

CITY OF MINNEAPOLIS, KANSAS

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT
December 31, 2012

CLUBINE AND RETTELE, CHARTERED
CERTIFIED PUBLIC ACCOUNTANTS
Salina, Kansas

CITY OF MINNEAPOLIS, KANSAS

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT
December 31, 2012

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INDEPENDENT AUDITORS' REPORT

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To the Mayor and City Council
City of Minneapolis, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Minneapolis, 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 2 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 2 of the financial statement, the financial statement is prepared by the City of Minneapolis 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 2 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 Minneapolis 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 Minneapolis 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 2.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for 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 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 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 2.

The 2011 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 2 and 4 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statement upon which we rendered an unqualified opinion dated July 5, 2012. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 2.

Clubine and Rettele, Chartered



Salina, Kansas
May 14, 2013

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

Statement 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Funds						
General	\$ 117,582.17	\$ 1,016,784.12	\$ 985,186.40	\$ 149,179.89	\$ 7,442.51	\$ 156,622.40
Special Purpose Funds:						
Library General	0.20	42,956.19	42,956.39	-	-	-
Recreation Commission General	(0.20)	41,711.11	41,710.91	-	-	-
Special Parks and Recreation	18,755.08	2,897.70	-	21,652.78	-	21,652.78
Main Trafficway	42,602.29	53,746.84	48,694.75	47,654.38	54.99	47,709.37
Economic Development	221,922.85	73,254.63	35,667.81	259,509.67	-	259,509.67
Equipment Reserve	136,601.28	60,000.00	113,379.27	83,222.01	-	83,222.01
Capital Improvement	336,641.09	108,000.00	159,547.87	285,093.22	5,200.00	290,293.22
Revitalization	113,471.63	15,993.07	55,907.93	73,556.77	-	73,556.77
Bond and Interest Fund:						
Bond and Interest	34,887.67	62,828.88	-	97,716.55	-	97,716.55
Business Funds:						
Electric Operations	802,910.44	2,415,979.88	2,206,963.73	1,011,926.59	422.05	1,012,348.64
Electric Bond and Interest	37,839.91	532.11	-	38,372.02	-	38,372.02
Electric Surplus	438,397.48	-	-	438,397.48	-	438,397.48
Electric Depreciation/Replacement	24,705.24	1,047.92	-	25,753.16	-	25,753.16
Electric Construction	97,684.45	-	-	97,684.45	-	97,684.45
Waterworks Operations	29,344.58	661,220.28	590,072.86	100,492.00	2,359.07	102,851.07
Waterworks Construction	90,004.87	-	-	90,004.87	-	90,004.87
Sewer Operations	17,474.02	168,212.83	130,267.37	55,419.48	421.40	55,840.88
Ambulance Operations	132,068.01	290,445.08	295,301.76	127,211.33	2,973.03	130,184.36
	<u>2,692,893.06</u>	<u>5,015,610.64</u>	<u>4,705,657.05</u>	<u>3,002,846.65</u>	<u>18,873.05</u>	<u>3,021,719.70</u>
Related Municipal Entities:						
Minneapolis Public Library	26,207.14	60,024.89	60,851.98	25,380.05	4,699.31	30,079.36
Minneapolis Recreation Commission	28,764.16	43,249.74	46,514.14	25,499.76	-	25,499.76
	<u>54,971.30</u>	<u>103,274.63</u>	<u>107,366.12</u>	<u>50,879.81</u>	<u>4,699.31</u>	<u>55,579.12</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 2,747,864.36</u>	<u>\$ 5,118,885.27</u>	<u>\$ 4,813,023.17</u>	<u>\$ 3,053,726.46</u>	<u>\$ 23,572.36</u>	<u>\$ 3,077,298.82</u>
Composition of Cash:				Cash on Hand		\$ 1,030.00
				Checking Accounts		2,371,776.96
				Certificates of Deposit		655,753.16
				Total Related Municipal Entities		55,579.12
				Total Cash		3,084,139.24
				Agency Funds per Schedule 3		(6,840.42)
				Total Reporting Entity (Excluding Agency Funds)		<u>\$ 3,077,298.82</u>

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

CITY OF MINNEAPOLIS, KANSAS
NOTES TO FINANCIAL STATEMENT
December 31, 2012

Note 1 Reporting Entity

The City of Minneapolis is a municipal corporation governed by a citizen elected mayor and five elected council members. The financial statement present the City of Minneapolis (the primary government) and its related municipal entities. The related municipal entities are included in the city's reporting entity because of the significance of their operational or financial relationships with the city.

Blended Presented Related Municipal Entities. The financial statement include the financial data of the blended presented related municipal entities. The related municipal entities are not reported separately to emphasize that they are essentially an extension of the city. The governing board is appointed by the Mayor and City Council.

Minneapolis Public Library: The Library Board operates the City's public library. The Library Board operates as a separate governing body but the City levies the taxes for the library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.

Minneapolis Recreation Commission: The Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body but the City levies the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928.

The following related municipal entity is excluded from the financial statements of the primary government:

Housing Authority: The City of Minneapolis Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. The Housing Authority is audited separately. Copies of The City of Minneapolis Housing Authority audit may be obtained by contacting their office at 114 South Rock Street, Minneapolis, KS.

Note 2 Summary of Significant Accounting Policies

Regulatory Basis of Accounting. 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.

Fund Descriptions. The following types of funds comprise the financial activities of the City for the year ended December 31, 2012:

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

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 2 Summary of Significant Accounting Policies (Cont.)

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

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.)

Agency Fund - Funds used to report assets held by the municipal reporting entity in a purely custodial capacity

Departure from Accounting Principles Generally Accepted in the United States of America.
The basis of accounting described above results in a financial statement presentation which shows receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities, such as deferred revenue and matured principal and interest payable, and reservations of fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement.

Note 3 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. 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 a least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 3 Budgetary Information (Cont.)

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 City 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 the following special purpose funds:

Equipment Reserve Fund	Electric Construction Fund
Capital Improvement Fund	Electric Cost of Issue Fund
Electric Bond and Interest Fund	Equipment Reserve Fund
Electric Surplus Fund	Capital Improvement Fund
Electric Depreciation/Replacement Fund	Waterworks Construction Fund

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

Note 4 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.

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, except during designated "peak periods" when required coverage is 50%. The City has not designated a "peak period." All deposits were legally secured at December 31, 2012.

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)

December 31, 2012

Note 4 Deposits and Investments (Cont.)

Deposits. At December 31, 2012, the City's carrying amount of deposits including component units was \$3,083,109.24 and the bank balance was \$3,167,429.10. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by federal depository insurance, and the balance of \$2,917,429.10 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Note 5 2007 Revenue Bonds

In 2007 the City of Minneapolis issued \$750,000 in revenue bonds for the purpose of funding an upgrade to the electric system.

Provisions of the bond ordinance make the following requirements for the electric utility to assure profitable operation and timely repayment of debt:

Establishment of rates adequate to insure a net income equal to at least 115 percent of the total principal and interest due for the year. For 2012, 115 percent of the debt service payments would be \$78,108. Net income for 2012 was \$331,032, which satisfies the bond ordinance.

Establishment of a separate account to provide for the payment of principal and interest each year.

Establishment of a depreciation and replacement account in the amount of \$20,000. The fund may be used solely for the purpose of making emergency replacements and repairs to the system. If any part of the moneys in the depreciation and replacement account are used, monthly deposits of \$1,500 is required to be made until the account is restored to \$20,000. The account balance at December 31, 2012 was \$25,753.16.

Establishment of a surplus account to receive all moneys not needed for the current operation of the utility or required to be transferred to reserve accounts. The moneys in the surplus account may be used for system operation, system expansion or improvement, debt service or lawful transfers to other funds

The electric system had an average of 1,123 customers during December 31, 2012.

The financial statements together with the description of revenue bond requirements above indicate the electric utility has met requirements for reserves and debt service, and the current rate structure appears to have been adequate in 2012 to meet the requirements K.S.A. 12-866 and K.S.A. 10-1208 as applicable.

Note 6 Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 60,000.00
General Fund	Waterworks Operations Fund	K.S.A. 12-101a	75,000.00
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	108,000.00
General Fund	Bond and Interest Fund	K.S.A. 12-101a	27,721.92
Waterworks Operations Fund	Bond and Interest Fund	K.S.A. 12-825d	25,788.00
Electric Operations Fund	General Fund	K.S.A. 12-825d	54,996.00
Sewer Operations Fund	Bond and Interest Fund	K.S.A. 12-825d	9,318.96
Revitalization Fund	General Fund	K.S.A. 12-825d	34,999.92

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 7 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 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. 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 sets a limitation on annual increases in the employer contribution rates. The employer rate established for calendar year 2012 is 7.34%.

The employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$40,469.96, \$40,603.97 and \$54,212.23, respectively, equal to the required contributions for each year.

Note 8 Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees under age 65 to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 these financial statements.

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.

Note 9 Compensated Absences

The City provides compensation for absences. The policy permits employees classified as full-time, one who works 40 hours per week, to accrue vacation time at the following rates:

Years of Continuous Employment	< 10 years	> 10 years
Hours Earned Per Month	8 hours	10 hours
Maximum Hours Accumulation	144 hours	192 hours
Equivalent Work Days	18 days	24 days
Maximum Hours for One Time Leave	80 hours	80 hours

Part-time employees who work at least 20 hours or more per week shall earn four hours of vacation each month upon completion of the first 12 months of employment.

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)

December 31, 2012

Note 9 Compensated Absences (Cont.)

Upon termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay, subject to the maximum hours accumulation listed above. As of December 31, 2012 the unused vacation leave totaled \$36,053.18.

The City also allows full-time and part-time employees working at least 20 hours or more per week to earn sick leave. Full-time employees earn eight hours of sick leave each full month of service. Part-time employees working not less than 20 hours per week receive four hours of sick leave each month of employment upon completion of the initial 12 months of employment. No employee may accumulate more than 720 hours of sick leave. Upon termination, an employee shall not receive compensation for any unused sick leave other than for the purpose of retirement. Employees in good standing would be able to receive 50% of their accumulated sick leave upon retirement. As of December 31, 2012, the unused sick leave totaled to \$120,264.33.

Note 10 Subsequent Events

The City's management has evaluated events and transactions occurring after December 31, 2012 through May 14, 2013. The aforementioned date represents the date the financial statements were available to be issued.

Note 11 Long-Term Debt

In March 2012, the City issued \$2,445,000.00 in General Obligation Refunding and Improvement Bonds with interest ranging from 1.875% to 2.500%. These bonds refunded all of the outstanding 2009 KDHE Loan, 2004 KDHE Loan, Series 2006 General Obligation Bond, and Series 2007 General Obligation Bond, with interest rates ranging from 3.13% to 3.95%. The transaction resulted in an economic gain of \$176,605.95 and a reduction of \$174,651.28 in future debt payments.

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 11 Long-Term Debt (Cont.)

Changes in long-term liabilities for the municipality 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 Obligations Bonds:										
Water Improvement Project Series 2002-1	2.90-4.25%	3/15/2002	\$ 600,000.00	4/15/2012	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	\$ -	\$ 1,593.75
Internal Improvement Project Series 2006	* 3.25-3.60%	3/1/2006	400,000.00	10/1/2013	125,000.00	-	125,000.00	-	-	2,235.00
Water Improvement Project Series 2007	* 3.65-3.95%	7/1/2007	267,000.00	5/1/2014	125,000.00	-	125,000.00	-	-	2,418.75
General Obligation Refunding and Improvement Bonds	1.875-2.5%	3/15/2012	2,445,000.00	8/1/2026	-	2,445,000.00	60,000.00	-	2,385,000.00	19,375.27
Total General Obligation Bonds					<u>325,000.00</u>	<u>2,445,000.00</u>	<u>385,000.00</u>	<u>-</u>	<u>2,385,000.00</u>	<u>25,622.77</u>
Revenue Bonds:										
Electric Utilities, Series 2007	4.375-4.65%	7/1/2007	750,000.00	5/1/2022	620,000.00	-	40,000.00	-	580,000.00	27,920.00
Capital Leases:										
Water Well	4.86%	9/10/2003	288,532.00	9/1/2013	54,228.13	-	26,551.35	-	27,676.78	2,313.95
Concession Stand	4.25%	3/15/2007	60,782.00	3/27/2017	35,108.94	-	6,095.58	-	29,013.36	1,378.14
Tractor and Loader	3.20%	6/8/2011	53,933.99	1/1/2016	53,933.99	-	10,696.62	-	43,237.37	988.25
Total Capital Leases					<u>143,271.06</u>	<u>-</u>	<u>43,343.55</u>	<u>-</u>	<u>99,927.51</u>	<u>4,680.34</u>
KDHE Loans:										
Water Pollution Control	* 3.13%	8/3/2009	416,529.00	3/1/2019	186,742.22	-	186,742.22	-	-	2,885.75
Public Water Supply	* 3.27%	12/14/2004	2,515,452.84	8/1/2026	2,018,681.29	-	2,018,681.29	-	-	40,868.57
Total KDHE Loans					<u>2,205,423.51</u>	<u>-</u>	<u>2,205,423.51</u>	<u>-</u>	<u>-</u>	<u>43,754.32</u>
Total Contractual Indebtedness					<u>\$ 3,293,694.57</u>	<u>\$ 2,445,000.00</u>	<u>\$ 2,673,767.06</u>	<u>\$ -</u>	<u>\$ 3,064,927.51</u>	<u>\$ 101,977.43</u>

* Paid off from General Obligation Refunding and Improvement Bond issued March 15, 2012.

CITY OF MINNEAPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)

December 31, 2012

Note 11 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							
	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total
Principal:								
General Obligations Bonds:								
General Obligation Refunding and Improvement Bonds	\$ 260,000.00	\$ 200,000.00	\$ 160,000.00	\$ 165,000.00	\$ 165,000.00	\$ 780,000.00	\$ 655,000.00	\$ 2,385,000.00
Revenue Bonds:								
Electric Utilities, Series 2007	40,000.00	45,000.00	45,000.00	50,000.00	50,000.00	350,000.00	-	580,000.00
Capital Leases:								
Water Well	27,676.78	-	-	-	-	-	-	27,676.78
Concession Stand	6,363.82	6,639.64	6,927.39	7,226.65	1,855.86	-	-	29,013.36
Tractor and Loader	10,297.93	10,631.25	10,971.45	11,336.74	-	-	-	43,237.37
Total Capital Leases	44,338.53	17,270.89	17,898.84	18,563.39	1,855.86	-	-	99,927.51
Total Principal	\$ 344,338.53	\$ 262,270.89	\$ 222,898.84	\$ 233,563.39	\$ 216,855.86	\$ 1,130,000.00	\$ 655,000.00	\$ 3,064,927.51
Interest								
General Obligations Bonds:								
General Obligation Refunding and Improvement Bonds	\$ 50,087.50	\$ 44,887.50	\$ 40,887.50	\$ 37,687.50	\$ 34,387.50	\$ 124,062.50	\$ 40,175.00	\$ 372,175.00
Revenue Bonds:								
Electric Utilities, Series 2007	26,120.00	24,370.00	22,401.26	20,432.50	18,245.00	55,702.50	-	167,271.26
Capital Leases:								
Water Well	1,006.77	-	-	-	-	-	-	1,006.77
Concession Stand	1,109.90	834.08	546.33	247.07	12.57	-	-	2,749.95
Tractor and Loader	1,386.93	1,053.61	713.41	362.30	-	-	-	3,516.25
Total Capital Leases	3,503.60	1,887.69	1,259.74	609.37	12.57	-	-	7,272.97
Total Interest	\$ 79,711.10	\$ 71,145.19	\$ 64,548.50	\$ 58,729.37	\$ 52,645.07	\$ 179,765.00	\$ 40,175.00	\$ 546,719.23
Total Principal and Interest	\$ 424,049.63	\$ 333,416.08	\$ 287,447.34	\$ 292,292.76	\$ 269,500.93	\$ 1,309,765.00	\$ 695,175.00	\$ 3,611,646.74

CITY OF MINNEAPOLIS, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

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

Schedule 1

Funds	Certified Budget	Adjustment For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
Governmental Type Funds:					
General Funds					
General	\$ 1,030,986.00	\$ -	\$ 1,030,986.00	\$ 985,186.40	\$ (45,799.60)
Special Purpose Funds:					
Library General	44,248.00	-	44,248.00	42,956.39	(1,291.61)
Recreation Commission General	43,693.00	-	43,693.00	41,710.91	(1,982.09)
Special Parks and Recreation	16,000.00	-	16,000.00	-	(16,000.00)
Main Trafficway	84,589.00	-	84,589.00	48,694.75	(35,894.25)
Economic Development	273,087.00	-	273,087.00	35,667.81	(237,419.19)
Revitalization	64,000.00	-	64,000.00	55,907.93	(8,092.07)
Bond and Interest Fund:					
Bond and Interest	63,000.00	-	63,000.00	-	(63,000.00)
Business Funds:					
Electric Operations	2,511,287.00	-	2,511,287.00	2,206,963.73	(304,323.27)
Waterworks Operations	590,206.00	-	590,206.00	590,072.86	(133.14)
Sewer Operations	139,157.00	-	139,157.00	130,267.37	(8,889.63)
Ambulance Operations	325,023.00	-	325,023.00	295,301.76	(29,721.24)

CITY OF MINNEAPOLIS, KANSAS
General Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 378,916.99	\$ 376,071.08	\$ 392,166.00	\$ (16,094.92)
Delinquent	8,374.52	5,720.74	6,000.00	(279.26)
Motor Vehicle	68,555.25	67,862.96	71,096.00	(3,233.04)
Recreational Vehicle	1,257.39	1,385.28	1,612.00	(226.72)
16 and 20M Truck	773.51	1,456.25	775.00	681.25
Vehicle Excise Tax	23.88	11.34	36.00	(24.66)
	<u>457,901.54</u>	<u>452,507.65</u>	<u>471,685.00</u>	<u>(19,177.35)</u>
Intergovernmental				
State Connecting Links	9,132.00	9,138.28	9,129.00	9.28
Local Alcoholic Liquor Fund	1,187.82	1,342.71	1,388.00	(45.29)
Local Sales and Use Tax	193,080.07	185,982.63	181,250.00	4,732.63
City Share Sales and Use Tax	79,818.17	80,358.65	78,710.00	1,648.65
	<u>283,218.06</u>	<u>276,822.27</u>	<u>270,477.00</u>	<u>6,345.27</u>
Licenses and Permits				
Utility Franchise Tax	144,621.55	131,889.04	145,607.00	(13,717.96)
Occupation and Amusement Licenses	1,130.00	1,710.00	1,003.00	707.00
Permits	2,295.00	2,395.00	1,845.00	550.00
Cereal Malt Beverage Licenses	100.00	-	175.00	(175.00)
Liquor Licenses	1,000.00	900.00	775.00	125.00
Dog and Cat Licenses	2,178.00	2,402.00	2,351.00	51.00
Pole Attachment Agreement	2,676.00	4,012.00	2,004.00	2,008.00
	<u>154,000.55</u>	<u>143,308.04</u>	<u>153,760.00</u>	<u>(10,451.96)</u>
Charges for Services				
Swimming Pool	12,284.75	12,510.00	10,771.00	1,739.00
Impoundment Fees	959.00	1,490.00	937.00	553.00
Accident Reports	85.00	60.00	98.00	(38.00)
Rezoning Fees	100.00	400.00	100.00	300.00
Refuse Collection Fees	7,987.92	8,857.03	7,585.00	1,272.03
Camper Fees and Scout Hall Rental	1,475.00	1,475.00	1,425.00	50.00
	<u>22,891.67</u>	<u>24,792.03</u>	<u>20,916.00</u>	<u>3,876.03</u>
Fines and Forfeitures	<u>5,642.00</u>	<u>10,256.69</u>	<u>12,306.00</u>	<u>(2,049.31)</u>
Use of Money and Property				
Interest	4,639.91	4,916.71	4,368.00	548.71
Operating Transfers	30,000.00	89,995.92	90,000.00	-
Lease Purchase	7,472.88	7,472.88	7,473.00	(0.12)
	<u>42,112.79</u>	<u>102,385.51</u>	<u>101,841.00</u>	<u>548.59</u>
Reimbursed Expenses	<u>1,490.57</u>	<u>1,245.01</u>	<u>-</u>	<u>1,245.01</u>
Miscellaneous	2,934.79	5,466.92	-	5,466.92
	<u>4,425.36</u>	<u>6,711.93</u>	<u>-</u>	<u>6,711.93</u>
Total Cash Receipts	<u>970,191.97</u>	<u>1,016,784.12</u>	<u>\$ 1,030,985.00</u>	<u>\$ (14,196.80)</u>

CITY OF MINNEAPOLIS, KANSAS
 General Fund (Cont.)

Schedule 2

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Expenditures	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
General Government				
Personal Services	\$ 105,714.83	\$ 83,327.25	\$ 107,105.00	\$ (23,777.75)
Contractual Services	72,342.75	42,224.23	50,849.00	(8,624.77)
Commodities	12,859.21	29,086.68	30,142.00	(1,055.32)
Capital Outlay	12,158.36	6,486.60	-	6,486.60
Interest	4,848.17	1,579.71	-	1,579.71
Total General Government	<u>207,923.32</u>	<u>162,704.47</u>	<u>188,096.00</u>	<u>(25,391.53)</u>
Police Department				
Personal Services	254,961.95	276,162.40	280,150.00	(3,987.60)
Contractual Services	33,763.79	41,537.32	41,907.00	(369.68)
Commodities	23,669.96	27,923.19	16,860.00	11,063.19
Capital Outlay	2,469.83	8,764.90	-	8,764.90
Total Police Department	<u>314,865.53</u>	<u>354,387.81</u>	<u>338,917.00</u>	<u>15,470.81</u>
Fire Department				
Contractual Services	<u>24,477.00</u>	<u>26,271.00</u>	<u>26,271.00</u>	<u>-</u>
Public Works				
Personal Services	23,378.11	30,530.06	38,531.00	(8,000.94)
Contractual Services	1,853.31	13,728.85	14,200.00	(471.15)
Commodities	10,282.80	65,211.70	66,940.00	(1,728.30)
Total Public Works	<u>35,514.22</u>	<u>109,470.61</u>	<u>119,671.00</u>	<u>(10,200.39)</u>
Park Department				
Personal Services	15,649.54	15,945.54	24,500.00	(8,554.46)
Contractual Services	9,956.33	8,283.29	6,937.00	1,346.29
Commodities	6,697.72	7,923.93	9,074.00	(1,150.07)
Total Park Department	<u>32,303.59</u>	<u>32,152.76</u>	<u>40,511.00</u>	<u>(8,358.24)</u>
Industrial	<u>3,069.64</u>	<u>3,069.00</u>	<u>3,069.00</u>	<u>-</u>
Swimming Pools				
Personal Services	19,165.17	17,234.26	20,080.00	(2,845.74)
Contractual Services	10,147.81	5,635.58	7,942.00	(2,306.42)
Commodities	1,836.73	2,269.99	8,300.00	(6,030.01)
Total Swimming Pools	<u>31,149.71</u>	<u>25,139.83</u>	<u>36,322.00</u>	<u>(11,182.17)</u>
Economic Development				
Contractual Services	<u>1,274.29</u>	<u>1,269.00</u>	<u>1,200.00</u>	<u>69.00</u>
Operating Transfers	<u>292,583.18</u>	<u>270,721.92</u>	<u>270,722.00</u>	<u>(0.08)</u>
Neighborhood Revitalization Rebate	<u>-</u>	<u>-</u>	<u>6,207.00</u>	<u>(6,207.00)</u>
Total Expenditures	<u>\$ 943,160.48</u>	<u>985,186.40</u>	<u>\$ 1,030,986.00</u>	<u>\$ (45,799.60)</u>
Receipts Over (Under) Expenditures	27,031.49	31,597.72		
Unencumbered Cash, Beginning	90,550.68	117,582.17		
Unencumbered Cash, Ending	<u>117,582.17</u>	<u>149,179.89</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Library General Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 35,148.61	\$ 35,893.32	\$ 37,431.00	\$ (1,537.68)
Delinquent	727.24	518.68	-	518.68
Motor Vehicle	6,202.16	6,280.99	6,595.00	(314.01)
Recreational Vehicle	114.06	128.33	150.00	(21.67)
16 and 20M Truck Tags	66.62	133.83	72.00	61.83
Vehicle Excise Tax	2.06	1.04	-	1.04
Total Cash Receipts	<u>42,260.75</u>	<u>42,956.19</u>	<u>44,248.00</u>	<u>(1,291.81)</u>
Expenditures				
Appropriation to Library Board	42,260.55	42,956.39	43,656.00	(699.61)
Neighborhood Revitalization Rebate	-	-	592.00	(592.00)
Total Expenditures	<u>42,260.55</u>	<u>42,956.39</u>	<u>44,248.00</u>	<u>(1,291.61)</u>
Receipts Over (Under) Expenditures	0.20	(0.20)		
Unencumbered Cash, Beginning	-	0.20		
Unencumbered Cash, Ending	<u>\$ 0.20</u>	<u>\$ -</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Recreation Commission General Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 34,835.05	\$ 34,693.39	\$ 36,938.00	\$ (2,244.61)
Delinquent	748.68	517.30	-	517.30
Motor Vehicle	6,201.80	6,238.20	6,536.00	(297.80)
Recreational Vehicle	114.05	127.35	148.00	(20.65)
16 and 20M Truck Tags	66.60	133.83	71.00	62.83
Vehicle Excise Tax	2.06	1.04	-	1.04
Total Cash Receipts	<u>41,968.24</u>	<u>41,711.11</u>	<u>\$ 43,693.00</u>	<u>\$ (1,981.89)</u>
Expenditures				
Appropriation to Recreation Board	41,968.44	41,710.91	\$ 43,120.00	\$ (1,409.09)
Neighborhood Revitalization Rebate	-	-	573.00	(573.00)
Total Expenditures	<u>41,968.44</u>	<u>41,710.91</u>	<u>\$ 43,693.00</u>	<u>\$ (1,982.09)</u>
Receipts Over (Under) Expenditures	(0.20)	0.20		
Unencumbered Cash, Beginning	-	(0.20)		
Unencumbered Cash, Ending	\$ <u>(0.20)</u>	\$ <u>-</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Special Parks and Recreation Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Local Alcoholic Liquor Tax	\$ 1,187.81	\$ 1,342.70	\$ 1,388.00	\$ (45.30)
Campers Fees	1,575.00	1,555.00	1,048.00	507.00
Total Cash Receipts	<u>2,762.81</u>	<u>2,897.70</u>	<u>\$ 2,436.00</u>	<u>\$ 461.70</u>
Expenditures	-	-	\$ 16,000.00	\$ (16,000.00)
Receipts Over (Under) Expenditures	2,762.81	2,897.70		
Unencumbered Cash, Beginning	<u>15,992.27</u>	<u>18,755.08</u>		
Unencumbered Cash, Ending	<u>\$ 18,755.08</u>	<u>\$ 21,652.78</u>		

Main Trafficway Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State of Kansas Gas Tax	\$ 51,985.41	\$ 52,773.55	\$ 53,790.00	\$ (1,016.45)
Reimbursed Expenses	71.48	829.29	-	829.29
Miscellaneous	115.56	144.00	150.00	(6.00)
Total Cash Receipts	<u>52,172.45</u>	<u>53,746.84</u>	<u>\$ 53,940.00</u>	<u>\$ (193.16)</u>
Expenditures				
Personal Services	7,501.69	12,556.36	\$ 12,652.00	\$ (95.64)
Contractual Services	35,603.74	19,060.72	29,937.00	(10,876.28)
Commodities	-	15,411.00	15,000.00	411.00
Capital Outlay	-	1,666.67	27,000.00	(25,333.33)
Total Expenditures	<u>43,105.43</u>	<u>48,694.75</u>	<u>\$ 84,589.00</u>	<u>\$ (35,894.25)</u>
Receipts Over (Under) Expenditures	9,067.02	5,052.09		
Unencumbered Cash, Beginning	<u>33,535.27</u>	<u>42,602.29</u>		
Unencumbered Cash, Ending	<u>\$ 42,602.29</u>	<u>\$ 47,654.38</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Economic Development Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Farm Income	\$ 6,797.46	\$ 6,330.97	\$ 5,913.00	\$ 417.97
Lease Income	45,342.00	36,201.50	29,448.00	6,753.50
Reimbursed Expenses	23,955.48	12,432.16	20,000.00	(7,567.84)
Miscellaneous	-	18,290.00	6,000.00	12,290.00
Total Cash Receipts	<u>76,094.94</u>	<u>73,254.63</u>	<u>61,361.00</u>	<u>11,893.63</u>
Expenditures				
Contractual Services	19,194.42	508.00	\$ 235,000.00	\$ (234,492.00)
Commodities	20,067.97	20,316.42	15,329.00	4,987.42
CDGB Debt Payment	-	9,050.39	7,148.00	1,902.39
Industrial Development	-	-	6,000.00	(6,000.00)
Insurance	-	4,793.00	4,610.00	183.00
Professional Fees	-	-	5,000.00	(5,000.00)
Capital Outlay	9,119.19	1,000.00	-	1,000.00
Total Expenditures	<u>48,381.58</u>	<u>35,667.81</u>	<u>273,087.00</u>	<u>(237,419.19)</u>
Receipts Over (Under) Expenditures	27,713.36	37,586.82		
Unencumbered Cash, Beginning	<u>194,209.49</u>	<u>221,922.85</u>		
Unencumbered Cash, Ending	\$ <u>221,922.85</u>	\$ <u>259,509.67</u>		

CITY OF MINNEAPOLIS, KANSAS
 Equipment Reserve Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 60,000.00	\$ 60,000.00
Expenditures		
Lease Payment	33,880.49	111,992.34
Interest	978.79	1,386.93
Total Expenditures	<u>34,859.28</u>	<u>113,379.27</u>
Receipts Over (Under) Expenditures	25,140.72	(53,379.27)
Unencumbered Cash, Beginning	<u>111,460.56</u>	<u>136,601.28</u>
Unencumbered Cash, Ending	<u>\$ 136,601.28</u>	<u>\$ 83,222.01</u>

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Capital Improvement Fund

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 108,000.00	\$ 108,000.00
Expenditures		
Building	-	4,347.87
Street Improvement	-	150,000.00
Other	11,529.94	5,200.00
Total Expenditures	<u>11,529.94</u>	<u>159,547.87</u>
Receipts Over (Under) Expenditures	96,470.06	(51,547.87)
Unencumbered Cash, Beginning	<u>240,171.03</u>	<u>336,641.09</u>
Unencumbered Cash, Ending	<u>\$ 336,641.09</u>	<u>\$ 285,093.22</u>

CITY OF MINNEAPOLIS, KANSAS
 Revitalization Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
County Revitalization	\$ 18,636.37	\$ 15,993.07	\$ 15,000.00	\$ 993.07
Expenditures				
Tax Rebates	10,488.68	20,908.01	\$ 15,000.00	\$ 5,908.01
Capital Outlay	-	-	14,000.00	(14,000.00)
Operating Transfers	-	34,999.92	35,000.00	(0.08)
Total Expenditures	10,488.68	55,907.93	\$ 64,000.00	\$ (8,092.07)
Receipts Over (Under) Expenditures	8,147.69	(39,914.86)		
Unencumbered Cash, Beginning	105,323.94	113,471.63		
Unencumbered Cash, Ending	\$ 113,471.63	\$ 73,556.77		

CITY OF MINNEAPOLIS, KANSAS
 Bond and Interest Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Delinquent	\$ 1,288.31	\$ -	\$ -	\$ -
Operating Transfers	94,365.15	62,828.88	62,829.00	(0.12)
Total Cash Receipts	<u>95,653.46</u>	<u>62,828.88</u>	<u>62,829.00</u>	<u>(0.12)</u>
Expenditures				
Bond Principal	60,000.00	-	\$ 63,000.00	\$ (63,000.00)
Interest	3,285.00	-	-	-
Total Expenditures	<u>63,285.00</u>	<u>-</u>	<u>\$ 63,000.00</u>	<u>\$ (63,000.00)</u>
Receipts Over (Under) Expenditures	32,368.46	62,828.88		
Unencumbered Cash, Beginning	<u>2,519.21</u>	<u>34,887.67</u>		
Unencumbered Cash, Ending	<u>\$ 34,887.67</u>	<u>\$ 97,716.55</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Electric Operations Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Service - Electricity	\$ 2,315,946.05	\$ 2,292,622.65	\$ 2,275,000.00	\$ 17,622.65
Connect and Reconnect	2,805.00	3,050.00	2,853.00	197.00
Reimbursed Expenses	45,331.55	32,312.99	25,000.00	7,312.99
Penalty Charges	12,000.25	11,947.46	10,121.00	1,826.46
Bad Debt Recovery	-	27.71	200.00	(172.29)
Capacity Payments	39,650.56	39,379.32	40,000.00	(620.68)
Interest on Idle Funds	1,742.68	-	3,787.00	(3,787.00)
Miscellaneous	704.65	36,639.75	5,000.00	31,639.75
Total Cash Receipts	2,418,180.74	2,415,979.88	\$ 2,361,961.00	\$ 54,018.88
Expenditures				
Production				
Personal Services	220,695.01	226,048.18	\$ 1,762,245.00	\$ (1,536,196.82)
Contractual Services	1,323,485.53	1,326,014.49	-	1,326,014.49
Commodities	30,680.32	49,669.27	-	49,669.27
Capital Outlay	-	5,276.02	-	5,276.02
Total Production Expenditures	1,574,860.86	1,607,007.96	1,762,245.00	(155,237.04)
Distribution				
Personal Services	270,467.99	228,449.96	355,598.00	(127,148.04)
Contractual Services	21,931.76	24,011.00	-	24,011.00
Commodities	62,793.11	51,713.49	-	51,713.49
Capital Outlay	23,663.24	25,713.68	-	25,713.68
Total Distribution Services	378,856.10	329,888.13	355,598.00	(25,709.87)
Administrative				
Personal Services	39,614.57	65,818.56	271,424.00	(205,605.44)
Contractual Services	79,719.34	74,643.13	-	74,643.13
Commodities	5,001.24	4,791.21	-	4,791.21
Capital Outlay	-	2,798.74	-	2,798.74
Debt Service	94,625.14	67,020.00	-	67,020.00
Total Administrative Services	218,960.29	215,071.64	271,424.00	(56,352.36)
Operating Transfers	30,000.00	54,996.00	122,020.00	(67,024.00)
Total Expenditures	2,202,677.25	2,206,963.73	\$ 2,511,287.00	\$ (304,323.27)
Receipts Over (Under) Expenditures	215,503.49	209,016.15		
Unencumbered Cash, Beginning	587,406.95	802,910.44		
Unencumbered Cash, Ending	\$ 802,910.44	\$ 1,011,926.59		

CITY OF MINNEAPOLIS, KANSAS
 Electric Bond and Interest Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ -
Interest	545.08	532.11
Total Cash Receipts	<u>545.08</u>	<u>532.11</u>
Expenditures		
Debt Service	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	545.08	532.11
Unencumbered Cash, Beginning	<u>37,294.83</u>	<u>37,839.91</u>
Unencumbered Cash, Ending	<u>\$ 37,839.91</u>	<u>\$ 38,372.02</u>

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Electric Surplus Fund

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfer	\$ -	\$ -
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>438,397.48</u>	<u>438,397.48</u>
Unencumbered Cash, Ending	<u>\$ 438,397.48</u>	<u>\$ 438,397.48</u>

CITY OF MINNEAPOLIS, KANSAS
 Electric Depreciation/Replacement Fund
 Schedule of Receipts and Expenditures - Actual (Regulatory Basis)
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

Schedule 2

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Interest	\$ 1,197.60	\$ 1,047.92
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	1,197.60	1,047.92
Unencumbered Cash, Beginning	<u>23,507.64</u>	<u>24,705.24</u>
Unencumbered Cash, Ending	<u>\$ 24,705.24</u>	<u>\$ 25,753.16</u>

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Electric Construction Fund

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
	<u> </u>	<u> </u>
Cash Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Capital Outlay	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>97,684.45</u>	<u>97,684.45</u>
Unencumbered Cash, Ending	<u>\$ 97,684.45</u>	<u>\$ 97,684.45</u>

CITY OF MINNEAPOLIS, KANSAS
Waterworks Operations Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for services	\$ 501,006.80	\$ 527,741.33	\$ 487,000.00	\$ 40,741.33
Other Sales	4,839.00	3,627.60	2,013.00	1,614.60
Connect and Reconnect Fees	2,175.00	2,330.00	2,443.00	(113.00)
Reimbursed Expenses	5,989.87	217.65	8,000.00	(7,782.35)
Bad Debt Recovery	-	13.64	-	13.64
Bond Proceeds	-	37,391.99	-	37,391.99
Miscellaneous	7,282.98	6,238.78	8,000.00	(1,761.22)
Penalty Charges	8,460.79	8,659.29	7,698.00	961.29
Operating Transfers	64,999.92	75,000.00	75,000.00	-
Total Cash Receipts	<u>594,754.36</u>	<u>661,220.28</u>	<u>\$ 590,154.00</u>	<u>\$ 71,066.28</u>
Expenditures				
Personal Services	67,214.54	88,894.24	\$ 93,164.00	\$ (4,269.76)
Contractual Services	86,890.89	213,126.63	95,613.00	117,513.63
Commodities	62,994.56	58,385.93	50,505.00	7,880.93
Debt Service	329,828.55	193,268.50	325,136.00	(131,867.50)
Capital Outlay	-	10,609.56	-	10,609.56
Operating Transfers	26,239.51	25,788.00	25,788.00	-
Total Expenditures	<u>573,168.05</u>	<u>590,072.86</u>	<u>\$ 590,206.00</u>	<u>\$ (133.14)</u>
Receipts Over (Under) Expenditures	21,586.31	71,147.42		
Unencumbered Cash, Beginning	<u>7,758.27</u>	<u>29,344.58</u>		
Unencumbered Cash, Ending	<u>\$ 29,344.58</u>	<u>\$ 100,492.00</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Waterworks Construction Fund

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	\$ -
Expenditures		
Capital Outlay	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>90,004.87</u>	<u>90,004.87</u>
Unencumbered Cash, Ending	<u>\$ 90,004.87</u>	<u>\$ 90,004.87</u>

CITY OF MINNEAPOLIS, KANSAS
Sewer Operations Fund

Schedule 2

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sale of Service	\$ 127,213.94	\$ 161,781.30	\$ 128,000.00	\$ 33,781.30
Special Assessments	3,019.75	2,816.13	3,366.00	(549.87)
Connection Fees	50.00	-	2,200.00	(2,200.00)
Miscellaneous	2,217.44	3,615.40	-	3,615.40
Total Cash Receipts	<u>132,501.13</u>	<u>168,212.83</u>	<u>\$ 133,566.00</u>	<u>\$ 34,646.83</u>
Expenditures				
Personal Service	50,260.47	45,073.44	\$ 46,374.00	\$ (1,300.56)
Commodities	16,975.57	9,795.73	13,999.00	(4,203.27)
Contractual	28,253.90	47,549.26	32,047.00	15,502.26
Principal	21,771.72	11,142.07	22,459.00	(11,316.93)
Interest	5,849.66	2,689.08	5,218.00	(2,528.92)
Commission and Postage	507.78	233.43	453.00	(219.57)
Capital Outlay	-	4,465.40	9,288.00	(4,822.60)
Operating Transfers	8,542.38	9,318.96	9,319.00	(0.04)
Total Expenditures	<u>132,161.48</u>	<u>130,267.37</u>	<u>\$ 139,157.00</u>	<u>\$ (8,889.63)</u>
Receipts Over (Under) Expenditures	339.65	37,945.46		
Unencumbered Cash, Beginning	<u>17,134.37</u>	<u>17,474.02</u>		
Unencumbered Cash, Ending	<u>\$ 17,474.02</u>	<u>\$ 55,419.48</u>		

CITY OF MINNEAPOLIS, KANSAS

Schedule 2

Ambulance Operations Fund

Schedule of Receipts and Expenditures - Actual and Budget (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services	\$ 111,955.11	\$ 98,789.30	\$ 100,000.00	\$ (1,210.70)
Reimbursed Expenses	-	3,305.36	1,000.00	2,305.36
County Subsidy	172,644.11	186,795.52	165,000.00	21,795.52
Miscellaneous	196.46	1,554.90	5,794.00	(4,239.10)
Total Cash Receipts	<u>284,795.68</u>	<u>290,445.08</u>	<u>\$ 271,794.00</u>	<u>\$ 18,651.08</u>
Expenditures				
Personal Services	183,470.13	217,629.79	\$ 227,730.00	\$ (10,100.21)
Contractual Services	30,470.39	50,708.24	42,748.00	7,960.24
Commodities	23,916.68	25,528.33	21,465.00	4,063.33
Capital Outlay	-	1,435.40	33,080.00	(31,644.60)
Other	728.53	-	-	-
Total Expenditures	<u>238,585.73</u>	<u>295,301.76</u>	<u>\$ 325,023.00</u>	<u>\$ (29,721.24)</u>
Receipts Over (Under) Expenditures	46,209.95	(4,856.68)		
Unencumbered Cash, Beginning	<u>85,858.06</u>	<u>132,068.01</u>		
Unencumbered Cash, Ending	<u>\$ 132,068.01</u>	<u>\$ 127,211.33</u>		

Agency Funds

Summary of Receipts and Disbursements - (Regulatory Basis)
For the Year Ended December 31, 2012

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Refuse Billing	\$ 1,846.26	\$ (117.52)	\$ 55.32	\$ 1,673.42
Escrow - Building	13,905.00	-	13,905.00	-
Municipal Court	2.00	5,165.00	-	5,167.00
Total	<u>\$ 15,753.26</u>	<u>\$ 5,047.48</u>	<u>\$ 13,960.32</u>	<u>\$ 6,840.42</u>

CITY OF MINNEAPOLIS, KANSAS

Schedule 4

Related Municipal Entity

Minneapolis Public Library

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
City of Minneapolis Appropriation	\$ 42,260.55	\$ 42,956.39
CKLS Grant	7,203.00	7,203.00
State Aid	959.00	865.00
Fines	2,562.88	2,424.07
Donations	3,793.44	3,515.00
Miscellaneous	1,730.65	2,912.19
Interest	169.03	149.24
Total Cash Receipts	<u>58,678.55</u>	<u>60,024.89</u>
Expenditures		
Salaries	34,262.18	34,494.21
Payroll Taxes	2,665.76	2,673.16
Retirement	2,111.03	2,313.83
Utilities	2,245.65	2,244.96
Insurance	100.00	100.00
Travel	-	7.00
Audit	733.68	700.00
Advertising	409.88	513.55
Supplies	2,437.84	1,325.88
Books & Periodicals	9,581.84	9,990.96
Equipment	7.22	-
Miscellaneous	7,570.79	4,285.72
Services	150.00	120.00
Computer	1,054.30	2,082.71
Total Expenditures	<u>63,330.17</u>	<u>60,851.98</u>
Receipts Over (Under) Expenditures	(4,651.62)	(827.09)
Unencumbered Cash, Beginning	<u>30,858.76</u>	<u>26,207.14</u>
Unencumbered Cash, Ending	<u>\$ 26,207.14</u>	<u>\$ 25,380.05</u>

CITY OF MINNEAPOLIS, KANSAS

Schedule 4

Related Municipal Entity

Minneapolis Recreation Commission

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
City of Minneapolis	\$ 42,288.44	\$ 41,710.91
Interest	80.55	79.83
Miscellaneous	6,163.22	1,459.00
Total Cash Receipts	<u>48,532.21</u>	<u>43,249.74</u>
Expenditures		
Wages	6,465.00	6,465.00
Payroll Taxes	3,390.83	1,347.15
Additional Recreation Programs:		
Baseball	1,245.23	1,128.36
Drama	1,924.60	2,000.00
Junior Golf	2,000.00	-
Football	300.00	300.00
Softball	626.44	461.41
Volleyball	300.00	545.56
Wrestling	300.00	300.00
Audit	733.68	650.00
Ballfield Expense	4,523.43	3,555.71
Restrooms	2,689.87	2,614.80
Summer Recreation Equipment	809.85	5,000.00
Concession Stand	2,506.10	2,501.75
Insurance	250.00	250.00
League and Tourney Fees	1,717.00	3,230.00
Miscellaneous	232.80	379.33
Long-Term Improvements	6,507.43	9,944.29
Secretary	1,800.00	2,400.00
Storage	2,490.96	2,531.41
Tennis and Basketball Courts	378.43	364.37
Umpire Pay	1,465.00	545.00
Total Expenditures	<u>42,656.65</u>	<u>46,514.14</u>
Receipts Over (Under) Expenditures	5,875.56	(3,264.40)
Unencumbered Cash, Beginning	<u>22,888.60</u>	<u>28,764.16</u>
Unencumbered Cash, Ending	<u>\$ 28,764.16</u>	<u>\$ 25,499.76</u>