

CITY OF MARION, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

**CITY OF MARION, KANSAS
CITY OF THE SECOND CLASS
For the Year Ended December 31, 2012**

CITY COUNCIL

Jerry Dieter

Mary Olson
Mayor

Chris Meierhoff

Jerry Kline

Todd Heitschmidt

CITY OFFICERS

Rebecca Makovec
Treasurer/Asst. Clerk

Doug Kjellin
Administrator

Susan Robson
Attorney

Tyler Mermis
Police Chief

Angela Lange
Clerk

Randy Pankratz
Municipal Judge

CITY OF MARION, KANSAS

For the Year Ended December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Marion, Kansas 66861

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Marion, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Marion, 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 Marion, 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 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, and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 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 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

May 3, 2013

CITY OF MARION, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2012

	Beginning Un- encumbered Cash Balance	Receipts	Expendi- tures	Ending Un- encumbered Cash Balance	Add: Encum- brances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	\$ (18,971)	\$ 1,439,113	\$ 1,393,479	\$ 26,663	\$ 44,802	\$ 71,465
SPECIAL PURPOSE FUNDS:						
Library Fund	3,000	141,722	142,233	2,489	510	2,999
Special City Highway Fund	24,879	766,958	786,377	5,460	-	5,460
Special Park and Recreation Fund	2,701	947	-	3,648	-	3,648
Equipment Reserve Fund	65,703	40,000	79,940	25,763	-	25,763
Total Special Revenue Funds	96,283	949,627	1,008,550	37,360	510	37,870
BOND AND INTEREST FUND:						
Bond and Interest Fund	615	1,639,505	1,633,867	6,253	-	6,253
CAPITAL PROJECT FUND:						
Capital Improvement Fund	185,146	525,546	301,729	408,963	4,856	413,819
BUSINESS FUND:						
Utilities Fund	692,446	2,837,660	2,843,000	687,106	111,799	798,905
TRUST FUND:						
Special Law Enforcement Trust Fund	-	1,650	-	1,650	-	1,650
Total Reporting Entity	\$ 955,519	\$ 7,393,101	\$ 7,180,625	\$ 1,167,995	\$ 161,967	\$ 1,329,962
COMPOSITION OF CASH:						
Petty Cash						\$ 200
Checking Accounts - Central National Bank						1,329,762
Total Reporting Entity						\$ 1,329,962

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

CITY OF MARION, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The City of Marion is a municipal corporation governed by an elected mayor and elected four-member Council. The regulatory financial statement presents the City of Marion (the municipality) and does not include any related municipal entities.

(b) 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.

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. water fund, electric fund, etc.).

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 (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

(c) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) 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 the year 2012.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 Project Funds and Agency Funds.

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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statutory violations noted in 2012.

3. 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 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.

3. DEPOSITS AND INVESTMENTS (CONT.)

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.

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. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$1,329,762 and the bank balance was \$1,368,880. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remaining \$1,118,880 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.

4. OTHER RELATIONSHIPS

City – School District Recreation Commission

The City of Marion along with Unified School District No. 408 entered into an agreement Resolution No. 01-08 on June 26, 2001, initiating the establishment of a joint City – School District Recreation Commission. The purpose of the Commission is to organize and coordinate recreational activities to meet the needs of the community.

Management of the Commission is carried out by an appointed five member Commission. The City appoints two members of the Commission, USD No. 408 appoints two members, and the fifth member is appointed collectively by the other four members of the Commission.

Funding is utilized by each entity committing general funds to the recreation program, if additional funding becomes necessary the agreement states, recommendations should be made to reorganize the Commission to comply with K.S.A. 12-1924, et. seq. in order to gain authority to levy tax and to seek bonds by elections. The City appropriated \$17,000 for operating expenses to the Recreation Commission for 2012.

USD No. 408 and City of Marion

The City of Marion approved the proposal from Unified School District No. 408 for the City to utilize the school districts' indoor swimming pool facility for public and City recreation use, with the City agreeing to pay \$100,000 annually to the USD No. 408 for the life of the bonds (until 2024) and also split net expenses each year equally with the school district, to be re-evaluated in three years.

4. OTHER RELATIONSHIPS (CONT.)

USD No. 408 and City of Marion (cont.)

The City of Marion along with USD No. 408 entered into an interlocal agreement on October 23, 2006, regarding the cooperative use of facilities, equipment, and personnel. The purpose of the agreement states the parties agree to execute one or more letter agreements that shall become a part of this agreement. The letters of understanding shall address issues relating to sharing facilities and resources controlled or owned by the parties, and may include use of facilities, equipment personnel; access to facilities, equipment, personnel; charges, costs, or fees; site improvements; maintenance responsibilities; duration of use or access; and times and dates of use or access.

On June 4, 2007, the City of Marion approved Resolution No. 07-02, authorizing the payment of \$100,000 from the City to Marion to USD No. 408 pursuant to the interlocal agreement for financing, building and operation of a swimming pool structure. The authorized payment of \$100,000 will be made on or about the 15th day of July.

The City of Marion approved on July 16, 2007, Resolution No. 07-03, to augment the prior interlocal agreement between the parties regarding the cooperative use of facilities, equipment, and personnel. The subject of the agreement is to facilitate the joint planning, construction, maintenance, and scheduling and operations of the district owned gymnasium/swimming facilities. The agreement states the parties will develop agreements, policies and procedures that recognize that facilities are intended to be used jointly for school and community recreation purposes for the benefit of district students, the district, and the city at large. In this endeavor, the security, academic, athletic and recreational needs and opportunities of school aged children will be the highest priority and adequately protected.

An agreement dated December 31, 2008 between the City and USD No. 408 was signed serving as written documentation of the procedures and payment dates regarding the 50%-50% shared expenses of the aquatic center. The agreement states "Invoices for 50% of net expenses and documentation of revenue received during the same period will be submitted bi-annually from the School District to the City for the operation period of July 1st thru December 31st and January 1st thru June 30th of each calendar year. Payment for said invoices will be made on or before August 1st and February 1st of each year. In the event that the aquatic center generates a profit during either of the above mentioned six month periods, a check for 50% of the profit will be submitted to the City instead of an invoice."

5. LONG-TERM DEBT – CURRENT REFUNDING

In November 2012, the Council issued \$2,230,000 of General Obligation Refunding and Improvement Bonds Series 2012 to current refund the General Obligation Bonds Series 2006 and the Kansas Department of Transportation Revolving Loan. The proceeds were also used to pay the costs of issuance and \$231,945 was used for a levee study project. The Council has followed the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The current refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of approximately \$191,455. The refunding decreased the Council's aggregate debt service payments by approximately \$455,383 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of approximately \$174,942.

6. LONG-TERM DEBT

Changes in 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	Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds:									
Series 2005-A	2.9-3.7%	2005	\$ 885,000	2014	\$ 320,000	\$ -	\$ 105,000	\$ 215,000	\$ 9,683
Series 2006	4.25%	2006	1,340,000	2046	1,267,828	-	1,267,828	-	56,797
Series 2007	4.90%	2007	81,000	1018	63,000	-	8,000	55,000	3,087
Series 2009	5.25%	2009	70,000	2019	59,000	-	6,000	53,000	3,098
Series 2010	1.95-3.5%	2010	585,000	2020	540,000	-	60,000	480,000	14,843
Series 2011	.05-2.2%	2011	840,000	2021	840,000	-	90,000	750,000	9,529
Series 2012	2.0-4.0%	2012	2,230,000	2040	-	2,230,000	-	2,230,000	-
Total General Obligation Bonds					<u>3,089,828</u>	<u>2,230,000</u>	<u>1,536,828</u>	<u>3,783,000</u>	<u>97,037</u>
KDOT Revolving Loan	3.51%	02-11-08	1,122,665	08-01-27	739,708	-	739,708	-	34,138
Capital Leases:									
Cardie Building	4.35%	2007	229,200	2013	198,304	-	7,305	190,999	10,695
Arties Building	5.10%	2008	254,519	2013	240,970	-	4,361	236,609	12,228
Case Loader	3.60%	2010	129,000	2015	102,967	-	24,828	78,139	3,431
Electric Meters	3.75%	2011	117,000	2016	102,677	-	20,629	82,048	5,069
Steel Building	5.00%	2011	67,256	2016	67,256	-	12,165	55,091	3,372
Total Capital Leases					<u>712,174</u>	<u>-</u>	<u>69,288</u>	<u>642,886</u>	<u>34,795</u>
Total Contractual Indebtedness					<u>\$ 4,541,710</u>	<u>\$ 2,230,000</u>	<u>\$ 2,345,824</u>	<u>\$ 4,425,886</u>	<u>\$ 165,970</u>

6. LONG-TERM DEBT (CONT.)

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

	Year										Total
	2013	2014	2015	2016	2017	2018 to 2022	2023 to 2027	2028 to 2032	2033 to 2037	2038 to 2042	
PRINCIPAL:											
General Obligation Bonds:											
Series 2005-A	\$ 110,000	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,000
Series 2007	8,000	9,000	9,000	9,000	10,000	10,000	-	-	-	-	55,000
Series 2009	8,000	7,000	7,000	7,000	8,000	18,000	-	-	-	-	53,000
Series 2010	60,000	60,000	65,000	70,000	70,000	155,000	-	-	-	-	480,000
Series 2011	15,000	85,000	85,000	90,000	85,000	390,000	-	-	-	-	750,000
Series 2012	95,000	90,000	90,000	95,000	95,000	500,000	570,000	235,000	280,000	180,000	2,230,000
Total G. O. Bonds	294,000	356,000	256,000	271,000	268,000	1,073,000	570,000	235,000	280,000	180,000	3,783,000
Capital Leases:											
Cardie Building	190,999	-	-	-	-	-	-	-	-	-	190,999
Arlies Building	236,609	-	-	-	-	-	-	-	-	-	236,609
Case Loader	25,673	26,820	25,446	-	-	-	-	-	-	-	78,139
Electric Meters	23,092	23,969	24,878	10,109	-	-	-	-	-	-	82,048
Steel Building	12,783	13,421	14,092	14,795	-	-	-	-	-	-	55,091
Total Capital Leases	489,356	64,210	64,416	24,904	-	-	-	-	-	-	642,886
TOTAL PRINCIPAL	783,356	420,210	320,416	295,904	268,000	1,073,000	570,000	235,000	280,000	180,000	4,425,888
INTEREST:											
General Obligation Bonds:											
Series 2005-A	5,865	1,943	-	-	-	-	-	-	-	-	7,808
Series 2007	2,695	2,303	1,862	1,421	980	490	-	-	-	-	9,751
Series 2009	2,783	2,468	2,100	1,733	1,365	1,418	-	-	-	-	11,867
Series 2010	12,743	10,793	9,623	8,160	6,480	9,680	-	-	-	-	57,479
Series 2011	12,255	12,135	11,455	10,435	9,355	20,705	-	-	-	-	76,340
Series 2012	52,667	61,300	59,500	57,700	55,600	249,900	184,175	116,675	70,200	14,200	922,117
Total G. O. Bonds	89,008	90,942	84,540	79,449	73,980	282,193	184,175	116,675	70,200	14,200	1,085,362
Capital Leases:											
Cardie Building	2,040	-	-	-	-	-	-	-	-	-	2,040
Arlies Building	6,978	-	-	-	-	-	-	-	-	-	6,978
Case Loader	2,367	1,440	458	-	-	-	-	-	-	-	4,285
Electric Meters	2,606	1,730	820	66	-	-	-	-	-	-	5,222
Steel Building	2,755	2,115	1,444	742	-	-	-	-	-	-	7,056
Total Capital Leases	16,766	5,285	2,722	808	-	-	-	-	-	-	25,581
TOTAL INTEREST	105,774	96,227	87,262	80,257	73,980	282,193	184,175	116,675	70,200	14,200	1,110,943
TOTAL PRINCIPAL AND INTEREST	\$ 889,130	\$ 516,437	\$ 407,678	\$ 376,161	\$ 341,980	\$ 1,355,193	\$ 754,175	\$ 351,675	\$ 350,200	\$ 194,200	\$ 5,536,829

7. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. 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. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) 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 of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

(b) Other Employee Benefits

Vacation - Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter. If not taken, vacation leave shall accrue from year to year up to the maximum provided, based upon the employee's years of service. No vacation leave shall be taken until a new employee has completed one year of employment.

Each permanent full-time employee will accrue vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>	<u>Maximum Accumulation</u>
2 to 9 years	80 working hours	None
10 to 19 years	120 working hours	None
After 20 years	160 working hours	None

An employee shall be paid for all accumulated unused vacation leave upon termination.

9. 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 expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

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

10. CAPITAL PROJECTS

At year end, capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project Authorization	Cash Disbursements and Accounts Payable To Date
KLINK Project	\$ 229,560	\$ 15,000
Water Meter Replacement Project	215,000	199,354
Jex Sewer Lines Project	613,625	40,612
Total	<u>\$ 1,058,185</u>	<u>\$ 254,966</u>

11. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Bond and Interest	Debt Service	\$ 80,700
Utilities	General	K.S.A. 12-825d	300,000
Utilities	Bond and Interest	K.S.A. 12-825d	271,681
Utilities	Capital Improvement	K.S.A. 12-825d	40,000
Utilities	Equipment Reserve	K.S.A. 12-825d	40,000
Total			<u>\$ 732,381</u>

12. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF MARION, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

CITY OF MARION, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2012

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
GENERAL FUND:					
General Fund	\$ 1,505,996	\$ -	\$ 1,505,996	\$ 1,393,479	\$ (112,517)
SPECIAL PURPOSE FUNDS:					
Library Fund	156,010	-	156,010	142,233	(13,777)
Special City Highway Fund	80,759	711,930	792,689	786,377	(6,312)
Special Park and Recreation Fund	3,701	-	3,701	-	(3,701)
Equipment Reserve Fund	90,418	-	90,418	79,940	(10,478)
BOND AND INTEREST FUND:					
Bond and Interest Fund	384,499	1,254,533	1,639,032	1,633,867	(5,165)
CAPITAL PROJECT FUND:					
Capital Improvement Fund	909,793	-	909,793	301,729	(608,064)
BUSINESS FUND:					
Utilities Fund	3,167,806	-	3,167,806	2,843,000	(324,806)

CITY OF MARION, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		Variance - Over (Under)
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Taxes -			
Ad valorem property tax	\$ 507,722	\$ 531,963	\$ (24,241)
Back tax collections	11,004	200	10,804
Motor vehicle tax	79,400	77,908	1,492
Recreational vehicle tax	1,667	1,585	82
16/20M vehicle tax	1,788	1,431	357
Neighborhood revitalization rebate	(28,050)	-	(28,050)
Alcoholic liquor fund	947	900	47
Local sales tax	129,536	150,000	(20,464)
Local sales tax - industrial revenue bonds	147,191	127,000	20,191
Excise tax	104	-	104
Total Taxes	<u>851,309</u>	<u>890,987</u>	<u>(39,678)</u>
Intergovernmental Revenues -			
State connecting links	9,877	10,102	(225)
County connecting links	302	-	302
Total Intergovernmental Revenues	<u>10,179</u>	<u>10,102</u>	<u>77</u>
Licenses and Permits -			
Utility franchise taxes	41,336	49,800	(8,464)
Dog tags	2,549	-	2,549
Licenses and permits	5,527	-	5,527
Total Licenses and Permits	<u>49,412</u>	<u>49,800</u>	<u>(388)</u>
Charges for Services -			
Cemetery fees	11,950	6,500	5,450
Rural fire contracts	12,907	19,100	(6,193)
Total Charges for Services	<u>24,857</u>	<u>25,600</u>	<u>(743)</u>
Use of Money and Property -			
Interest income	1,624	1,400	224
City building rent	931	-	931
Spec building rent	12,767	2,687	10,080
Cardie rent	20,411	20,124	287
Arlie's rent	3,085	18,508	(15,423)
Land and hanger rent	22,600	14,350	8,250
Total Use of Money and Property	<u>61,418</u>	<u>57,069</u>	<u>4,349</u>
Court fines and bonds	<u>9,967</u>	<u>5,200</u>	<u>4,767</u>

CITY OF MARION, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	2012		Variance - Over (Under)
	Actual	Budget	
Receipts (cont.)			
Other Income -			
School lease	\$ 2,000	\$ -	\$ 2,000
Sales tax collected	59,700	28,806	30,894
Other reimbursements	8,017	31,700	(23,683)
Housing reimbursement	56,842	63,000	(6,158)
Cemetery reimbursement	266	-	266
FEMA reimbursement	-	25,560	(25,560)
Miscellaneous	1,879	855	1,024
BCCC insurance and rent	3,267	-	3,267
Total Other Income	<u>131,971</u>	<u>149,921</u>	<u>(17,950)</u>
Operating Transfer -			
Transfer from Utilities Fund	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Receipts	<u>1,439,113</u>	<u>\$ 1,488,679</u>	<u>\$ (49,566)</u>
Expenditures			
General Administrative -			
Personal services	150,362	\$ 164,352	\$ (13,990)
Contractual services	24,100	27,000	(2,900)
Commodities	36,382	38,957	(2,575)
Capital outlay	-	4,155	(4,155)
Sales Tax	63,903	50,000	13,903
Total General Administrative	<u>274,747</u>	<u>284,464</u>	<u>(9,717)</u>
Senior Citizens Housing Authority -			
Personal services	<u>58,099</u>	<u>57,500</u>	<u>599</u>
Cemetery -			
Personal services	24,361	22,700	1,661
Commodities	10,290	10,740	(450)
Capital outlay	342	300	42
Total Cemetery	<u>34,993</u>	<u>33,740</u>	<u>1,253</u>

CITY OF MARION, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	2012		Variance - Over (Under)
	Actual	Budget	
Expenditures (cont.)			
City Building -			
Personal services	\$ 17,277	\$ 19,902	\$ (2,625)
Commodities	19,361	22,499	(3,138)
Total City Building	<u>36,638</u>	<u>42,401</u>	<u>(5,763)</u>
Flood Control Project -			
Contractual services	5,393	20,000	(14,607)
Commodities	3,350	9,065	(5,715)
Capital outlay	1,115	2,500	(1,385)
Total Flood Control Project	<u>9,858</u>	<u>31,565</u>	<u>(21,707)</u>
Fire -			
Personal services	9,020	15,050	(6,030)
Commodities	17,410	22,025	(4,615)
Capital outlay	1,326	-	1,326
Total Fire	<u>27,756</u>	<u>37,075</u>	<u>(9,319)</u>
Library program	<u>3,925</u>	<u>4,162</u>	<u>(237)</u>
Museum -			
Personal services	3,229	3,230	(1)
Commodities	1,835	2,899	(1,064)
Total Museum	<u>5,064</u>	<u>6,129</u>	<u>(1,065)</u>
Recreation -			
Appropriation	<u>17,000</u>	<u>17,000</u>	<u>-</u>
Park -			
Personal services	27,804	26,535	1,269
Commodities	17,125	17,035	90
Capital outlay	545	-	545
Total Park	<u>45,474</u>	<u>43,570</u>	<u>1,904</u>
Municipal Court -			
Personal services	2,470	2,584	(114)
Contractual services	305	3,100	(2,795)
Commodities	387	955	(568)
Total Municipal Court	<u>3,162</u>	<u>6,639</u>	<u>(3,477)</u>

CITY OF MARION, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	2012		Variance - Over (Under)
	Actual	Budget	
Expenditures (cont.)			
Street and Alley -			
Personal services	\$ 121,126	\$ 138,173	\$ (17,047)
Commodities	80,061	106,553	(26,492)
Capital outlay	11,631	8,000	3,631
Total Street and Alley	<u>212,818</u>	<u>252,726</u>	<u>(39,908)</u>
Swimming Pool -			
Commodities	<u>33,049</u>	<u>42,000</u>	<u>(8,951)</u>
Industrial Development -			
Personal services	23,526	25,906	(2,380)
Contractual services	347	400	(53)
Commodities	1,925	15,368	(13,443)
Capital outlay	230	400	(170)
Arlie's building expenses	27,542	-	27,542
Taxes	17,680	13,500	4,180
Total Industrial Development	<u>71,250</u>	<u>55,574</u>	<u>15,676</u>
Planning -			
Commodities	<u>4,856</u>	<u>-</u>	<u>4,856</u>
EMS -			
Commodities	<u>2,183</u>	<u>3,635</u>	<u>(1,452)</u>
Police -			
Personal services	239,032	254,894	(15,862)
Commodities	12,836	11,775	1,061
Capital outlay	2,282	-	2,282
Car expense	11,368	15,350	(3,982)
Training	728	1,000	(272)
Insurance	11,551	13,338	(1,787)
Utilities	3,612	12,583	(8,971)
Total Police	<u>281,409</u>	<u>308,940</u>	<u>(27,531)</u>
Tourism			
Appropriation	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Airport -			
Contractual services	3,275	5,000	(1,725)
Commodities	<u>4,826</u>	<u>4,426</u>	<u>400</u>
Total Airport	<u>8,101</u>	<u>9,426</u>	<u>(1,325)</u>

CITY OF MARION, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Expenditures (cont.)			
Baseball Complex -			
Personal services	\$ 6,218	\$ 7,540	\$ (1,322)
Commodities	<u>18,260</u>	<u>17,734</u>	<u>526</u>
Total Baseball Complex	<u>24,478</u>	<u>25,274</u>	<u>(796)</u>
Other Expenditures -			
Spec building lease	15,537	15,537	-
Cardie Oil building lease	18,000	18,000	-
Arlie's lease	16,589	16,589	-
Swimming pool lease to USD	100,000	100,000	-
Miscellaneous	<u>793</u>	<u>6,350</u>	<u>(5,557)</u>
Total Other Expenditures	<u>150,919</u>	<u>156,476</u>	<u>(5,557)</u>
Operating Transfer -			
Transfer to Bond and Interest Fund -			
Industrial revenue bonds	<u>80,700</u>	<u>80,700</u>	<u>-</u>
Total Expenditures	<u>1,393,479</u>	<u>\$ 1,505,996</u>	<u>\$ (112,517)</u>
Receipts Over (Under) Expenditures	45,634		
Unencumbered Cash, Beginning	<u>(18,971)</u>		
Unencumbered Cash, Ending	<u>\$ 26,663</u>		

CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDLIBRARY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Ad valorem property tax	\$ 75,657	\$ 79,272	\$ (3,615)
Back tax collections	1,724	700	1,024
Motor vehicle tax	12,293	12,054	239
Recreational vehicle tax	258	245	13
16/20M vehicle tax	278	221	57
Neighborhood revitalization rebate	(4,920)	-	(4,920)
Reimbursements	<u>56,432</u>	<u>57,680</u>	<u>(1,248)</u>
Total Receipts	<u>141,722</u>	<u>\$ 150,172</u>	<u>\$ (8,450)</u>
Expenditures			
Personal services	56,943	\$ 57,681	\$ (738)
Appropriation to Library Board	<u>85,290</u>	<u>98,329</u>	<u>(13,039)</u>
Total Expenditures	<u>142,233</u>	<u>\$ 156,010</u>	<u>\$ (13,777)</u>
Receipts Over (Under) Expenditures	(511)		
Unencumbered Cash, Beginning	<u>3,000</u>		
Unencumbered Cash, Ending	<u>\$ 2,489</u>		

CITY OF MARION, KANSAS

SPECIAL PURPOSE FUNDSPECIAL CITY HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Special assessments - streets	\$ 5,355	\$ 2,425	\$ 2,930
Bond proceeds	711,930	-	711,930
State of Kansas - fuel tax	<u>49,673</u>	<u>51,270</u>	<u>(1,597)</u>
Total Receipts	<u>766,958</u>	<u>\$ 53,695</u>	<u>\$ 713,263</u>
Expenditures			
Commodities	2,699	\$ -	\$ 2,699
Capital outlay	9,832	18,393	(8,561)
Transportation Revolving Loan Principal	34,553	34,553	-
Transportation Revolving Loan Interest	<u>27,363</u>	<u>27,813</u>	<u>(450)</u>
Total Expenditures Subject to Budget	74,447	<u>\$ 80,759</u>	<u>\$ (6,312)</u>
Expenditures Not Subject to Budget			
Bond proceeds	<u>711,930</u>		
Total Expenditures	<u>786,377</u>		
Receipts Over (Under) Expenditures	(19,419)		
Unencumbered Cash, Beginning	<u>24,879</u>		
Unencumbered Cash, Ending	<u>\$ 5,460</u>		

CITY OF MARION, KANSAS

SPECIAL PURPOSE FUND

SPECIAL PARK AND RECREATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
State of Kansas - liquor tax	\$ 947	\$ <u>900</u>	\$ <u>47</u>
Expenditures			
Commodities	<u>-</u>	<u>\$ 3,701</u>	<u>\$ (3,701)</u>
Receipts Over (Under) Expenditures	947		
Unencumbered Cash, Beginning	<u>2,701</u>		
Unencumbered Cash, Ending	<u>\$ 3,648</u>		

CITY OF MARION, KANSAS

SPECIAL PURPOSE FUND

EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Transfer from Utilities Fund	\$ 40,000	\$ 40,000	\$ -
Expenditures			
Capital outlay	51,680	\$ 62,158	\$ (10,478)
Loader lease purchase	28,260	28,260	-
Total Expenditures	<u>79,940</u>	<u>\$ 90,418</u>	<u>\$ (10,478)</u>
Receipts Over (Under) Expenditures	(39,940)		
Unencumbered Cash, Beginning	<u>65,703</u>		
Unencumbered Cash, Ending	<u>\$ 25,763</u>		

CITY OF MARION, KANSAS

BOND AND INTEREST FUNDBOND AND INTEREST FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Ad valorem property tax	\$ 15,598	\$ 16,350	\$ (752)
Back tax collections	354	200	154
Motor vehicle tax	2,531	2,482	49
Recreational vehicle tax	53	50	3
16/20M vehicle tax	57	46	11
Neighborhood revitalization rebate	(1,014)	-	(1,014)
Bond proceeds	1,254,533	-	1,254,533
Special assessments	15,012	16,980	(1,968)
Transfer from General Fund	80,700	80,700	-
Transfer from Utilities Fund	271,681	259,618	12,063
	<u>1,639,505</u>	<u>\$ 376,426</u>	<u>\$ 1,263,079</u>
Total Receipts			
Expenditures			
Principal	285,210	\$ 260,210	\$ 25,000
Interest	94,121	123,989	(29,868)
Commissions and postage	3	300	(297)
	<u>379,334</u>	<u>\$ 384,499</u>	<u>\$ (5,165)</u>
Total Expenditures Not Subject to Budget			
Expenditures Not Subject to Budget			
Bond proceeds	<u>1,254,533</u>		
Total Expenditures	<u>1,633,867</u>		
Receipts Over (Under) Expenditures	5,638		
Unencumbered Cash, Beginning	<u>615</u>		
Unencumbered Cash, Ending	<u>\$ 6,253</u>		

CITY OF MARION, KANSAS

CAPITAL PROJECT FUNDCAPITAL IMPROVEMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Bond proceeds	\$ 259,937	\$ -	\$ 259,937
Transportation Revolving Loan Fund proceeds	175,145	-	175,145
Sewer grant/loan	27,500	687,500	(660,000)
VIN inspections	5,630	2,000	3,630
Reimbursements	15,762	-	15,762
Donations/Memorials	1,572	300	1,272
Transfer from Utilities Fund	40,000	40,000	-
Total Receipts	<u>525,546</u>	<u>\$ 729,800</u>	<u>\$ (204,254)</u>
Expenditures			
Commodities	18,781	\$ 48	\$ 18,733
Capital outlay	27,268	222,245	(194,977)
K256 KLINK project	15,000	-	15,000
JEX sewer lines	36,063	687,500	(651,437)
Water meter replacement	200,374	-	200,374
Street improvement	4,243	-	4,243
Total Expenditures	<u>301,729</u>	<u>\$ 909,793</u>	<u>\$ (608,064)</u>
Receipts Over (Under) Expenditures	223,817		
Unencumbered Cash, Beginning	<u>185,146</u>		
Unencumbered Cash, Ending	<u>\$ 408,963</u>		

CITY OF MARION, KANSAS

BUSINESS FUNDUTILITIES FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Electric revenue	\$ 1,919,022	\$ 1,938,504	\$ (19,482)
Refuse revenue	147,734	137,100	10,634
Sewer revenue	248,184	211,700	36,484
Water revenue	522,720	538,445	(15,725)
Total Receipts	<u>2,837,660</u>	<u>\$ 2,825,749</u>	<u>\$ 11,911</u>
Expenditures			
Electric -			
Production Expense -			
Contractual services	5,790	\$ 3,450	\$ 2,340
Commodities	50,969	93,500	(42,531)
Purchased power	1,197,386	1,100,000	97,386
Water and utilities	6,024	6,500	(476)
Transmission and Distribution Expense -			
Personal services	205,039	265,931	(60,892)
Commodities and insurance	21,826	29,307	(7,481)
Capital outlay	79,785	290,777	(210,992)
Equipment expense/gasoline	40,534	34,998	5,536
Total Electric	<u>1,607,353</u>	<u>1,824,463</u>	<u>(217,110)</u>
Water -			
Plant Expense -			
Personal services	78,644	83,517	(4,873)
Contractual services	21,550	28,400	(6,850)
Commodities	16,604	19,575	(2,971)
Capital outlay	20,545	18,000	2,545
Insurance	9,293	12,176	(2,883)
Utilities	23,580	25,000	(1,420)
Equipment	1,407	2,500	(1,093)
Purchased water-state	11,875	12,100	(225)
Water use tax	3,712	4,000	(288)
Chemicals	24,126	34,900	(10,774)
Distribution Expense -			
Personal services	61,945	63,384	(1,439)
Contractual services	130	625	(495)
Commodities	22,960	28,975	(6,015)
Insurance	8,653	4,431	4,222
Utilities	2,526	4,000	(1,474)
Equipment	3,409	38,450	(35,041)
Total Water	<u>310,959</u>	<u>380,033</u>	<u>(69,074)</u>

CITY OF MARION, KANSAS

BUSINESS FUND

UTILITIES FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Expenditures (cont.)			
Sewer -			
Personal services	\$ 105,218	\$ 110,533	\$ (5,315)
Contractual services	2,407	2,500	(93)
Commodities	17,739	14,175	3,564
Capital outlay	2,165	36,170	(34,005)
Insurance	7,862	8,355	(493)
Utilities	20,205	15,000	5,205
Equipment	6,538	11,900	(5,362)
Lagoon utilities	-	4,000	(4,000)
Total Sewer	<u>162,134</u>	<u>202,633</u>	<u>(40,499)</u>
Refuse -			
Personal services	68,412	73,901	(5,489)
Contractual services	7	-	7
Commodities	20,068	24,825	(4,757)
Insurance	6,990	7,133	(143)
Trash bags	11,648	13,000	(1,352)
Equipment	3,748	2,200	1,548
Total Refuse	<u>110,873</u>	<u>121,059</u>	<u>(10,186)</u>
Operating Transfers -			
Transfer to Capital Improvement Fund	40,000	40,000	-
Transfer to General Fund	300,000	300,000	-
Transfer to Bond and Interest Fund	271,681	259,618	12,063
Transfer to Equipment Reserve Fund	40,000	40,000	-
Total Operating Transfers	<u>651,681</u>	<u>639,618</u>	<u>12,063</u>
Total Expenditures	<u>2,843,000</u>	<u>\$ 3,167,806</u>	<u>\$ (324,806)</u>
Receipts Over (Under) Expenditures	(5,340)		
Unencumbered Cash, Beginning	<u>692,446</u>		
Unencumbered Cash, Ending	<u>\$ 687,106</u>		

CITY OF MARION, KANSAS

TRUST FUND

SPECIAL LAW ENFORCEMENT TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

	<u>2012</u>		<u>Variance - Over (Under)</u>
	<u>Actual</u>	<u>Budget</u>	
Receipts			
Drug tax payments	\$ 1,650	\$ -	\$ 1,650
Expenditures	-	-	-
Receipts Over (Under) Expenditures	1,650		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ 1,650</u>		