

**CITY OF PLEASANTON,
KANSAS**

For the Year Ended
December 31, 2012

Regulatory Basis Financial Statements
and Independent Auditors' Report with
Regulatory Required Supplemental Information

CITY OF PLEASANTON, KANSAS

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*Diehl
Banwart
Bolton*

Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Mayor and the City Council
City of Pleasanton, Kansas

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash balance, regulatory basis, of the City of Pleasanton, 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 Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Pleasanton, 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 Pleasanton, Kansas as of December 31, 2012 or changes in financial position or cash flows thereof for the year then ended.

Unqualified 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 for the City of Pleasanton, 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 Summary Statement of Receipts, Expenditures, and Unencumbered Cash Balance, Regulatory Basis (basic financial statement) as a whole. The Summary of Expenditures – Actual and Budget, Regulatory Basis and individual fund Schedules of Receipts and Expenditures – Actual and Budget, Regulatory Basis (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and although it is not a required part of the basic financial statement, the information is 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.



DIEHL, BANWART, BOLTON, CPAs PA

May 14, 2013
Fort Scott, Kansas

CITY OF PLEASANTON, KANSAS

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis
For the Year Ended December 31, 2012**

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances	
						December 31, 2012	2011
General Fund	\$63,313.91	\$562,827.34	\$572,693.89	\$53,447.36	-	\$53,447.36	\$63,313.91
Special Purpose Funds:							
Consolidated Street	10,825.33	162,312.22	165,679.12	7,458.43	-	7,458.43	10,825.33
Municipal Equipment	65,290.04	20,000.00	5,771.48	79,518.56	-	79,518.56	65,290.04
Special Capital Improvement	88,534.83	358,232.00	400,704.18	46,062.65	-	46,062.65	88,534.83
Special Highway Improvement Capital Project	207,172.81	75,000.00	93,013.57	189,159.24	-	189,159.24	207,172.81
Water System Improvements Project	170,000.00	-	170,000.00	-	-	-	170,000.00
Debt Service Fund:							
General Bond and Interest	1,389.55	55,884.00	55,884.00	1,389.55	-	1,389.55	1,389.55
Enterprise Funds:							
Sewage Disposal Utility	35,665.62	87,010.03	107,944.79	14,730.86	-	14,730.86	35,665.62
Water Utility	107,060.20	305,485.83	313,079.64	99,466.39	32,773.81	132,240.20	137,848.42
Water Capital Improvement Reserve	134,447.47	24,154.29	54,257.65	104,344.11	-	104,344.11	134,447.47
Totals	\$883,699.76	\$1,650,905.71	\$1,939,028.32	\$595,577.15	\$32,773.81	\$628,350.96	\$914,487.98
Composition of Cash:							
Petty Cash						\$200.00	\$200.00
General Checking Account						432,150.96	718,287.98
Certificates of Deposit						196,000.00	196,000.00
Totals						\$628,350.96	\$914,487.98

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

CITY OF PLEASANTON, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pleasanton, Kansas (the City), was incorporated as a City of the third class on October 29, 1869, under the provision of K.S.A. 13-101 et seq. The City operates under a City Council and Mayor form of government and provides the following services as authorized by its Charter: public safety (police and fire), highway and streets, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement of the City of Pleasanton, Kansas, has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Kansas Municipal Audit and Accounting Guide (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. The more significant of the City's accounting policies follow.

Reporting Entity

The City of Pleasanton, Kansas (the City) is a municipal corporation governed by an elected five member City Council. This financial statement presents the City of Pleasanton, Kansas (the primary government). Related municipal entities may be included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The following is a brief review of related entities.

Housing Authority

The City of Pleasanton 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 City has elected to exclude the related entity from the basic financial statement. Separate financial statements are not available for the related entity.

Basis of Presentation - Fund Accounting

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation - Fund Accounting (Continued)

The following types of funds comprise the financial activities of the City of Pleasanton, Kansas:

General Fund – the chief operating fund used to account for all resources except those required to be accounted for in another fund.

Special Purposes Funds – 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.

Business fund – funds financed in whole or part by fees charged to users of the goods or services (i.e. enterprise and internal service funds, etc.).

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

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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 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 basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the 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 accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)
Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America (Continued)

As discussed previously, related municipal entities are not included in this financial statement.

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.

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 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. There were no budgets amended 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.

All legal annual operating budgets are prepared using the modified accrual basis of accounting modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, reserve accounts established by bond ordinances, and the following special revenue funds:

- Special Capital Improvement Fund (K.S.A. 12-1, 118)
- Municipal Equipment Fund (K.S.A. 12-1, 117)
- Special Highway Improvement Fund (K.S.A. 68-590)
- Water Capital Improvement Reserve Fund (K.S.A. 12-1, 118)

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)
Budgetary Information (Continued)

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.

Cash and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities. Cash consists of an interest bearing checking account and certificates of deposit.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Compensated Absences

Full-time employees are granted vacation after the first year of employment on the anniversary of their employment date according to the following schedule. The amount of vacation earned must be used within the following year or the vacation is lost.

<u>Years of continuous employment</u>	<u>Other Hours</u>	<u>Police Hours</u>
One to five	80	82.50
six to ten	96	99.00
eleven to fifteen	120	132.00
after fifteen	144	156.75

Regular employees earn and accumulate sick leave after one year of employment at the rate of 8 hours per month (8.25 for police) up to a maximum of 400 hours.

The City accrues a liability for compensated absences which meet the following criteria:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material.

In accordance with the above criteria, the City has not accrued a liability for compensated absences which has been earned but not taken by City employees inasmuch as the amount is not considered to be material.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Termination and Post Employment Benefits

No termination benefits are provided to City employees when employment with the City ends except for the accrued compensated absences as discussed in Note 1.

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 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 government 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.

2. **COMPLIANCE, STEWARDSHIP, AND ACCOUNTABILITY**

Compliance With Kansas Statutes

This financial statement and the regulatory-required supplementary information is designed to show compliance with the cash basis and budget laws of Kansas. The City was in apparent compliance with these laws.

3. **CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS**

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 Government is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local bank.

Concentration of credit risk. State statutes place no limit on the amount the Government 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 Government's deposits may not be returned to it. State statutes require the Government'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 does not have any "peak periods" designated.

3. **CASH, INVESTMENTS AND DEPOSITS WITH FINANCIAL INSTITUTIONS**

(Continued)

At December 31, 2012 the City's carrying amount of deposits was \$628,150.96 and the bank balance was \$651,888.93. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$446,000.00 was covered by federal depository insurance, and the remaining \$205,888.93 was collateralized with securities totaling \$736,848.30 held by the pledging financial institutions' agents in the City's name.

4. **RETIREMENT 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 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 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 established 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 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 employer rate established by statute for the period from January 1 to December 31, 2012 was 8.34%. The City's employer contributions to KPERs for the years ending December 31, 2012, 2011, and 2010 were \$23,040.63, \$25,298.14, and \$24,055.34, respectively, equal to the regulatory required contributions for each year.

5. **WATER CUSTOMER DEPOSITS**

Water customers are required to make cash deposits to the City when starting new water service. The deposits are refunded to the customers when service is terminated. At December 31, the City has \$32,773.81 of customer deposits, which are included as an encumbrance in the Water Utility Fund in these financial statements.

6. **RISK MANAGEMENT**

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; employees health and life; and natural disasters. The City manages these risks of loss through various insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

7. INTERFUND TRANSFERS

Operating transfers between funds were as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>KSA Statutory Authority</u>	<u>Amount</u>
Consolidated Street	Special Highway Improvement	12-1,118	\$ 10,000.00
General	Municipal Equipment	12-1,117	5,000.00
General	Special Highway Improvement	12-1,118	35,000.00
Water Utility	General Bond and Interest	12-825d	17,735.00
Water Systems Improvement	Water Capital Improvement	12-825d	18,752.95
Sewer Utility	Special Highway Improvement	12-825d	30,000.00
Sewer Utility	Municipal Equipment	12-825d	15,000.00
Special Highway Improvement	General Bond and Interest	12-1,118	38,149.00

8. CONCENTRATION OF CREDIT RISK

The City has a contract to sell water to a local Rural Water District. Sales in 2012 totaled the contractual minimum amount of sales and totaled \$28,679.26.

9. CONTINGENCIES

Grants are subject to additional audits by regulatory agents, the purpose of which is to ensure compliance with the specific conditions of the grants. Any liability for reimbursement which may arise as a result of the audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material and would not be payable by the City.

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to December 31, 2012 through the date of the issuance of the financial statements as shown in the Independent Auditors' Report on page two of these financial statements. During this period, there were no subsequent events requiring recognition in the financial statements or disclosure in the notes to the financial statements, except as follows:

- The City Council has approved the construction of a community center that will meet several needs including to provide a venue for large community events; to provide a community tornado shelter, and to provide new facilities for the senior lunch program. The estimated cost of the Center is \$546,660 and is to be funded with a grant totaling \$300,000 and volunteer/donated labor, materials, equipment and cash of \$246,660. Construction is expected to begin in the spring of 2013 and be completed in 2013.
- The City Council has approved infrastructure expansion in the northeast portion of the city with an estimated cost of \$650,000, to be funded with general obligation bonds for a term of 15 to 20 years with an interest rate between 2.0% and 2.5%. Construction is expected to begin in May 2013 and be completed in 2013.
- The City Council has approved a water main replacement project in the City with an estimated cost of \$4,617,000, to be funded with a USDA Rural Development grant of \$835,000 and general obligation bonds totaling \$3,782,000 for a term of 40 years at 2.25% interest.

11. LONG-TERM DEBT OBLIGATIONS

Details about the City's long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

11. LONG TERM OBLIGATIONS (Continued)

Changes in Long Term Obligations

Debt	Original Amount	Date Issued	Maturity Date	Interest Rate	Beginning Balances	Increases or New Debt Issued		Decreases or Debt Repaid		Ending Balances	Interest Paid
<u>General Obligation Bonds</u>											
Series 1999	\$ 200,000	03-01-1999	03-01-2014	4.2-5.0%	\$ 55,000.00	\$ -	\$ 15,000.00	\$ 40,000.00	\$ 2,735.00		
Series 2010	300,000	02-01-2010	09-01-2019	1.52-4.4%	250,000.00	-	30,000.00	220,000.00	8,149.00		
Series 2011	170,000	12-15-2011	11-01-2021	1.2-2.7%	170,000.00	-	15,000.00	155,000.00	3,041.50		
Total General Obligation Bonds					475,000.00	-	60,000.00	415,000.00	13,925.50		
<u>Lease Purchase Agreements</u>											
2012 Ford F-350 Pickup	28,500	10-04-2012	10-01-2017	3.50%	-	31,035.47	-	31,035.47	-		
Total Lease Purchase Agreements					-	31,035.47	-	31,035.47	-		
<u>Water Pollution Control Revolving Loan</u>											
No. C20 1588-01	357,700	06-04-2001	02-01-2022	3.14%	215,665.02	-	15,839.51	199,825.51	6,648.51		
KPWSLF #.2348 Note	650,000	04-19-2004	08-01-2026	3.62%	479,211.88	-	25,652.29	453,559.59	17,117.39		
Total Revolving Loans					694,876.90	-	41,491.80	653,385.10	23,765.90		
Total Long Term Obligations					\$ 1,169,876.90	\$ 31,035.47	\$ 101,491.80	\$ 1,099,420.57	\$ 37,691.40		

11. LONG TERM OBLIGATIONS (Continued)

Maturities of Long Term Obligations

Debt	2013	2014	2015	2016	2017	2018 to 2022	2023 to 2027	Totals
PRINCIPAL								
<u>General Obligation Bonds</u>								
Series 1999	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Series 2010	30,000	30,000	30,000	30,000	30,000	70,000	-	220,000
Series 2011	15,000	15,000	15,000	15,000	15,000	80,000	-	155,000
Total General Obligation Bonds	65,000	65,000	45,000	45,000	45,000	150,000	-	415,000
<u>Lease Purchase Agreements</u>								
2012 Ford F-350 Pickup	5,847	6,022	6,202	6,387	6,578	-	-	31,035
Total Lease Purchase Agreements	5,847	6,022	6,202	6,387	6,578	-	-	31,035
<u>Water Pollution Control Revolving Loan</u>								
No. C20 1588-01	16,341	16,858	17,391	17,942	18,510	101,714	11,070	199,826
KPWSLF No. 2348	26,589	27,561	28,567	29,611	30,692	171,120	139,419	453,560
Total Revolving Loans	42,930	44,418	45,959	47,553	49,202	272,834	150,489	653,385
TOTAL PRINCIPAL	\$ 113,777	\$ 115,440	\$ 97,160	\$ 98,940	\$ 100,780	\$ 422,834	\$ 150,489	\$ 1,099,421
INTEREST								
<u>General Obligation Bonds</u>								
Series 1999	\$ 2,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Series 2010	7,516	6,736	5,905	5,020	4,000	4,445	-	33,622
Series 2011	3,285	3,105	2,925	2,745	2,565	5,400	-	20,025
Total General Obligation Bonds	12,801	10,841	8,830	7,765	6,565	9,845	-	56,647
<u>Lease Purchase Agreements</u>								
2012 Ford F-350 Pickup	928	753	573	388	197	-	-	2,839
Total Lease Purchase Agreements	928	753	573	388	197	-	-	2,839
<u>Water Pollution Control Revolving Loan</u>								
No. C20 1588-01	6,147	5,630	5,097	4,546	3,978	10,726	174	36,299
KPWSLF No. 2348	16,180	15,209	14,202	13,159	12,077	42,728	10,275	123,831
Total Revolving Loans	22,328	20,839	19,299	17,705	16,056	53,454	10,449	160,130
TOTAL INTEREST	\$ 36,057	\$ 32,433	\$ 28,702	\$ 25,858	\$ 22,817	\$ 63,299	\$ 10,449	\$ 219,615

CITY OF PLEASANTON, KANSAS
For the Year Ended December 31, 2012

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF PLEASANTON, KANSAS

Summary of Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

Funds	Certified Budget	Adjustments For Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
				Charged to Current Year Budget		
General Fund	\$582,481.00	\$1,186.78	\$583,667.78	\$572,693.89		(\$10,973.89)
Special Revenue Funds:						
Consolidated Street	172,600.00	-	172,600.00	165,679.12		(6,920.88)
Debt Service Fund:						
General Bond and Interest	55,884.00	-	55,884.00	55,884.00		-
Enterprise Funds:						
Sewage Disposal Utility	111,903.00	-	111,903.00	107,944.79		(3,958.21)
Water Utility	311,937.00	1,217.19	313,154.19	313,079.64		(74.55)
Total Certified Budget	\$1,234,805.00					

CITY OF PLEASANTON, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		Variance - Over (Under)
	Actual	Budget	
Cash Receipts			
Taxes			
Ad valorem property tax	\$252,622.32	\$248,327.00	\$4,295.32
Delinquent tax	16,888.13	6,000.00	10,888.13
Motor vehicle tax	35,463.24	37,402.00	(1,938.76)
Special assessments	-	-	-
Franchise taxes	23,338.78	25,000.00	(1,661.22)
Sales tax	147,679.10	140,000.00	7,679.10
Intergovernmental			
County park appropriation	1,200.00	1,200.00	-
KDOT Grant	186.78	-	186.78
Community Fisheries assistance grant	14,420.00	14,420.00	-
In lieu of taxes	11,230.73	9,000.00	2,230.73
Solid waste	3,900.00	4,000.00	(100.00)
Charges for Services			
Swimming pool	13,185.30	10,000.00	3,185.30
Licenses and Permits			
Licenses and permits	2,216.08	2,000.00	216.08
Fines, Forfeitures & Penalties	22,057.09	28,000.00	(5,942.91)
Use of Money and Property			
Interest income	1,753.05	5,000.00	(3,246.95)
Sale of land and property	-	-	-
Rent	4,535.00	-	4,535.00
Other Receipts			
Miscellaneous	7,761.01	4,500.00	3,261.01
Insurance proceeds	3,390.73	5,000.00	(1,609.27)
Reimbursed expenses	1,000.00	-	1,000.00
Operating Transfer from Other Funds			
Sewer Utility	-	-	-
Total Cash Receipts	562,827.34	\$539,849.00	\$22,978.34

**CITY OF PLEASANTON, KANSAS
GENERAL FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		Variance - Over (Under)
	Actual	Budget	
Expenditures			
General Government	\$221,848.81	\$215,841.00	\$6,007.81
City Council	24,282.02	18,650.00	5,632.02
Public Safety			
Fire Department	13,062.25	17,200.00	(4,137.75)
Law Enforcement	155,338.78	148,300.00	7,038.78
Municipal Court	8,824.46	11,340.00	(2,515.54)
Solid Waste	27,054.74	29,800.00	(2,745.26)
Cultural and Recreation			
Special Park	43,429.32	47,350.00	(3,920.68)
Special Pool	38,853.51	44,000.00	(5,146.49)
Operating Transfers to Other Funds			
Municipal Equipment	5,000.00	5,000.00	-
Special Capital Improvement	-	-	-
Special Highway Improvement	35,000.00	45,000.00	(10,000.00)
Subtotal		582,481.00	
Adjustments for Qualifying Budget Credits			
Grants in excess of budget	-	186.78	(186.78)
Reimbursements in excess of budget	-	1,000.00	(1,000.00)
Total Expenditures	572,693.89	\$583,667.78	(\$10,973.89)
Receipts Over(Under) Expenditures	(9,866.55)		
Unencumbered Cash, Beginning	63,313.91		
Unencumbered Cash, Ending	\$53,447.36		

CITY OF PLEASANTON, KANSAS
CONSOLIDATED STREET FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		Variance - Over (Under)
	Actual	Budget	
Cash Receipts			
Taxes			
Ad valorem property tax	\$111,400.36	\$109,520.00	\$1,880.36
Delinquent tax	6,317.25	6,000.00	317.25
Motor vehicle tax	13,157.63	13,930.00	(772.37)
Intergovernmental			
State gasoline tax	31,436.98	36,010.00	(4,573.02)
Other Receipts			
Miscellaneous	-	-	-
Total Cash Receipts	<u>162,312.22</u>	<u>\$165,460.00</u>	<u>(\$3,147.78)</u>
Expenditures			
Streets and Highways	155,679.12	\$162,600.00	(\$6,920.88)
Operating Transfer to Other Funds			
Special Highway Improvement	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
Total Expenditures	<u>165,679.12</u>	<u>\$172,600.00</u>	<u>(\$6,920.88)</u>
Receipts Over(Under) Expenditures	(3,366.90)		
Unencumbered Cash, Beginning	<u>10,825.33</u>		
Unencumbered Cash, Ending	<u>\$7,458.43</u>		

CITY OF PLEASANTON, KANSAS
MUNICIPAL EQUIPMENT FUND
Schedule of Cash Receipts and Expenditures - Actual, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
Grants	-
Other Receipts	
Miscellaneous	-
Operating Transfer from Other Funds	
General Fund	5,000.00
Sewage Disposal Utility	15,000.00
	20,000.00
 Expenditures	
Capital Outlay	5,771.48
Debt Service on Capital Lease	
Principal	-
Interest	-
	5,771.48
Total Expenditures	5,771.48
Receipts Over(Under) Expenditures	14,228.52
Unencumbered Cash, Beginning	65,290.04
Unencumbered Cash, Ending	\$79,518.56

CITY OF PLEASANTON, KANSAS
SPECIAL CAPITAL IMPROVEMENT FUND
Schedule of Cash Receipts and Expenditures - Actual, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Other Receipts	
Reimbursed expenses	\$12,444.50
Intergovernmental	
KDOT grant	345,787.50
Operating Transfers from General Fund	-
	-
Total Cash Receipts	358,232.00
Expenditures	
Operating Expenditures	
Capital Outlay	400,704.18
	400,704.18
Total Expenditures	400,704.18
Receipts Over(Under) Expenditures	(42,472.18)
Unencumbered Cash, Beginning	88,534.83
Unencumbered Cash, Ending	\$46,062.65

CITY OF PLEASANTON, KANSAS
SPECIAL HIGHWAY IMPROVEMENT FUND
 Schedule of Cash Receipts and Expenditures - Actual, Regulatory Basis
 For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Intergovernmental	
Federal interest on reimbursement	-
Operating Transfers from Other Funds	
General	35,000.00
Consolidated Street	10,000.00
Sewer Disposal Utility	30,000.00
	75,000.00
Total Cash Receipts	
Expenditures	
Operating Expenditures	
Capital Outlay	54,864.57
Operating Transfer to Other Funds	
General Bond and Interest Fund	38,149.00
Debt Service	
Principal	-
Interest	-
	93,013.57
Total Expenditures	
Receipts Over(Under) Expenditures	(18,013.57)
Unencumbered Cash, Beginning	207,172.81
Unencumbered Cash, Ending	\$189,159.24

CITY OF PLEASANTON, KANSAS
WATER SYSTEM IMPROVEMENTS PROJECT FUND
 Schedule of Cash Receipts and Expenditures - Actual, Regulatory Basis
 For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Other Receipts	
Proceeds from Bonds	
Principal	-
Total Cash Receipts	-
Expenditures	
Streets and Highways	
Capital Outlays	151,247.05
Operating Transfer to Other Funds	
Water Capital Improvement Reserve	18,752.95
Total Expenditures	170,000.00
Receipts Over(Under) Expenditures	(170,000.00)
Unencumbered Cash, Beginning	170,000.00
Unencumbered Cash, Ending	-

CITY OF PLEASANTON, KANSAS
GENERAL BOND AND INTEREST FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		Variance - Over (Under)
	Actual	Budget	
Cash Receipts			
Other Receipts			
Miscellaneous	-	-	-
Operating Transfers from Other Funds			
Special Highway Improvement	38,149.00	38,149.00	-
Water Utility	17,735.00	17,735.00	-
Total Cash Receipts	55,884.00	\$55,884.00	-
Expenditures			
Debt Service			
Principal	45,000.00	\$45,000.00	-
Interest	10,884.00	10,884.00	-
Other	-	-	-
Total Expenditures	55,884.00	\$55,884.00	-
Receipts Over(Under) Expenditures	-		
Unencumbered Cash, Beginning	1,389.55		
Unencumbered Cash, Ending	\$1,389.55		

CITY OF PLEASANTON, KANSAS
SEWAGE DISPOSAL UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		Variance - Over (Under)
	Actual	Budget	
Cash Receipts			
Operating Receipts			
Charges for services	\$86,628.14	\$92,000.00	(\$5,371.86)
Other Receipts			
Miscellaneous	381.89	-	381.89
Total Cash Receipts	87,010.03	\$92,000.00	(\$4,989.97)
Expenditures			
Operating Expenditures			
Wastewater Treatment	40,456.77	\$49,414.00	(\$8,957.23)
Debt Service on WP Revolving Loan			
Principal	15,839.51	15,840.00	(0.49)
Interest and fees	6,648.51	6,649.00	(0.49)
Operating Transfer to Other Funds			
Municipal Equipment	15,000.00	-	15,000.00
Special Highway Improvement	30,000.00	30,000.00	-
Water Capital Improvement Reserve	-	10,000.00	(10,000.00)
General	-	-	-
Total Expenditures	107,944.79	\$111,903.00	(\$3,958.21)
Receipts Over(Under) Expenditures	(20,934.76)		
Unencumbered Cash, Beginning	35,665.62		
Unencumbered Cash, Ending	\$14,730.86		

CITY OF PLEASANTON, KANSAS
WATER UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget, Regulatory Basis
For the Year Ended December 31, 2012

	Current Year		Variance - Over (Under)
	Actual	Budget	
Cash Receipts			
Operating Receipts			
Charges for services	\$257,466.80	\$260,000.00	(\$2,533.20)
Wholesale sales	28,679.26	29,000.00	(320.74)
Penalties	9,001.45	7,000.00	2,001.45
Taxes and fees	3,676.36	4,000.00	(323.64)
Taxes and fees			
Nonoperating Receipts			
Customer deposits	5,429.00	5,000.00	429.00
Miscellaneous	15.77	-	15.77
Reimbursements	1,217.19	-	1,217.19
Total Cash Receipts	305,485.83	\$305,000.00	\$485.83
Expenditures			
Operating Expenditures			
Production	47,638.87	\$99,033.00	(\$51,394.13)
Salaries and Benefits	126,747.78	100,750.00	25,997.78
General			
Contractual	59,231.15	32,150.00	27,081.15
Commodities	9,422.79	10,500.00	(1,077.21)
Other	-	-	-
Nonoperating Expenditures			
Sales and Production Taxes	4,105.37	5,000.00	(894.63)
Capital Improvements	-	-	-
Customer Deposits	5,429.00	4,000.00	1,429.00
Debt Service on WP Revolving Loan			
Principal	25,652.29	25,652.00	0.29
Interest and fees	17,117.39	17,117.00	0.39
Operating Transfers to Other Funds			
General Bond and Interest	17,735.00	17,735.00	-
Water Capital Improvement Reserve	-	-	-
Subtotal	-	311,937.00	
Adjustments for Qualifying Budget Credits			
Reimbursed expenses	-	1,217.19	(1,217.19)
Total Expenditures	313,079.64	\$313,154.19	(\$74.55)
Receipts Over(Under) Expenditures	(7,593.81)		
Unencumbered Cash, Beginning	107,060.20		
Unencumbered Cash, Ending	\$99,466.39		

CITY OF PLEASANTON, KANSAS
WATER CAPITAL IMPROVEMENT RESERVE FUND
 Schedule of Cash Receipts and Expenditures - Actual, Regulatory Basis
 For the Year Ended December 31, 2012

	Current Year Actual
Cash Receipts	
Other Receipts	
Reimbursed expenses	\$5,401.34
Operating Transfers from Other Funds	
Sewage Disposal Utility	-
Water Utility	-
Water System Improvements Project	18,752.95
	24,154.29
Total Cash Receipts	
Expenditures	
Capital Outlay	36,216.15
Debt Service	
Principal	15,000.00
Interest	3,041.50
	54,257.65
Total Expenditures	
Receipts Over(Under) Expenditures	(30,103.36)
Unencumbered Cash, Beginning	134,447.47
Unencumbered Cash, Ending	\$104,344.11