

***CITY OF MORLAND***

***Financial Statement***

***For the Year Ended December 31, 2012***

*ATC Accounting*

City of Morland, Kansas  
 Financial Statement  
 For the Year Ended December 31, 2012

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Morland  
Morland, Kansas 67650

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

***Management's Responsibility for the Financial Statement***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require that 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 Morland, 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 Morland, 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 Morland, 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, individual fund schedules of regulatory basis receipts and expenditures-actual (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 provision 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.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual (Schedule 2 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 as unqualified opinion dated August 7, 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 1.

### *ATC Accounting*

ATC Accounting

September 16, 2013

City of Morland, Kansas  
 Summary Statement of Receipts, Expenditures and Encumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances And Accounts Payable	Ending Cash Balance
GENERAL	\$ 68,382	\$ 75,555	\$ 81,909	\$ 62,028	\$ 1,738	\$ 63,766
SPECIAL PURPOSE FUNDS:						
Employee Benefits	4,757	-	-	4,757	-	4,757
Special Highway	11,324	4,016	6,088	9,252	-	9,252
BOND AND INTEREST:						
Bond and Interest	29,490	11,893	14,534	26,849	-	26,849
Gas Principal and Interest	1,506	-	1,506	-	-	-
CAPITAL PROJECT FUNDS:						
Capital Improvements	8,700	750	-	9,450	-	9,450
Equipment	6,577	13,750	9,000	11,327	-	11,327
Water Reserve	24,576	2,400	-	26,976	-	26,976
Sewer Reserve	25,630	800	-	26,430	-	26,430
Gas Reserve	14,900	2,400	-	17,300	-	17,300
Gas Surplus	4,740	-	-	4,740	-	4,740
BUSINESS FUNDS:						
Water Utility	13,472	57,587	46,647	24,112	305	24,717
Sewer Utility	4,899	18,162	21,161	1,900	-	1,900
Gas Utility	2,903	90,090	56,267	36,726	5,034	41,760
Total Reporting Entity	<u>\$ 221,856</u>	<u>\$ 277,403</u>	<u>\$ 237,112</u>	<u>\$ 262,147</u>	<u>\$ 7,077</u>	<u>\$ 269,224</u>

Cash on Hand	\$ 50
NOW Account	162,412
Money Market Account	<u>106,762</u>
Total Reporting Entity	<u>\$ 269,224</u>

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

City of Morland, Kansas  
Notes to the Financial Statement  
December 31, 2012

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Financial Reporting Entity**

The City of Morland is a municipal corporation governed by an elected mayor and an elected five-member council. The regulatory financial statement presents the City of Morland (the municipality).

**(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 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©, waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

#### **(d) Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted from 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 1<sup>st</sup>
- 2) Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
- 3) Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- 4) Adoption of the final budget on or before August 25<sup>th</sup>.

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**

The City is not aware of any noncompliance with Kansas Statutes.

### 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 an 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 institutes 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 \$269,174 and the bank balance was \$271,731. The bank balance was held by 1 bank resulting in a concentration of credit risk. Of the bank balance \$250,000 was covered by federal depository insurance and the remaining \$21,731 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. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds Series 2011	4.00%	4/27/2011	118,000	4/27/2021	\$ 118,000	\$ -	\$ 9,815	\$ 108,185	\$ 4,720
Total Long-Term Debt					<u>\$ 118,000</u>	<u>\$ -</u>	<u>\$ 9,815</u>	<u>\$ 108,185</u>	<u>\$ 4,720</u>

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

	2013	2014	2015	2016	2017	2018-2021	Total
Principal							
General Obligation Bonds	\$ 10,221	\$ 10,630	\$ 11,055	\$ 11,489	\$ 11,957	\$ 52,833	\$ 108,185
Interest:							
General Obligation Bonds	\$ 4,327	\$ 3,919	\$ 3,493	\$ 3,051	\$ 2,592	\$ 5,389	\$ 22,771
Total Principal and Interest	<u>\$ 14,548</u>	<u>\$ 14,549</u>	<u>\$ 14,548</u>	<u>\$ 14,540</u>	<u>\$ 14,549</u>	<u>\$ 58,222</u>	<u>\$ 130,956</u>

## **5. 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 (only one is issued) 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. 74-419 and K.S.A. 74-49,210 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that 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.

The State of Kansas is required to contribute the statutory required employers share.

## **6. 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) Compensated Absences**

An employee is given one day sick leave for each month of employment. A total of thirty-six days sick leave can be accumulated. Part-time employees and temporary employees are not entitled to sick leave unless agreed to by the City Council. No sick leave exceeding two consecutive days will be allowed unless a statement from a doctor certifies that the sickness prevented the employee from working. Any unused accumulated sick leave may be used by an employee during their employment with the City and if employment is served, the unused accumulated amount is not paid to the employee. Therefore, accumulated sick leave has not been accrued.

### **(c) Other Employee Benefits**

Vacation – A full-time employee may accrue vacation at the rate of 1 and ½ days per month worked. Vacation is not vested, and a terminating employee will not be paid for vacation not taken. The cost of accumulated vacation pay has not been estimated or accrued by the City as of December 31, 2012 since no liability to pay upon termination.

There is no cost of accumulated vacation leave since the City has no full time employees.

Sick Leave - A full-time employee may accrue sick leave at the rate of ½ day per month with a maximum accumulation of 12 days. Upon termination or resignation, no payment for unused sick leave will be made. The cost of accumulated sick pay has not been estimated or accrued by the City as of December 31, 2012 since no liability to pay upon termination.

## 7. 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, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect 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 torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; 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.

## 8. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
Water Utility	Water Reserve	K.S.A. 12-852d	2,400
Gas Principal & Interest	Gas Utility	K.S.A. 12-852d	1,506
Sewer Utility	Sewer Reserve	K.S.A. 12-852d	800
Gas Utility	Gas Reserve	K.S.A. 12-852d	2,400
General	Equipment	K.S.A. 12-1,118	5,750

## 9. SUBSEQUENT EVENTS

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

**CITY OF MORLAND, KANSAS**  
**REGULATORY-REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

City of Morland, Kansas  
 Summary of Expenditures – Actual and Budget  
 Regulatory Basis  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2012

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable To Current Year Budget	Variance Over (Under)
GENERAL	\$ 91,099	\$ -	\$ 91,099	\$ 81,909	\$ (9,190)
SPECIAL PUROPSE FUNDS:					
Employee Benefits	4,771	-	4,771	-	(4,771)
Special Highway	6,129	-	6,129	6,088	(41)
BOND AND INTEREST:					
Bond and Interest	19,546	-	19,546	14,534	(5,012)
CAPITAL PROJECT FUND					
Equipment Fund	10,200	-	10,200	9,000	*
BUSINESS FUNDS:					
Gas Principal and Interest	4,726	-	4,726	1,506	(3,220)
Water Utility	47,854	-	47,854	46,647	(1,207)
Sewer Utility	22,834	-	22,834	21,161	(1,673)
Gas Utility	154,726	-	154,726	56,267	(98,459)

\*Exempt from budget law 79-2935

City of Morland, Kansas  
 General Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts:</b>				
Ad Valorem Property	\$ 31,735	\$ 32,647	\$ 35,945	\$ (3,298)
Delinquent	589	4,651	-	4,651
Motor Vehicle	7,105	7,171	5,448	1,723
Recreational Vehicle	169	181	181	-
16/20M Truck	151	214	126	88
State of Kansas – Sales Tax	15,732	19,863	13,000	6,863
City/County Revenue Sharing	3,359	-	-	-
Interest on Idle Funds	656	293	500	(207)
Utility Franchise Fees	5,106	5,993	5,000	993
Licenses, Fees and Permits	150	60	-	60
Reimbursements	17,565	4,482	-	4,482
Miscellaneous	-	-	-	-
<b>Total Receipts</b>	<b>82,317</b>	<b>75,555</b>	<b>\$ 60,200</b>	<b>\$ 15,355</b>
<b>Expenditures:</b>				
Personal Services	15,400	2,880	\$ 15,000	\$ (12,120)
Contractual Services	23,285	48,436	23,500	24,936
Commodities	23,039	24,093	39,000	(14,907)
Capital Outlay	-	-	2,099	(2,099)
Sales Tax	966	-	2,000	(2,000)
Economic Development	3,000	750	3,000	(2,250)
Transfer to Capital Improvements Fund	2,400	5,750	6,500	(750)
<b>Total Expenditures</b>	<b>68,090</b>	<b>81,909</b>	<b>\$ 91,099</b>	<b>\$ (9,190)</b>
Receipts Over (Under) Expenditures	14,227	(6,354)		
Unencumbered Cash, January 1	54,155	68,382		
Unencumbered Cash, December 31	\$ 68,382	\$ 62,028		

City of Morland, Kansas  
 Employee Benefits Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts:</b>				
Transfer from Gas Utility Fund	\$ -	\$ -	\$ 2,400	\$ (2,400)
<b>Expenditures:</b>				
Social Security/Medicare	-	-	\$ 1,900	\$ (1,900)
Health Insurance	-	-	1,900	(1,900)
Other	-	-	971	(971)
Total Expenditures	-	-	\$ 4,771	\$ (4,771)
Receipts Over (Under) Expenditures			-	
Unencumbered Cash, January 1	4,757	4,757		
Unencumbered Cash, December 31	\$ 4,757	\$ 4,757		

City of Morland, Kansas  
Special Highway Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Special Highway Tax	\$ 3,797	\$ 4,016	\$ 3,980	\$ 36
<b>Total Receipts</b>	<b>3,797</b>	<b>4,016</b>	<b>\$ 3,980</b>	<b>\$ 36</b>
Expenditures:				
Contractual Services	559	2,250	\$ 6,129	\$ (3,879)
Commodities	-	3,838	-	3,838
<b>Total Expenditures</b>	<b>559</b>	<b>6,088</b>	<b>\$ 6,129</b>	<b>\$ (41)</b>
Receipts Over (Under) Expenditures	3,238	(2,072)		
Unencumbered Cash, January 1	8,086	11,324		
Unencumbered Cash, December 31	<u>\$ 11,324</u>	<u>\$ 9,252</u>		

City of Morland, Kansas  
 Bond and Interest Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts:</b>				
Ad Valorem Property	\$ 10,803	\$ 7,596	\$ 8,363	\$ (767)
Delinquent	183	1,675	-	1,675
Motor Vehicle	2,555	2,479	1,855	624
Recreational Vehicle	57	63	61	2
16/20M Truck	42	80	43	37
Transfer from Gas Utility Fund	20,481	-	-	-
<b>Total Receipts</b>	<b>34,121</b>	<b>11,893</b>	<b>\$ 10,322</b>	<b>\$ 1,571</b>
<b>Expenditures:</b>				
Principal	31,091	9,814	\$ 9,816	\$ (2)
Interest	1,088	4,720	4,720	-
Commission and Postage	-	-	10	(10)
Cash Basis Reserve	-	-	5,000	(5,000)
<b>Total Expenditures</b>	<b>32,179</b>	<b>14,534</b>	<b>\$ 19,546</b>	<b>\$ (5,012)</b>
Receipts Over (Under) Expenditures	1,942	(2,641)		
Unencumbered Cash, January 1	27,548	29,490		
<b>Unencumbered Cash, December 31</b>	<b>\$ 29,490</b>	<b>\$ 26,849</b>		

City of Morland, Kansas  
 Gas Principal and Interest  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Transfer from Gas Utility Fund	\$ 15,851	\$ -	\$ -	\$ -
Expenditures:				
Principal	23,955	-	\$ -	\$ -
Interest	949	-	-	-
Transfer to Gas Utility	-	1,506	4,726	(3,220)
Total Expenditures	24,904	1,506	\$ 4,726	\$ (3,220)
Receipts Over (Under) Expenditures	(9,053)	(1,506)		
Unencumbered Cash, January 1	10,559	1,506		
Unencumbered Cash, December 31	\$ 1,506	\$ -		

City of Morland, Kansas  
 Capital Improvements Fund  
 Schedule of Receipts and Expenditures – Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011 Actual	2012 Actual
Receipts:		
CDBG Funds	\$ 441,474	\$ -
Bond Proceeds	118,000	-
Graham County Economic Development	3,000	750
	<hr/>	<hr/>
Total Receipts	562,474	750
	<hr/>	<hr/>
Expenditures:		
Capital Improvements	566,474	-
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(4,000)	750
Unencumbered Cash, January 1	12,700	8,700
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 8,700	\$ 9,450
	<hr/> <hr/>	<hr/> <hr/>

City of Morland, Kansas  
 Equipment Fund  
 Schedule of Receipts and Expenditures – Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011 Actual	2012 Actual
Receipts:		
Sale of Assets	\$ -	\$ 8,000
Transfer from General Fund	2,400	5,750
	<hr/>	<hr/>
Total Receipts	2,400	13,750
	<hr/>	<hr/>
Expenditures:		
Capital Improvements	-	9,000
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	2,400	4,750
Unencumbered Cash, January 1	4,177	6,577
	<hr/>	<hr/>
Unencumbered Cash, December 31	\$ 6,577	\$ 11,327
	<hr/> <hr/>	<hr/> <hr/>

City of Morland, Kansas  
 Non-Budgeted Funds  
 Schedule of Receipts and Expenditures – Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011 Water Reserve Actual	2012 Water Reserve Actual	2011 Sewer Reserve Actual	2012 Sewer Reserve Actual
Receipts:				
Transfer from Water Utility Fund	\$ 2,400	\$ 2,400	\$ -	\$ -
Transfer from Sewer Utility Fund			-	800
<hr/>				
Expenditures:				
Capital Outlay	-	-	-	-
<hr/>				
Receipts Over (Under) Expenditures	2,400	2,400	-	800
Unencumbered Cash, January 1	22,176	24,576	25,630	25,630
<hr/>				
Unencumbered Cash, December 31	\$ 24,576	\$ 26,976	\$ 25,630	\$ 26,430
<hr/>				

City of Morland, Kansas  
 Non-Budgeted Funds  
 Schedule of Receipts and Expenditures – Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011 Gas Reserve Actual	2012 Gas Reserve Actual	2011 Gas Surplus Actual	2012 Gas Surplus Actual
Receipts:				
Transfer from Gas Line Utility	\$ 2,400	\$ 2,400	\$ -	\$ -
Expenditures:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	2,400	2,400	-	-
Unencumbered Cash, January 1	12,500	14,900	4,740	4,740
Unencumbered Cash, December 31	<u>\$ 14,900</u>	<u>\$ 17,300</u>	<u>\$ 4,740</u>	<u>\$ 4,740</u>

City of Morland, Kansas  
 Water Utility Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011		2012		Variance Over (Under)
	Actual	Actual	Budget		
<b>Receipts:</b>					
Water Sales	\$ 39,324	\$ 56,747	\$ 40,000	\$ 16,747	
Water Deposits	570	840	500	340	
<b>Total Receipts</b>	<b>39,894</b>	<b>57,587</b>	<b>\$ 40,500</b>	<b>\$ 17,087</b>	
<b>Expenditures:</b>					
Personal Services	21,085	28,652	\$ 25,000	\$ 3,652	
Contractual Services	13,522	11,061	15,000	(3,939)	
Commodities	3,526	4,475	4,454	21	
Meter Deposit Return	343	59	1,000	(941)	
Transfer to Water Reserve Fund	2,400	2,400	2,400	-	
<b>Total Expenditures</b>	<b>40,876</b>	<b>46,647</b>	<b>\$ 47,854</b>	<b>\$ (1,207)</b>	
Receipts Over (Under) Expenditures	(982)	10,940			
Unencumbered Cash, January 1	14,454	13,472			
Unencumbered Cash, December 31	\$ 13,472	\$ 24,412			

City of Morland, Kansas  
Sewer Utility Fund  
Schedule of Receipts and Expenditures – Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
Receipts:				
Charges for Services	\$ 16,606	\$ 18,162	\$ 19,000	\$ (838)
Expenditures:				
Personal Services	11,255	15,536	\$ 12,000	\$ 3,536
Contractual Services	4,438	1,503	6,000	(4,497)
Commodities	1,197	3,322	2,434	888
Transfer to Sewer Reserve Fund	-	800	2,400	(1,600)
Total Expenditures	16,890	21,161	\$ 22,834	\$ (1,673)
Receipts Over (Under) Expenditures	(284)	(2,999)		
Unencumbered Cash, January 1	5,183	4,899		
Unencumbered Cash, December 31	\$ 4,899	\$ 1,900		

City of Morland, Kansas  
 Gas Utility Fund  
 Schedule of Receipts and Expenditures – Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

	2011	2012		
	Actual	Actual	Budget	Variance Over (Under)
<b>Receipts:</b>				
Charges for Services	\$ 90,605	\$ 87,534	\$ 150,000	\$ (62,466)
Miscellaneous	1,200	1,050	-	1,050
Transfer from Gas Principal and Interest	-	1,506	4,726	(3,220)
<b>Total Receipts</b>	<b>91,805</b>	<b>90,090</b>	<b>\$ 154,726</b>	<b>\$ (64,636)</b>
<b>Expenditures:</b>				
Personal Services	11,999	15,592	\$ 15,000	\$ 592
Contractual Services	8,385	9,007	8,000	1,007
Commodities	5,979	6,315	6,000	315
Capital Outlay	-	-	6,000	(6,000)
Purchased Gas	38,022	22,783	113,926	(91,143)
Meter Deposit Return	223	170	1,000	(830)
Transfer to Bond and Interest Fund	20,481	-	-	-
Transfer to Gas Principal and Interest Fund	15,851	-	-	-
Transfer to Gas Reserve Fund	2,400	2,400	2,400	-
Transfer to Employee Benefits Fund	-	-	2,400	(2,400)
<b>Total Expenditures</b>	<b>103,340</b>	<b>56,267</b>	<b>\$ 154,726</b>	<b>\$ (98,459)</b>
Receipts Over (Under) Expenditures	(11,535)	33,823		
Unencumbered Cash, January 1	14,438	2,903		
Unencumbered Cash, December 31	\$ 2,903	\$ 36,726		