

**CITY OF OLSBURG, KANSAS**

**FINANCIAL STATEMENT**

**WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION**

**and**

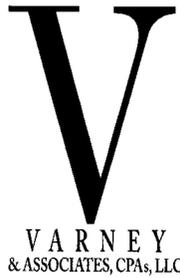
**INDEPENDENT AUDITOR'S REPORT**

December 31, 2012

VARNEY & ASSOCIATES, CPAs, LLC  
Manhattan, Kansas

**CITY OF OLSBURG, KANSAS**  
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October 30, 2013

Mayor and Council Members  
City of Olsburg, Kansas

### Independent Auditor's Report

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

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

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

#### Auditor's Responsibility

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

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

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

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

As described in Note 1 to the financial statement, the financial statement is prepared by the City 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.

October 30, 2013  
City of Olsburg, Kansas  
(Continued)

**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 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 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 Regulatory-Required Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

*Varney & Associates, CPAs, LLC*  
Certified Public Accountants  
Manhattan, Kansas

**CITY OF OLSBURG, KANSAS**  
**SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
**REGULATORY BASIS**

For the Year Ended December 31, 2012

Fund	Unencumbered Cash Balance January 1, 2011	Cash Receipts	Expenditures	Unencumbered Cash Balance December 31, 2012	Add: Outstanding Encumbrances and Accounts Payable	Cash Balance December 31, 2012
Governmental Funds						
General Fund	\$ 45,023	\$ 59,903	\$ 47,572	\$ 57,354	\$ -	\$ 57,354
Special Purpose Funds						
Special Highway	26,741	5,726	-	32,467	-	32,467
Parks and Recreation	6,454	880	2,000	5,334	-	5,334
Bond and Interest Fund	2,029	6,500	6,500	2,029	-	2,029
Capital Project Funds						
Water Project	-	537,658	291,212	246,446	-	246,446
Business Funds						
Sewer	23,639	5,625	5,760	23,504	-	23,504
Sewer Replacement	26,633	1,125	730	27,028	-	27,028
Trash	6,535	15,945	16,081	6,399	-	6,399
Water	16,584	32,159	34,776	13,967	-	13,967
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 153,638</b>	<b>\$ 665,521</b>	<b>\$ 404,631</b>	<b>\$ 414,528</b>	<b>\$ -</b>	<b>\$ 414,528</b>
<b>Composition of Cash</b>						
Checking accounts					\$ 337,418	
Certificates of Deposit					80,000	
<b>Total Cash</b>					<b>\$ 417,418</b>	
Agency Funds per Schedule 3					(2,890)	
<b>Total Reporting Entity (Excluding Agency Funds)</b>					<b>\$ 414,528</b>	

STATEMENT 1

The accompanying notes are an integral part of this financial statement.  
 See Independent Auditor's Report

# Financial Statement

**CITY OF OLSBURG, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2012

**Note 1: Summary of Significant Accounting Policies**

The City of Olsburg, Kansas (the City) is a municipal corporation governed by an elected five-member board plus a mayor. The City provides services to its citizens in the areas of water, sewer, trash, streets, recreation facilities, and general administrative services. The financial reporting entity of the City consists of five governmental funds, four business funds, and one agency fund, each of which is managed and operated directly by the City.

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

**Fund Accounting**

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

The following types of funds were utilized in recording the financial activities of the City for the year ended December 31, 2012.

*General Fund* - This is the chief operating fund and is used to account for all resources except those required to be accounted for in another fund.

*Special Purpose Funds* - These funds are 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 specified purposes.

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

*Business Fund* - The business funds are those funds financed in whole or in part by fees charged to users of goods or services.

*Capital Project Fund* - These funds are used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

*Agency Fund* - These funds are used to report assets held by the municipal reporting entity in a purely custodial capacity.

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

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

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**CITY OF OLSBURG, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2012

**Note 1: Summary of Significant Accounting Policies (Continued)**  
**Budgetary Information**

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

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 modified accrual basis of accounting, modified further by the encumbrances method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitments, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the Parks and Recreation, Water Replacement, Water Project and Water Deposit funds.

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

Qualifying budget credits must be authorized by Kansas statutes and may include expenditure of federal grant monies, gifts and donations, receipts authorized by law to be spent as if they were reimbursed expenses, and other special revenue exempted by Kansas statutes.

**CITY OF OLSBURG, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
December 31, 2012

**Note 2: Stewardship, Compliance, and Accountability**

Municipalities are required by K.S.A. 12-822 to pay or credit interest on utility customer deposits at rates set annually by the Kansas Corporation Commission. For the year ended December 31, 2012, the City was not in compliance with this statute.

**Note 3: Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposits 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.

*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 did not designate any "peak periods" in 2012. All deposits were legally secured at December 31, 2012.

As of December 31, 2012, the City's carrying amount of deposits was \$417,418 and the bank balance was \$485,446. The bank balance was held by one bank, in checking and certificate of deposit accounts resulting in a concentration of credit risk. The bank balance was entirely covered by federal depository insurance.

**CITY OF OLSBURG, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2012

**Note 4: Long-Term Debt**

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

ISSUE	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2004	5.00%	10/1/04	\$ 77,618	10/1/24	\$ 50,000	\$ -	\$ 4,000	\$ 46,000	\$ 2,500
Series 2012	2.75%	9/18/13	383,000	9/18/52	-	383,000	-	383,000	-
<b>TOTAL LONG-TERM DEBT</b>					<b>\$ 50,000</b>	<b>\$ 383,000</b>	<b>\$ 4,000</b>	<b>\$ 429,000</b>	<b>\$ 2,500</b>

The GO Bond Series 2004 was issued to provide capital project funding for street, sewer, and water infrastructure at the Holt residential development. The project costs were certified to Pottawatomie County and have been specially assessed against the benefited properties. As of December 31, 2012, there are no delinquent special assessments.

The GO Bond Series 2012 was issued in accordance with a grant agreement between the City and the United States Department of Agriculture (USDA). Under the agreement, the City issued bonds in the amount of \$383,000 and USDA purchased the bonds at a subsidized rate of 2.75%. This arrangement facilitated a federal grant award by which the City would use the bond proceeds to finance the water utility construction project (see note 5).

**CITY OF OLSBURG, KANSAS**  
**NOTES TO FINANCIAL STATEMENT (CONTINUED)**  
 December 31, 2012

**Note 4: Long-Term Debt (Continued)**

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

	2013	2014	2015	2016	2017	2018 - 2022	2023 - 2027	2028 - 2032	2033 - 2037	2038 - 2042	2043 - 2047	2048 - 2052
<b>Principal:</b>												
General obligation bonds	\$ 9,374	\$ 9,522	\$ 9,674	\$ 9,802	\$ 9,989	\$ 52,482	\$ 43,202	\$ 42,591	\$ 48,804	\$ 55,897	\$ 64,020	\$ 73,643
<b>Interest:</b>												
General obligation bonds	\$ 12,833	\$ 12,485	\$ 12,133	\$ 11,777	\$ 11,417	\$ 51,525	\$ 42,757	\$ 36,903	\$ 30,713	\$ 23,623	\$ 15,503	\$ 6,202

**Note 5: Water Project**

On September 8, 2009, the City passed resolution 2009-0005 authorizing estimated expenditures of \$714,638 to be used to finance capital improvements to the public water supply system by installation of water lines and the replacement of existing water distribution lines and appurtenances thereto (the Project).

The Project is financed primarily by \$383,000 of G.O. Series 2012 bond proceeds and \$382,182 of Community Development Block grant funded by the United States Department of Housing and Urban Development. These financing sources have been accounted for separately in the Water Project fund.

As of December 31, 2012, the City has disbursed \$291,212 for project expenditures and carries the remaining \$423,426 of project authorization forward.

**Note 6: Interfund Transfers**

Transfers for the year ended December 31, 2012 were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Sewer Fund	Sewer Replacement Fund	K.S.A. 12-825d	\$ 1,125

**Note 7: Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years. There have been no decreases in insurance coverage from the prior year.

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# *Notes to Financial Statement*

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**REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION**

**CITY OF OLSBURG, KANSAS**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**

For the Year Ended December 31, 2012

Fund	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Funds					
General Fund	\$ 91,090	-	\$ 91,090	\$ 47,572	\$ 43,518
Special Purpose Funds					
Special Highway	30,762	-	30,762	-	30,762
Parks and Recreation	23,860	-	23,860	2,000	21,860
Bond and Interest Fund	7,171	-	7,171	6,500	671
Business Funds					
Sewer	23,178	-	23,178	5,760	17,418
Sewer Replacement	25,652	-	25,652	730	24,922
Trash	22,465	-	22,465	16,081	6,384
Water	68,016	-	68,016	34,776	33,240

SCHEDULE 1

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditor's Report.

# *Regulatory-Required Supplementary Information*

**CITY OF OLSBURG, KANSAS**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
For the Year Ended December 31, 2012

**GENERAL FUND**

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Property taxes	\$ 20,944	\$ 21,051	\$ (107)
Sales tax	28,486	24,500	3,986
Franchise tax	7,753	7,000	753
Rent	-	200	(200)
Licenses and permits	1,239	100	1,139
Interest	628	800	(172)
Miscellaneous	853	100	753
<b>Total Cash Receipts</b>	<u>\$ 59,903</u>	<u>\$ 53,751</u>	<u>\$ 6,152</u>
<b>EXPENDITURES</b>			
General administration	\$ 21,774	\$ 17,000	\$ (4,774)
Insurance	5,345	5,000	(345)
Repairs and maintenance	4,801	17,000	12,199
Salaries and wages	9,683	15,000	5,317
Street lighting	4,132	5,000	868
Capital improvements	1,837	32,090	30,253
<b>Total Expenditures</b>	<u>\$ 47,572</u>	<u>\$ 91,090</u>	<u>\$ 43,518</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ 12,331		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>45,023</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 57,354</u>		

**Regulatory-Required Supplementary Information**

CITY OF OLSBURG, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2012

SPECIAL PURPOSE FUND  
 SPECIAL HIGHWAY

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
State of Kansas Gas Tax	\$ 5,726	\$ 5,220	\$ 506
<b>EXPENDITURES</b>			
Street Repair and Maintenance	\$ -	\$ 30,762	\$ 30,762
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ 5,726		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>26,741</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 32,467</u>		

*Regulatory-Required Supplementary Information*

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditor's Report.

CITY OF OLSBURG, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2012

SPECIAL REVENUE FUND  
 PARKS AND RECREATION

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
State and local grants	\$ 880	\$ 5,500	\$ (4,620)
<b>EXPENDITURES</b>			
Operations	\$ 2,000	\$ 500	\$ (1,500)
Improvements	-	23,860	23,860
<b>Total Expenditures</b>	<u>\$ 2,000</u>	<u>\$ 23,860</u>	<u>\$ 23,860</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ (1,120)		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>6,454</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 5,334</u>		

*Regulatory-Required Supplementary Information*

CITY OF OLSBURG, KANSAS  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2012

BOND AND INTEREST FUND

	Actual	Budget	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Special assessments	\$ 6,500	\$ 6,500	\$ -
<b>EXPENDITURES</b>			
Principal	\$ 4,000	\$ 4,000	\$ -
Interest	2,500	2,500	-
Miscellaneous	-	671	671
<b>Total Expenditures</b>	<u>\$ 6,500</u>	<u>\$ 7,171</u>	<u>\$ -</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ -		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>2,029</u>		
Debt Service			
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 2,029</u>		

**Regulatory-Required Supplementary Information**

CITY OF OLSBURG, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2012

BUSINESS FUND  
 SEWER

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Charges to customers	\$ 5,625	\$ 25,322	\$ (19,697)
<b>EXPENDITURES</b>			
Operations	\$ 4,635	\$ 5,000	365
Transfer to Sewer Replacement Fund	1,125	1,200	75
Capital improvements	-	23,178	23,178
<b>Total Expenditures</b>	<u>\$ 5,760</u>	<u>\$ 23,178</u>	<u>\$ 23,178</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ (135)		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>23,639</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 23,504</u>		

*Regulatory-Required Supplementary Information*

The accompanying notes are an integral part of these financial statements.  
 See Independent Auditor's Report.

CITY OF OLSBURG, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2012

BUSINESS FUND  
 SEWER REPLACEMENT

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Transfer from Sewer Fund	\$ 1,125	\$ 1,200	\$ (75)
<b>EXPENDITURES</b>			
Capital Improvements	\$ 730	\$ 25,652	\$ 24,922
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ 395		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>26,633</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 27,028</u>		

**Regulatory-Required Supplementary Information**

CITY OF OLSBURG, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2012

BUSINESS FUND  
 TRASH

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Charges to customers	\$ 15,945	\$ 17,000	\$ (1,055)
<b>EXPENDITURES</b>			
Contractual services	\$ 15,781	\$ 21,465	\$ 5,684
Miscellaneous	300	1,000	700
<b>Total Expenditures</b>	<u>\$ 16,081</u>	<u>\$ 22,465</u>	<u>\$ 6,384</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ (136)		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>6,535</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 6,399</u>		

**Regulatory-Required Supplementary Information**

CITY OF OLSBURG, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2012

BUSINESS FUND  
 WATER

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Charges to customers	\$ 32,159	\$ 59,990	\$ (27,831)
<b>EXPENDITURES</b>			
Operations	\$ 18,175	\$ 7,500	\$ (10,675)
Purchase Water	11,440	10,500	(940)
Improvements	5,161	50,016	44,855
<b>Total Expenditures</b>	<u>\$ 34,776</u>	<u>\$ 68,016</u>	<u>\$ 33,240</u>
<b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ (2,617)		
<b>UNENCUMBERED CASH - JANUARY 1</b>	<u>16,584</u>		
<b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 13,967</u>		

*Regulatory-Required Supplementary Information*

**CITY OF OLSBURG, KANSAS  
STATEMENT OF CASH RECEIPTS AND EXPENDITURES  
REGULATORY BASIS**

For the Year Ended December 31, 2012

**CAPITAL PROJECTS FUND  
WATER PROJECT**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Bond proceeds	\$ 383,000
Intergovernmental grants	154,658
<b>Total Cash Receipts</b>	<u>\$ 537,658</u>
 <b>EXPENDITURES</b>	
Capital Outlay	<u>\$ 291,212</u>
 <b>RECEIPTS OVER (UNDER) EXPENDITURES</b>	\$ 246,446
 <b>UNENCUMBERED CASH - JANUARY 1</b>	<u>-</u>
 <b>UNENCUMBERED CASH - DECEMBER 31</b>	<u>\$ 246,446</u>

*Regulatory-Required Supplementary Information*

**CITY OF OLSBURG, KANSAS**  
**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
**REGULATORY BASIS**  
 For the Year Ended December 31, 2012

**AGENCY FUNDS**  
**WATER DEPOSITS**

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2013</u>
Water Deposits	\$ 2,740	\$ 400	\$ 250	\$ 2,890

*Regulatory-Required Supplementary Information*