

CITY OF POTWIN

POTWIN, KANSAS

Financial Statement

For the Year Ended December 31, 2012

City of Potwin, Kansas

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Knudsen Monroe Company LLC

INDEPENDENT AUDITOR'S REPORT

City Council
City of Potwin
Potwin, Kansas 67123

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

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 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 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 Potwin 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 Potwin 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 Potwin 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 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures – actual and budget, and schedule of cash receipts and expenditures – trust fund (Schedules 1, 2, and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 financial statement. Such information is the responsibility of management and the 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 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 financial statement or to the 2012 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 financial statement as a whole.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures – actual and budget and the schedule of cash receipts and expenditures – trust fund (Schedules 2 and 3 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated December 3, 2012. The 2011 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://www.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 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 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 financial statement or to the 2011 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 financial statement as a whole.

Krudson, Almore & Company, LLC

Certified Public Accountants
Newton, Kansas

December 9, 2013

City of Potwin, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis
Year ended December 31, 2012

Funds	Unencumbered Cash Balance 12/31/11	Receipts	Expenditures	Unencumbered Cash Balance 12/31/12	Accounts Payable and Encumbrances	Cash Balance 12/31/12
Governmental Fund Types:						
General	\$ 38,081	190,413	162,018	66,476	7,205	73,681
Special Purpose Funds:						
Employee benefits	5,006	18,998	24,004	-	-	-
Library	1,307	12,484	12,222	1,569	-	1,569
Special fire equipment	11,801	7,634	8,757	10,678	-	10,678
Consolidated streets	12,902	52,393	28,191	37,104	-	37,104
Municipal equipment	66,787	4,500	33,149	38,138	-	38,138
Bond and Interest Fund:						
G.O. Bond and interest	10,802	32,039	32,330	10,511	-	10,511
Business Funds:						
Waterworks						
Operating	26,450	187,655	197,311	16,794	-	16,794
Operation and maintenance	384	-	-	384	-	384
O & M (Whitewater)	24,257	1,160	1,101	24,316	-	24,316
Sewer						
Operating	6,080	48,088	51,566	2,602	-	2,602
Reserve	1,374	-	-	1,374	-	1,374
Replacement reserve	1,706	672	-	2,378	-	2,378
Refuse	1,391	31,286	32,677	-	-	-
Trust Fund:						
Community House Gift	1,792	7	-	1,799	-	1,799
Total primary government	<u>\$ 210,120</u>	<u>587,329</u>	<u>583,326</u>	<u>214,123</u>	<u>7,205</u>	<u>221,328</u>

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The City of Potwin is a municipal corporation governed by an elected five-member council. These financial statements present only the City of Potwin as the primary government.

Related municipal entities

The following entities are related municipal entities of the City of Potwin that have not been presented in these financial statements. The governing bodies of all of these related municipal entities are appointed by the City.

Potwin Public Library - The Potwin Public Library board operates the City's public library. The City makes appropriations to the library to assist in funding capital expenditures and operating expenses.

Potwin Recreation Commission - The Potwin Recreation Commission is responsible for organizing the City's various youth and adult recreational activities.

Potwin Volunteer Fire Department - The Potwin Volunteer Fire Department raises funds to buy equipment and other items for the fire department.

Regulatory Basis of Accounting and Departure 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 revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

KMAAG Regulatory Basis of Presentation and Definitions

In governmental 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, restrictions, or limitations.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

KMAAG Regulatory Basis of Presentation and Definitions (Continued)

The following types of funds comprise the financial activities of the City for the year 2012:

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds - 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 - to account for the accumulation of resources for and the payment of interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City.

Business Funds - to account for operations that are financed and operated in a manner similar to private business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Trust Funds - to account for assets held by a governmental unit in a trustee capacity.

Budgetary Information

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued))

Budgetary Information (Continued)

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 2012 budget was not amended.

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 schedules 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, business reserve accounts, trust funds, and the following special purpose fund:

Municipal Equipment Fund

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Management is not aware of any statutory violation occurring in the year ended December 31, 2012.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that 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 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 investment policy that would further limit interest rate risk.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

3. DEPOSITS AND INVESTMENTS (Continued)

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. As of December 31, 2012, the City's investments included only bank certificates of deposits with a fair value of \$83,121, which are not subject to investment rating.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has not designated peak periods. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the carrying amount of the City's deposits was \$221,328. The bank balance totaled \$224,190. The balance was held by one bank resulting in a concentration of credit risk. At December 31, 2012, 100% of bank deposits were covered by FDIC insurance.

Composition of Cash Balance

The cash balance consisted of the following at December 31, 2012:

Amount on deposit with financial institutions:	
Checking account	\$ 37,586
Savings and money market accounts	100,621
Time deposits	<u>83,121</u>
	<u>\$ 221,328</u>

City of Potwin, Kansas

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

4. LONG-TERM DEBT

Changes in the 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	Maturity Date	Balance 12/31/11	Additions	Retirements	Balance 12/31/12	Interest Paid
General Obligation Bonds									
McNary Addition	5.00-7.75%	04/01/01	\$ 145,000	09/01/16	\$ 60,000	-	10,000	50,000	2,975
Community House	4.750%	12/04/03	100,000	09/01/18	55,000	-	7,000	48,000	2,612
Equipment	5.500%	12/29/05	100,000	12/01/20	68,000	-	6,000	62,000	3,740
					<u>183,000</u>	<u>-</u>	<u>23,000</u>	<u>160,000</u>	<u>9,327</u>
KDHE Revolving Loans									
Public Water Supply	3.770%	10/12/04	145,000	08/01/25	112,204	-	9,413	102,791	6,170
Water Pollution Control	2.790%	02/25/04	200,000	09/01/24	117,568	-	8,352	109,216	3,212
					<u>229,772</u>	<u>-</u>	<u>17,765</u>	<u>212,007</u>	<u>9,382</u>
Capital Lease									
2012 Ford Truck	4.750%	10/10/11	50,100	01/01/16	50,100	-	19,759	30,341	2,420
Total long-term debt					<u>\$462,872</u>	<u>-</u>	<u>60,524</u>	<u>402,348</u>	<u>21,129</u>

Scheduled payments of long-term debt and interest through maturity are as follows:

	Year ending December 31							Total
	2013	2014	2015	2016	2017	2018-2022	2023-Mat.	
Principal								
General Obligation Bonds	\$ 23,000	24,000	30,000	31,000	17,000	35,000	-	160,000
Revolving Loans	16,571	17,101	17,647	18,213	18,797	96,178	27,500	212,007
Capital Lease	9,648	10,106	10,587	-	-	-	-	30,341
Total principal	<u>49,219</u>	<u>51,207</u>	<u>58,234</u>	<u>49,213</u>	<u>35,797</u>	<u>131,178</u>	<u>27,500</u>	<u>402,348</u>
Interest								
General Obligation Bonds	8,190	7,028	5,810	4,295	2,725	3,202	-	31,250
Revolving Loans	6,870	6,341	5,794	5,229	4,644	13,790	1,956	44,624
Capital Lease	1,441	983	503	-	-	-	-	2,927
Total interest	<u>16,501</u>	<u>14,352</u>	<u>12,107</u>	<u>9,524</u>	<u>7,369</u>	<u>16,992</u>	<u>1,956</u>	<u>78,801</u>
Total principal and interest	<u>\$ 65,720</u>	<u>65,559</u>	<u>70,341</u>	<u>58,737</u>	<u>43,166</u>	<u>148,170</u>	<u>29,456</u>	<u>481,149</u>

5. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Potwin contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

5. DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% to 6% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate, established by Statute, was 8.74% at December 31, 2012. The City's employer contribution to KPERS for the years ending December 31, 2012, 2011, and 2010, were \$5,575, \$4,915 and \$5,749 respectively, equal to the statutory required contribution for each year.

6. COMPENSATED ABSENCES

Vacations

Full-time employees earn one week of paid vacation upon completion of one year of employment, two weeks annually for two through nine years, and three weeks annually upon completion of ten or more years of employment. Vacation time must be used during the year and may not be accumulated or carried forward to subsequent years.

Sick Leave

Full-time employees earn ten days of paid sick leave per year, cumulative to thirty days at full pay and thirty days at half pay. Unused sick leave is not paid to employees upon termination of employment. Unused sick leave has not been recorded in the accompanying financial statements.

7. INTERFUND TRANSFERS

Transfers between funds consisted of the following during the year ended December 31, 2012:

<u>Transfer to</u>	<u>Transfer from</u>				<u>Total</u>
	<u>General</u>	<u>Water Operating</u>	<u>Sewer Operating</u>	<u>Refuse</u>	
Consolidated Streets	\$ 10,000	-	-	4,442	14,442
Municipal Equipment	4,500				4,500
Sewer Replacement Reserve	-	-	672	-	672
Water O & M	-	1,160	-	-	1,160
	<u>\$ 14,500</u>	<u>1,160</u>	<u>672</u>	<u>4,442</u>	<u>20,774</u>

8. MANAGEMENT'S DATE OF REVIEW

Management has performed an analysis of the activities and transactions subsequent to December 31, 2012, to determine the need for any adjustments to and/or disclosures within the audited financial statements. Management has performed their analysis through December 9, 2013, which is the date the financial statements were available to be issue.

CITY OF POTWIN, KANSAS
SUPPLEMENTARY INFORMATION

December 31, 2012

City of Potwin, Kansas
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis
Year ended December 31, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
General	\$ 203,982	-	203,982	162,018	(41,964)
Special Purpose Funds:					
Employee benefits	25,650	-	25,650	24,004	(1,646)
Library	6,400	5,822	12,222	12,222	-
Special fire equipment	29,500	-	29,500	8,757	(20,743)
Consolidated streets	60,000	-	60,000	28,191	(31,809)
Bond and Interest Fund:					
G.O. bond and interest	39,000	-	39,000	32,330	(6,670)
Business Funds:					
Water operating	208,889	-	208,889	197,311	(11,578)
Sewer operating	56,225	-	56,225	51,566	(4,659)
Refuse	<u>41,300</u>	<u>-</u>	<u>41,300</u>	<u>32,677</u>	<u>(8,623)</u>
Expenditures subject to current budget	<u>\$ 670,946</u>	<u>5,822</u>	<u>676,768</u>	549,076	<u>(127,692)</u>
Add expenditures of unbudgeted funds					
Special Purpose				33,149	
Business Fund Reserves				<u>1,101</u>	
Total expenditures, primary government				<u>\$ 583,326</u>	

City of Potwin, Kansas

General Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
RECEIPTS				
Ad valorem property tax	\$ 84,602	76,567	83,254	(6,687)
Delinquent tax	13,815	6,110	3,500	2,610
Vehicle tax	14,915	15,483	16,068	(585)
Sales tax	8,029	-	-	-
Liquor tax	164	908	-	908
Franchise tax	23,652	20,489	21,000	(511)
Community house rent	1,228	1,020	1,500	(480)
Fire contracts	46,984	48,267	47,000	1,267
Public safety grants	28,751	3,570	-	3,570
Fines, fees, permits and other	1,854	2,696	2,500	196
Vendor fees	3,610	3,491	-	3,491
Interest on investments	68	602	200	402
Insurance proceeds	19,725	-	-	-
Donation	10,000	-	-	-
Reimbursements and refunds	-	9,134	-	9,134
Miscellaneous	5,177	2,076	3,000	(924)
	262,574	190,413	178,022	12,391
EXPENDITURES, page 12	<u>248,997</u>	<u>162,018</u>		
Receipts over (under) expenditures	13,577	28,395		
UNENCUMBERED CASH, beginning	<u>24,504</u>	<u>38,081</u>		
UNENCUMBERED CASH, ending	<u>\$ 38,081</u>	<u>66,476</u>		

City of Potwin, Kansas

General Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
EXPENDITURES				
General				
Personal services	\$ 45,843	41,942	44,000	(2,058)
Contractual services	24,740	27,798	25,500	2,298
Utilities	4,428	3,587	5,500	(1,913)
Commodities and other	10,597	11,034	10,000	1,034
Fire				
Contractual services and other	19,543	12,856	15,000	(2,144)
Transfer to Municipal Equipment Fund	27,577	4,500	32,000	(27,500)
Capital outlay	28,751	-	-	-
Parks				
Personal services	922	-	2,000	(2,000)
Other	7,254	1,203	3,500	(2,297)
Court	751	686	3,000	(2,314)
Street lights	6,294	6,552	7,000	(448)
Community House	15,002	7,033	15,000	(7,967)
Scout House	280	276	1,000	(724)
Library	8,046	1,627	500	1,127
Police protection	16,798	17,982	17,982	-
Audit	12,050	9,458	-	9,458
Property tax	-	4,579	3,500	1,079
IRS tax levy	8,777	-	-	-
Other	11,344	905	4,000	(3,095)
Transfers				
Municipal Equipment Fund	-	-	4,500	(4,500)
Consolidated Streets Fund	-	10,000	10,000	-
Total expenditures	<u>\$ 248,997</u>	<u>162,018</u>	<u>203,982</u>	<u>(41,964)</u>

City of Potwin, Kansas

Special Purpose Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>EMPLOYEE BENEFITS FUND</u>				
RECEIPTS				
Ad valorem property tax	\$ 13,816	15,353	16,693	(1,340)
Delinquent tax	2,828	1,107	700	407
Vehicle tax	<u>2,944</u>	<u>2,538</u>	<u>2,625</u>	<u>(87)</u>
	<u>19,588</u>	<u>18,998</u>	<u>20,018</u>	<u>(1,020)</u>
EXPENDITURES				
FICA and Medicare	2,893	6,777	4,000	2,777
Unemployment	49	55	150	(95)
KPERS	4,915	5,082	5,700	(618)
Workers compensation	1,242	915	1,800	(885)
Health insurance	<u>16,033</u>	<u>11,175</u>	<u>14,000</u>	<u>(2,825)</u>
	<u>25,132</u>	<u>24,004</u>	<u>25,650</u>	<u>(1,646)</u>
Receipts over (under) expenditures	(5,544)	(5,006)		
UNENCUMBERED CASH, beginning	<u>10,550</u>	<u>5,006</u>		
UNENCUMBERED CASH, ending	<u>\$ 5,006</u>	<u>-</u>		
<u>LIBRARY FUND</u>				
RECEIPTS				
Ad valorem property tax	\$ 4,863	4,682	5,091	(409)
Delinquent tax	863	363	200	163
Vehicle tax	917	891	924	(33)
Reimbursements	<u>6,979</u>	<u>6,548</u>	<u>-</u>	<u>6,548</u>
	<u>13,622</u>	<u>12,484</u>	<u>6,215</u>	<u>6,269</u>
EXPENDITURES				
Salaries and benefits	5,656	5,822	-	5,822
Appropriations to Library Board	<u>7,520</u>	<u>6,400</u>	<u>6,400</u>	<u>-</u>
	13,176	12,222	6,400	5,822
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>5,822</u>	<u>(5,822)</u>
Total expenditures	<u>13,176</u>	<u>12,222</u>	<u>12,222</u>	<u>-</u>
Receipts over (under) expenditures	446	262		
UNENCUMBERED CASH, beginning	<u>861</u>	<u>1,307</u>		
UNENCUMBERED CASH, ending	<u>\$ 1,307</u>	<u>1,569</u>		

See independent auditor's report

City of Potwin, Kansas

Special Purpose Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>SPECIAL FIRE EQUIPMENT FUND</u>				
RECEIPTS				
Ad valorem property tax	\$ 6,255	6,021	6,546	(525)
Delinquent tax	1,035	467	200	267
Vehicle tax	1,176	1,146	1,188	(42)
Other	175	-	-	-
State of Kansas grant	3,100	-	-	-
	<u>11,741</u>	<u>7,634</u>	<u>7,934</u>	<u>(300)</u>
EXPENDITURES				
Capital outlay	19,274	7,732	29,500	(21,768)
No fund warrant	2,020	1,025	-	1,025
	<u>21,294</u>	<u>8,757</u>	<u>29,500</u>	<u>(20,743)</u>
Receipts over (under) expenditures	(9,553)	(1,123)		
UNENCUMBERED CASH, beginning	<u>21,354</u>	<u>11,801</u>		
UNENCUMBERED CASH, ending	<u>\$ 11,801</u>	<u>10,678</u>		
<u>CONSOLIDATED STREETS FUND</u>				
RECEIPTS				
State payments	\$ 11,522	11,632	11,740	(108)
County payments	2,044	2,242	2,320	(78)
Sales tax	11,978	24,077	20,000	4,077
Transfer from Refuse Fund	4,546	4,442	4,800	(358)
Transfer from Sewer Fund	-	-	5,000	(5,000)
Transfer from Water Operating Fund	-	-	10,000	(10,000)
Transfer from General Fund	-	10,000	10,000	-
	<u>30,090</u>	<u>52,393</u>	<u>63,860</u>	<u>(11,467)</u>
EXPENDITURES				
Personal services	1,663	-	-	-
Contractual services	47,093	27,336	60,000	(32,664)
Commodities and other	1,357	855	-	855
	<u>50,113</u>	<u>28,191</u>	<u>60,000</u>	<u>(31,809)</u>
Receipts over (under) expenditures	(20,023)	24,202		
UNENCUMBERED CASH, beginning	<u>32,925</u>	<u>12,902</u>		
UNENCUMBERED CASH, ending	<u>\$ 12,902</u>	<u>37,104</u>		

City of Potwin, Kansas

Special Purpose Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>MUNICIPAL EQUIPMENT FUND</u>				
RECEIPTS				
Interest	\$ 10	-		
Other	10,809	-		
Transfer from General Fund	<u>27,577</u>	<u>4,500</u>		
	38,396	4,500		
EXPENDITURES				
Capital outlay	<u>-</u>	<u>33,149</u>		NOT APPLICABLE
Receipts over (under) expenditures	38,396	(28,649)		
UNENCUMBERED CASH, beginning	<u>28,391</u>	<u>66,787</u>		
UNENCUMBERED CASH, ending	<u>\$ 66,787</u>	<u>38,138</u>		

City of Potwin, Kansas

Bond and Interest Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>G. O. BOND AND INTEREST</u>				
RECEIPTS				
Ad valorem property tax	\$ 19,087	21,298	23,157	(1,859)
Delinquent tax	4,196	1,564	1,000	564
Vehicle tax	4,300	3,511	3,628	(117)
Special assessments	<u>6,332</u>	<u>5,666</u>	<u>4,414</u>	<u>1,252</u>
	<u>33,915</u>	<u>32,039</u>	<u>32,199</u>	<u>(160)</u>
EXPENDITURES				
Principal	23,000	23,000	23,000	-
Interest	10,465	9,327	9,328	(1)
Commission	3	3	672	(669)
Cash basis reserve	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>(6,000)</u>
	<u>33,468</u>	<u>32,330</u>	<u>39,000</u>	<u>(6,670)</u>
Receipts over (under) expenditures	447	(291)		
UNENCUMBERED CASH, beginning	<u>10,355</u>	<u>10,802</u>		
UNENCUMBERED CASH, ending	<u>\$ 10,802</u>	<u>10,511</u>		

City of Potwin, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>WATER OPERATING FUND</u>				
RECEIPTS				
Water sales - residents	\$ 120,369	108,565	115,000	(6,435)
Water sales - Whitewater	51,974	59,251	55,000	4,251
Penalties and taxes	7,207	3,853	6,000	(2,147)
Connect fees	1,065	1,193	750	443
City of Whitewater fee	15,211	14,520	15,000	(480)
Interest	<u>1,175</u>	<u>273</u>	<u>1,000</u>	<u>(727)</u>
	<u>197,001</u>	<u>187,655</u>	<u>192,750</u>	<u>(5,095)</u>
EXPENDITURES				
Personal services	38,310	27,584	32,000	(4,416)
Utilities	5,684	5,660	5,500	160
Contractual services	25,402	25,082	22,000	3,082
Commodities and other	17,873	12,435	20,000	(7,565)
Miscellaneous	2,782	1,805	-	1,805
Capital outlay	-	19,421	4,000	15,421
Purchase of water	87,948	88,581	95,000	(6,419)
KDHE revolving loan	10,389	15,583	10,389	5,194
Transfer to Consolidated Streets Fund	-	-	10,000	(10,000)
Transfer to Water Reserve	-	-	5,000	(5,000)
Transfer to Waterworks O & M	<u>5,000</u>	<u>1,160</u>	<u>5,000</u>	<u>(3,840)</u>
	<u>193,388</u>	<u>197,311</u>	<u>208,889</u>	<u>(11,578)</u>
Receipts over (under) expenditures	3,613	(9,656)		
UNENCUMBERED CASH, beginning	<u>22,837</u>	<u>26,450</u>		
UNENCUMBERED CASH, ending	<u>\$ 26,450</u>	<u>16,794</u>		

City of Potwin, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance- Over (Under)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<u>WATERWORKS OPERATION AND MAINTENANCE</u>				
RECEIPTS				
Transfer from Water Operating	\$ -	-		
EXPENDITURES				
Maintenance expenditures	<u>5,000</u>	-		NOT APPLICABLE
Receipts over (under) expenditures	(5,000)	-		
UNENCUMBERED CASH, beginning	<u>5,384</u>	<u>384</u>		
UNENCUMBERED CASH, ending	<u>\$ 384</u>	<u>384</u>		
<u>WATERWORKS O & M (Whitewater)</u>				
RECEIPTS				
Transfer from Water Operating	\$ 5,000	1,160		
EXPENDITURES				
Maintenance expenditures	<u>-</u>	<u>1,101</u>		NOT APPLICABLE
Receipts over (under) expenditures	5,000	59		
UNENCUMBERED CASH, beginning	<u>19,257</u>	<u>24,257</u>		
UNENCUMBERED CASH, ending	<u>\$ 24,257</u>	<u>24,316</u>		

City of Potwin, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		
	2011	Actual	Budget	Variance - Over (Under)
	Actual	Actual	Budget	(Under)
<u>SEWER OPERATING FUND</u>				
RECEIPTS				
Sewer fees	\$ 48,771	48,088	52,000	(3,912)
EXPENDITURES				
Personal services	18,367	17,104	16,000	1,104
Utilities	1,398	1,707	3,500	(1,793)
Contractual services	13,029	17,779	14,000	3,779
Commodities and other	2,545	2,740	4,000	(1,260)
KDHE revolving loan	13,053	11,564	13,053	(1,489)
Transfer to Consolidated Streets	-	-	5,000	(5,000)
Transfer to Sewer Replacement Reserve	672	672	672	-
	49,064	51,566	56,225	(4,659)
Receipts over (under) expenditures	(293)	(3,478)		
UNENCUMBERED CASH, beginning	6,373	6,080		
UNENCUMBERED CASH, ending	\$ 6,080	2,602		
 <u>SEWER RESERVE</u>				
RECEIPTS				
	\$ -	-		
EXPENDITURES				
	-	-	NOT APPLICABLE	
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	1,374	1,374		
UNENCUMBERED CASH, ending	\$ 1,374	1,374		

City of Potwin, Kansas

Business Funds

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
<u>SEWER REPLACEMENT RESERVE</u>				
RECEIPTS				
Transfer from Sewer Operating	\$ 672	672		
EXPENDITURES				
Receipts over (under) expenditures	-	-		NOT APPLICABLE
UNENCUMBERED CASH, beginning	1,034	1,706		
UNENCUMBERED CASH, ending	<u>\$ 1,706</u>	<u>2,378</u>		
 <u>REFUSE FUND</u>				
RECEIPTS				
Refuse fees	\$ 29,838	29,596	37,000	(7,404)
Other	1,700	1,690	1,800	(110)
	<u>31,538</u>	<u>31,286</u>	<u>38,800</u>	<u>(7,514)</u>
EXPENDITURES				
Contractual services	22,203	23,671	27,000	(3,329)
Personal services and other	4,552	3,351	4,000	(649)
Commodities and other	-	1,213	2,000	(787)
Miscellaneous	-	-	3,500	(3,500)
Transfer to Consolidated Streets	4,546	4,442	4,800	(358)
	<u>31,301</u>	<u>32,677</u>	<u>41,300</u>	<u>(8,623)</u>
Receipts over (under) expenditures	237	(1,391)		
UNENCUMBERED CASH, beginning	1,154	1,391		
UNENCUMBERED CASH, ending	<u>\$ 1,391</u>	<u>-</u>		

City of Potwin, Kansas

Trust Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES

Regulatory Basis

Year ended December 31, 2012

	<u>2012</u>	<u>2011</u>
<u>COMMUNITY HOUSE GIFT</u>		
RECEIPTS		
Other	\$ 7	170
Interest	-	17
	<u>7</u>	<u>187</u>
EXPENDITURES	<u>-</u>	<u>827</u>
Receipts over (under) expenditures	7	(640)
UNENCUMBERED CASH, beginning	<u>1,792</u>	<u>2,432</u>
UNENCUMBERED CASH, ending	<u>\$ 1,799</u>	<u>1,792</u>