134,774</u>	<u>127,860</u>	<u>6,914</u>
EXPENDITURES				
Salaries and benefits	49,635	61,197	65,000	(3,803)
Contractual services	38,859	49,296	32,300	16,996
Commodities	27,553	20,686	10,000	10,686
Street improvements	6,469	1,927	8,100	(6,173)
Capital outlay	3,060	458	43,000	(42,542)
	<u>125,576</u>	<u>133,564</u>	<u>158,400</u>	<u>(24,836)</u>
Receipts over (under) expenditures	2,212	1,210		
UNENCUMBERED CASH, beginning	<u>27,836</u>	<u>30,048</u>		
UNENCUMBERED CASH, ending	<u>\$ 30,048</u>	<u>31,258</u>		

City of Leon, Kansas

Special Purpose Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>LIBRARY FUND</u>				
RECEIPTS				
Ad Valorem property tax	\$ 2,124	2,093	2,242	(149)
Delinquent taxes	148	115	192	(77)
Vehicle taxes	557	479	547	(68)
	<u>2,829</u>	<u>2,687</u>	<u>2,981</u>	<u>(294)</u>
EXPENDITURES				
Appropriation to the library board	<u>2,774</u>	<u>2,657</u>	<u>3,400</u>	<u>(743)</u>
	<u>2,774</u>	<u>2,657</u>	<u>3,400</u>	<u>(743)</u>
Receipts over (under) expenditures	55	30		
UNENCUMBERED CASH, beginning	<u>1,302</u>	<u>1,357</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,357</u>	<u>1,387</u>		
 <u>EMPLOYEE BENEFITS FUND</u>				
RECEIPTS				
Ad Valorem property tax	\$ 23,469	22,377	23,960	(1,583)
Delinquent taxes	1,352	1,195	70	1,125
Vehicle taxes	5,419	5,255	6,043	(788)
Transfer from other funds	-	-	14,500	(14,500)
	<u>30,240</u>	<u>28,827</u>	<u>44,573</u>	<u>(15,746)</u>
EXPENDITURES				
Payroll taxes and benefits	<u>27,512</u>	<u>25,079</u>	<u>52,000</u>	<u>(26,921)</u>
Receipts over (under) expenditures	2,728	3,748		
UNENCUMBERED CASH, beginning	<u>3,178</u>	<u>5,906</u>		
UNENCUMBERED CASH, ending	<u>\$ 5,906</u>	<u>9,654</u>		

City of Leon, Kansas

Special Purpose Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>LAW ENFORCEMENT</u>				
RECEIPTS				
Fines and fees	\$ 76,287	97,434	130,000	(32,566)
Other	4	2	-	2
	<u>76,291</u>	<u>97,436</u>	<u>130,000</u>	<u>(32,564)</u>
EXPENDITURES				
Salary and benefits	35,223	50,337	46,000	4,337
Contractual services	24,649	24,306	42,650	(18,344)
Commodities	14,340	22,375	24,000	(1,625)
Debt service	6,173	-	11,000	(11,000)
Transfer to other funds	-	-	8,750	(8,750)
	<u>80,385</u>	<u>97,018</u>	<u>132,400</u>	<u>(35,382)</u>
Receipts over (under) expenditures	(4,094)	418		
UNENCUMBERED CASH, beginning	<u>5,616</u>	<u>1,522</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,522</u>	<u>1,940</u>		
<u>SPECIAL STREET AND HIGHWAY FUND</u>				
RECEIPTS				
Gas tax payments				
State	\$ 17,538	18,238	16,100	2,138
County	3,015	3,515	2,689	826
Reimbursed expenditures	-	74	-	74
	<u>20,553</u>	<u>21,827</u>	<u>18,789</u>	<u>3,038</u>
EXPENDITURES				
Salary and benefits	3,921	3,091	-	3,091
Contractual services	7,774	7,899	15,000	(7,101)
Commodities and other	5,070	4,009	8,500	(4,491)
Capital outlay	1,875	8,147	-	8,147
	<u>18,640</u>	<u>23,146</u>	<u>23,500</u>	<u>(354)</u>
Receipts over (under) expenditures	1,913	(1,319)		
UNENCUMBERED CASH, beginning	<u>4,755</u>	<u>6,668</u>		
UNENCUMBERED CASH, ending	<u>\$ 6,668</u>	<u>5,349</u>		

See Independent Auditor's Report

City of Leon, Kansas

Special Purpose Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>SENIOR HOUSING FUND</u>				
RECEIPTS				
Rental payments	\$ 30,905	27,920	34,272	(6,352)
EXPENDITURES				
Contractual services	2,258	-	6,192	(6,192)
Commodities and other	298	-	-	-
Debt service	28,995	28,085	28,080	5
	<u>31,551</u>	<u>28,085</u>	<u>34,272</u>	<u>(6,187)</u>
Receipts over (under) expenditures	(646)	(165)		
UNENCUMBERED CASH, beginning	<u>1,239</u>	<u>593</u>		
UNENCUMBERED CASH, ending	<u>\$ 593</u>	<u>428</u>		
 <u>CAPITAL IMPROVEMENT FUND</u>				
RECEIPTS				
	\$ -	-		
EXPENDITURES				
	-	-		NOT APPLICABLE
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	<u>1,698</u>	<u>1,698</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,698</u>	<u>1,698</u>		

City of Leon, Kansas

Capital Project Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>WATER WELL #10 CONSTRUCTION</u>				
RECEIPTS				
Proceeds from long-term debt	\$ -	-		
EXPENDITURES				
Contractual services	1,334	-		
Capital outlay	135,204	-		
	<u>136,538</u>	<u>-</u>		NOT APPLICABLE
Receipts over (under) expenditures	(136,538)	-		
UNENCUMBERED CASH, beginning	<u>136,538</u>	<u>-</u>		
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>		
 <u>SEWER LINE REHABILITATION</u>				
RECEIPTS				
Proceeds from state revolving loan fund	\$ -	157,488		
EXPENDITURES				
Contractual services	-	13,000		
Capital outlay	-	144,488		
	<u>-</u>	<u>157,488</u>		NOT APPLICABLE
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>		
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>		

City of Leon, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>WATERWORKS FUND</u>				
RECEIPTS				
Sales	\$ 141,213	146,693	120,000	26,693
Service fees and other	-	-	-	-
Reimbursements	332	129	-	129
	<u>141,545</u>	<u>146,822</u>	<u>120,000</u>	<u>26,822</u>
EXPENDITURES				
Salary and benefits	8,713	6,241	20,000	(13,759)
Contractual services	34,001	35,248	30,000	5,248
Commodities	89,039	83,972	45,000	38,972
Capital outlay	5,532	7,410	14,200	(6,790)
Debt service	5,079	17,260	11,464	5,796
Transfer to other funds	-	-	2,500	(2,500)
	<u>142,364</u>	<u>150,131</u>	<u>123,164</u>	<u>26,967</u>
Receipts over (under) expenditures	(819)	(3,309)		
UNENCUMBERED CASH, beginning	<u>4,959</u>	<u>4,140</u>		
UNENCUMBERED CASH, ending	<u>\$ 4,140</u>	<u>831</u>		

City of Leon, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>SEWER FUND</u>				
RECEIPTS				
User fees	\$ 78,408	101,565	81,000	20,565
Special assessments	2,124	1,770	2,000	(230)
Reimbursement - long-term debt proceeds	22,350	-	-	-
	<u>102,882</u>	<u>103,335</u>	<u>83,000</u>	<u>20,335</u>
EXPENDITURES				
Salary and benefits	17,881	19,600	28,000	(8,400)
Contractual services	13,764	19,917	22,000	(2,083)
Commodities	1,251	3,995	4,000	(5)
Capital outlay	-	-	12,061	(12,061)
Debt service	62,996	33,785	33,839	(54)
Transfer to other funds	-	-	2,500	(2,500)
	<u>95,892</u>	<u>77,297</u>	<u>102,400</u>	<u>(25,103)</u>
Receipts over (under) expenditures	6,990	26,038		
UNENCUMBERED CASH, beginning	24,379	31,369		
UNENCUMBERED CASH, ending	<u>\$ 31,369</u>	<u>57,407</u>		

City of Leon, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>REFUSE FUND</u>				
RECEIPTS				
Refuse collection fees	\$ 47,161	48,737	51,000	(2,263)
EXPENDITURES				
Salary and benefits	4,700	158	4,000	(3,842)
Contractual services	43,777	39,872	51,000	(11,128)
Commodities	207	7,406	5,800	1,606
Capital outlay	-	-	-	-
	<u>48,684</u>	<u>47,436</u>	<u>60,800</u>	<u>(13,364)</u>
Receipts over (under) expenditures	(1,523)	1,301		
UNENCUMBERED CASH, beginning	<u>11,840</u>	<u>10,317</u>		
UNENCUMBERED CASH, ending	<u>\$ 10,317</u>	<u>11,618</u>		