

CITY OF LENORA, KANSAS
Lenora, Kansas
Independent Audit Report
January 1, 2011 to December 31, 2011

MAPES & MILLER LLP
Certified Public Accountants
Norton, Kansas

CITY OF LENORA, KANSAS
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MAPES & MILLER LLP

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A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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Honorable Mayor and City Council
City of Lenora, Kansas
Lenora, Kansas 67645

We have audited the accompanying summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Lenora, Kansas, as of and for the year ended December 31, 2011, and the related notes to the financial statement. This financial statement is the responsibility of the City of Lenora, Kansas' management. Our responsibility is to express an opinion on this 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 guidance in the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statement does not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effect on the financial statement of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, the City has prepared this financial statement in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the omission of the component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above do 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, 2011, or the changes in its financial position, or where applicable, its cash flows for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash aggregate cash and unencumbered cash balance of the primary government of the City of Lenora, Kansas, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget and cash receipts and cash disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statement. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
July 16, 2012

CITY OF LENORA, KANSAS

Summary of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General	\$ 47,560	0	219,017	204,750	61,827	14,042	75,869
Special Revenue Funds:							
Cemetery	129	0	6,446	6,575	0	105	105
Library	382	0	5,123	5,505	0	0	0
Employee Benefits	9,320	0	28,045	23,957	13,408	16	13,424
Special Street and Highway	26,605	0	29,733	17,325	39,013	288	39,301
Special Parks & Recreation	6,669	0	246	817	6,098	0	6,098
Fire	12,417	0	15,534	17,109	10,842	116	10,958
Capital Improvements	86,749	0	5,000	0	91,749	0	91,749
Special Equipment	57,695	0	5,000	26,400	36,295	0	36,295
Special Fire Equipment	5,651	0	0	5,251	400	0	400
Hansen Foundation Grant	22,170	0	1,000	0	23,170	0	23,170
Proprietary Fund Types:							
Enterprise Funds:							
Water Revenue	0	0	66,299	66,299	0	637	637
Water Surplus	201,256	0	17,672	195,670	23,258	45,234	68,492
Water System Debt Service	16,209	0	20,544	20,623	16,130	0	16,130
Sewer	12,118	0	17,659	18,425	11,352	100	11,452
Solid Waste	51,804	0	29,570	30,504	50,870	1,285	52,155
Customer Deposits	<u>0</u>	<u>0</u>	<u>300</u>	<u>300</u>	<u>0</u>	<u>550</u>	<u>550</u>
Total Primary Government (Excluding Agency Funds)	<u>\$ 556,734</u>	<u>0</u>	<u>467,188</u>	<u>639,510</u>	<u>384,412</u>	<u>62,373</u>	<u>446,785</u>

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

CITY OF LENORA, KANSAS
Composition of Cash
For the Year Ended December 31, 2011

STATEMENT 1
Page 2

Cash on Hand	\$	50
First Security Bank and Trust Company		
Norton, Kansas - Lenora, Kansas Branch		
NOW Account		102,526
Savings Account		75,111
Certificates of Deposit		<u>270,000</u>
Total Cash and Investments		447,687
Less Agency Funds - Schedule 3		<u>902</u>
Total Reporting Entity per Statement 1, Page 1	\$	<u>446,785</u>

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

CITY OF LENORA, KANSAS

Notes to the Financial Statement

December 31, 2011

I. Summary of Significant Accounting Policies

Reporting Entity

The City of Lenora, Kansas, the primary government, operates as a third class city in accordance with the laws of the State of Kansas. The City operates under a mayor-council form of government and provides the following services: public safety (fire protection), highways and streets, water, sewer, sanitation, social services, culture and recreation, planning and zoning, public improvements, and general administrative services.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a government entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationships with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the following is a component unit of the City:

Lenora City Library

Financial information for this component unit has not been reported in the City's financial statement. Accordingly, this financial statement presents the activities of the primary government only and is not a complete presentation in accordance with generally accepted accounting principles.

Lenora Public Library. The Lenora Public Library operates a municipal public library for the City of Lenora. A seven-member board of trustees is appointed by the City Council to oversee the operation. The City annually levies a tax for the operation of the Library and also provides the facilities. The City can also issue bonded debt for the benefit of the Library. The Library Board must obtain the approval for the acquisition or disposal of real property from the City Council. The Lenora Public Library issues separately unaudited financial statements that may be obtained from the Head Librarian, 110 N. Main, P.O. Box 247, Lenora, KS 67645.

Related Organizations

Related organizations are excluded from the City of Lenora, Kansas' financial statement because the City's accountability does not extend beyond making appointments to the governing body.

The following are related organizations to the City of Lenora, Kansas:

Lenora Cemetery District

The Lenora Cemetery District is organized under Kansas Statutes as a special district by the City of Lenora, Kansas and the Highland Township, Norton County, Kansas. The district was created for the maintenance and improvements of the three cemeteries in the District. Under the organizing statute, the mayor and the treasurer of the City are members of the governing board of the District as is the trustee of the Township. Although not required by Statute, the governing board appoints four members from the public residing within the District to also serve on the board. The District is fiscally independent of the City and the Township

Fund Accounting

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.

The following types of funds comprise the financial activities of the City of Lenora for the year 2011.

Governmental Funds:

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

Special Revenue Funds--To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Capital Project Funds--to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by enterprise funds).

Proprietary Funds:

Enterprise 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--or where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds:

Private Purpose Trust and Agency Funds--To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Reimbursed Expenditures

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund and an expenditure is charged in the fund from which the transfer is made.

The City has adopted 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 statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, 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 balances 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 fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, building, 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.

The required balance sheet, income statement, and the statement of cash flows are not presented for the proprietary fund types. Accounting principles generally accepted in the United States of America require these fund types to be accounted for by the full accrual method of accounting.

2. 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 adoption of legal annual operating budgets:

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 final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously non-budgeted 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. No Funds were amended in this manner for 2011.

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 statutory 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 related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following funds:

	<u>Statutory Authority for Exemption</u>
Special Revenue Funds:	
Capital Improvements	K.S.A. 12-1,118
Special Equipment	K.S.A. 12-1,117
Fire Special Equipment	K.S.A. 12-1,117
Hansen Foundation Grant	K.S.A. 79-2925
Enterprise Funds:	
Water Surplus	K.S.A. 12-825d
Water System Debt	K.S.A. 12-825d
Customer Deposits	K.S.A. 12-822

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.

3. **Property Taxes**

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due 1/2 on December 20th and 1/2 the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the City and therefore are not susceptible to accrual.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statement taken as a whole.

4. **Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase.

5. **Compensated Absences**

Vacation Pay

Each full-time employee earns paid vacation time after working for the City six months, as per the schedule below:

<u>Completed Years of Service</u>	<u>Vacation Hours Earned</u>
1 Year	4 Hours Per Month or 6 Days Annually
2 Years	6 Hours Per Month or 9 Days Annually
3 – 5 Years	8 Hours Per Month or 12 Days Annually
5 - 10 Years	10 Hours Per Month or 15 Days Annually
Over 10 Years	12 Hours Per Month or 18 Days Annually

Employees may carry over only 40 hours of vacation time from one year to another year. The cost of accumulated vacation pay as of December 31, 2011 is \$1,209.

Sick Leave

Each full-time employee is entitled to 8 hours per month sick leave with a total accumulation limit of 500 hours or 62 days. All employees rights to sick leave end and will be forfeited on termination of employment, therefore, no cost of accumulated sick pay has been computed.

6. Defined Benefit Pension Plan

Plan Description

The City of Lenora participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% 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 for the year ended December 31, 2011 is 7.74%. The City of Lenora, Kansas' employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$4,236, \$3,872, and \$3,466 respectively, equal to the required contributions for each year.

7. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. Each retiree would pay the full amount of the applicable premium, conceptually; the City would be subsidizing the retirees because each participant would be charged a level premium regardless of age.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

8. Deposits and Investments

At December 31, 2011, the City had no investments except for certificates of deposit which are considered as a component of deposits.

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

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has not designated any "peak periods" with eligible depositories. All deposits were legally secured at December 31, 2010.

At December 31, 2011, the City's carrying amount of deposits was \$447,746 and the bank balance was \$447,723. The bank balance was held by one bank resulting in a concentration of credit risk. The entire bank balance was covered by FDIC insurance.

9. 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; and natural disasters. The City has been unable to obtain worker's compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in The Kansas Municipal Insurance Trust (KMIT), a municipal group funded pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to KMIT for its worker's compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT's management.

The City continues to carry commercial insurance for all other risks of loss, including property, liability, inland marine and automobile. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10. **Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Equipment	K.S.A. 12-1,117	\$ 5,000
General	Capital Improvement	K.S.A. 12-1,118	5,000
Cemetery	Employee Benefits	K.S.A. 12-1405	38
Special Street and Highway	Employee Benefits	K.S.A. 12-1405	162
Water Revenue	Employee Benefits	K.S.A. 12-825d	636
Sewer	Employee Benefits	K.S.A. 12-6311	351
Solid Waste	Employee Benefits	K.S.A. 65-3410	944
Water Revenue	Water System Debt	K.S.A. 12-825d	20,544
Water Revenue	Water Surplus	K.S.A. 12-825d	17,561

11. **Concentration Risk**Tax Revenue

The City derives most of its revenues to support its non-utility operations by levying property ad valorem taxes. These taxes are assessed to property owners who have property within the City limits and is based upon the assessed value of the property. A major portion of the total assessed property value for the 2010 tax roll was attributable to a single property owner. Tax collections and distribution for 2011 were based on the 2010 tax roll.

12. **Compliance with Finance related Legal and Contractual Provisions**Series 2003 Water System Refunding General Obligation Bond Indenture Compliance

Section 801(b) of the bond indenture requires all earnings on any investment held in any of the required funds under the indenture shall accrue to and become part of such fund. All of the City's money is in interest bearing accounts, however, no interest is being credited to the Water System Debt Service funds. This appears to be a violation of the bond indenture agreement.

13. **Long-term Debt**

Changes in long-term liabilities for the City of Lenora, Kansas for the year ended December 31, 2011 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
2003 Series Water System Refunding	1.40-4.50%	03/01/03	\$ 225,000	09/01/18	\$ 140,000	0	15,000		125,000	5,651
Capital Leases:										
1990 E-One Pumper Fire Truck	5.75%	03/27/06	69,000	03/27/15	18,565	0	4,623		13,942	1,070
John Deere Backhoe	3.55%	11/25/11	30,000	11/25/16	0	30,000	0		30,000	0
Revolving Loan - State of Kansas:										
Sewer Plant Construction	3.74%	02/22/93	128,598	09/01/13	32,461	0	7,959		24,502	853
Total Contractual Indebtedness					191,026	30,000	27,582		193,444	7,574
Compensated Absences:										
Vacation	N/A	N/A	N/A	N/A	891			318	1,209	
Total Long-term Debt					\$ 191,917	30,000	27,582	318	194,653	7,574

(Continued)

13. 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:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-2021</u>	<u>Total</u>
PRINCIPAL							
General Obligation Bonds:							
2003 Series Water System Refunding	\$ 15,000	15,000	15,000	20,000	20,000	40,000	125,000
Capital Leases:							
1990 E-One Pumper Fire Truck	4,889	5,170	3,883	0	0	0	13,942
John Deere Backhoe	5,674	5,767	5,975	6,190	6,394	0	30,000
Revolving Loan - State of Kansas:							
Sewer Plant Construction	<u>8,260</u>	<u>8,572</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,832</u>
Total Principal	<u>33,823</u>	<u>34,509</u>	<u>24,858</u>	<u>26,190</u>	<u>26,394</u>	<u>40,000</u>	<u>185,774</u>
INTEREST							
General Obligation Bonds:							
2003 Series Water System Refunding	5,074	4,474	3,855	3,110	2,240	1,800	20,553
Capital Leases:							
1990 E-One Pumper Fire Truck	804	523	225	0	0	0	1,552
John Deere Backhoe	991	898	690	474	271	0	3,324
Revolving Loan - State of Kansas:							
Sewer Plant Construction	<u>553</u>	<u>241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>794</u>
Total Interest	<u>7,422</u>	<u>6,136</u>	<u>4,770</u>	<u>3,584</u>	<u>2,511</u>	<u>1,800</u>	<u>26,223</u>
Total Principal and Interest	<u>\$ 41,245</u>	<u>40,645</u>	<u>29,628</u>	<u>29,774</u>	<u>28,905</u>	<u>41,800</u>	<u>211,997</u>

CITY OF LENORA, KANSAS

SCHEDULE 1

Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2011

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over (Under)
General	\$ 177,169	72,374	249,543	204,750	(44,793)
Special Revenue:					
Cemetery	11,750	0	11,750	6,575	(5,175)
Library	5,511	0	5,511	5,505	(6)
Employee Benefits	34,037	0	34,037	23,957	(10,080)
Special Street and Highway	58,600	0	58,600	17,325	(41,275)
Special Parks and Recreation	4,286	0	4,286	817	(3,469)
Fire	16,741	3,708	20,449	17,109	(3,340)
Enterprise:					
Water Revenue	81,590	0	81,590	66,299	(15,291)
Sewer	20,393	0	20,393	18,425	(1,968)
Solid Waste	35,538	45	35,583	30,504	(5,079)

CITY OF LENORA, KANSAS
GENERAL FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

SCHEDULE 2
Page 1

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 68,924	69,229	(305)
Delinquent	368	16	352
Motor Vehicle	9,083	11,500	(2,417)
16/20M Vehicle	488	0	488
Recreational Vehicle	356	397	(41)
Intangibles	856	751	105
Intergovernmental			
Countywide Sales Tax	23,319	25,000	(1,681)
Local Alcoholic Liquor	246	375	(129)
Fees and Charges			
Beer and Liquor Licenses	375	250	125
Building Permits	50	50	0
Dog Tags	335	200	135
Late Charge on Utility Fees	2,308	1,500	808
Utility Franchise Fees	6,526	6,500	26
Interest on Idle Funds	4,954	11,000	(6,046)
Other			
Capital Credits	255	250	5
Community Center Room Rent	1,545	1,000	545
Donations	5	0	5
Farm Income	5,323	1,500	3,823
Insurance Dividend	713	400	313
Land Lease	300	300	0
Miscellaneous	149	1,000	(851)
Mowing	940	1,500	(560)
Sale of Equipment	18,898	0	18,898
Spraying Mosquito	327	0	327
Reimbursed Expenses			
Other Reimbursed Expenses	<u>72,374</u>	<u>0</u>	<u>72,374</u>
Total Cash Receipts	<u>219,017</u>	<u>132,718</u>	<u>86,299</u>

CITY OF LENORA, KANSAS

GENERAL FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Expenditures:			
Administrative	\$ 0	7,500	(7,500)
Animal Control	75	200	(125)
Backhoe Upkeep	484	0	484
Beautification	0	0	0
Capital Outlay	0	37,625	(37,625)
Chemicals	1,306	2,000	(694)
Community Building	2,497	1,500	997
Continuing Education & Travel	0	100	(100)
Donations	1,100	0	1,100
Dues	429	1,400	(971)
Election	450	750	(300)
Electricity	4,807	4,000	807
Farm Expense	0	650	(650)
Fire Station	22,524	1,500	21,024
Fuel and Oil	4,952	6,000	(1,048)
Heating	5,645	7,000	(1,355)
Insurance	14,430	12,000	2,430
Lease Payments	607	0	607
Legal and Professional Fees	6,167	7,000	(833)
Miscellaneous	1,917	1,700	217
Office Equipment	306	0	306
Office Supplies	2,210	1,700	510
Park Repairs	2,726	2,000	726
Permits and Licenses	150	124	26
Postage	800	600	200
Publications	327	420	(93)
Repairs	36,698	9,500	27,198
Salaries and Wages	39,154	50,000	(10,846)
School Expense	32,494	0	32,494
Shop Expenses	184	0	184
Street Lights	7,850	7,000	850
Supplies	2,254	1,000	1,254

(Continued)

CITY OF LENORA, KANSAS
GENERAL FUND

SCHEDULE 2

Page 3

Schedule of Cash Receipts and Expenditures
 Actual and Budget
For the Year Ended December 31, 2011

(Continued)	<u>Actual</u>	<u>Budget</u>	Variance Over <u>(Under)</u>
Telephone	\$ 1,293	2,000	(707)
Tools and Equipment	914	1,900	(986)
Transfer to Capital Improvements	5,000	5,000	0
Transfer to Special Equipment	5,000	5,000	0
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	<u>0</u>	<u>72,374</u>	<u>(72,374)</u>
Total Expenditures	<u>204,750</u>	<u>249,543</u>	<u>(44,793)</u>
Cash Receipts Over (Under) Expenditures	14,267		
Unencumbered Cash, Beginning	<u>47,560</u>		
Unencumbered Cash, Ending	\$ <u>61,827</u>		

CITY OF LENORA, KANSAS
CEMETERY FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 870	873	(3)
Delinquent	5	0	5
Motor Vehicle	115	145	(30)
16/20M Vehicle	7	0	7
Recreational Vehicle	4	5	(1)
Grave Opening/Closing	730	1,000	(270)
Research Fee	15	0	15
Plot Sale	100	0	100
Reimbursed Expenses	4,600	6,000	(1,400)
Total Cash Receipts	6,446	8,023	(1,577)
Expenditures:			
Appropriations to Lenora Cemetery District	800	1,000	(200)
Fuel and Oil	889	1,000	(111)
Miscellaneous	0	350	(350)
Repairs	236	500	(264)
Salaries and Wages	4,612	8,500	(3,888)
Transfer to Employee Benefits	38	400	(362)
Total Expenditures	6,575	11,750	(5,175)
Cash Receipts Over (Under) Expenditures	(129)		
Unencumbered Cash, Beginning	129		
Unencumbered Cash, Ending	\$ 0		

CITY OF LENORA, KANSAS
LIBRARY FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

SCHEDULE 2
Page 5

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 4,503	4,521	(18)
Delinquent	22	150	(128)
Motor Vehicle	548	694	(146)
16/20M Vehicle	29	0	29
Recreational Vehicle	21	24	(3)
Total Cash Receipts	5,123	5,389	(266)
Expenditures:			
Appropriations to Library Board	5,505	5,511	(6)
Cash Receipts Over (Under) Expenditures	(382)		
Unencumbered Cash, Beginning	382		
Unencumbered Cash, Ending	\$ 0		

CITY OF LENORA, KANSAS
EMPLOYEE BENEFITS FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

SCHEDULE 2
Page 6

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 22,388	22,488	(100)
Delinquent	118	0	118
Motor Vehicle	2,951	3,736	(785)
16/20M Vehicle	159	0	159
Recreational Vehicle	116	129	(13)
Miscellaneous	182	0	182
Transfer from Cemetery	38	400	(362)
Transfer from Special Street and Highway	162	400	(238)
Transfer from Water Revenue	636	500	136
Transfer from Sewer	351	350	1
Transfer from Solid Waste	944	1,000	(56)
Total Cash Receipts	28,045	29,003	(958)
Expenditures:			
Health Insurance	11,326	17,500	(6,174)
KPERS Retirement	4,236	4,000	236
Miscellaneous Benefits	161	437	(276)
Social Security Taxes	5,629	7,500	(1,871)
Unemployment Tax	70	100	(30)
Workman's Compensation Insurance	2,535	4,500	(1,965)
Total Expenditures	23,957	34,037	(10,080)
Cash Receipts Over (Under) Expenditures	4,088		
Unencumbered Cash, Beginning	9,320		
Unencumbered Cash, Ending	\$ 13,408		

CITY OF LENORA, KANSAS
SPECIAL STREET AND HIGHWAY FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 20,001	20,090	(89)
Delinquent	106	150	(44)
Motor Vehicle	2,636	3,337	(701)
16/20M Vehicle	142	0	142
Recreational Vehicle	103	115	(12)
Intergovernmental			
Special City/County Highway	6,745	7,000	(255)
Total Cash Receipts	29,733	30,692	(959)
Expenditures:			
Fuel and Oil	425	500	(75)
Miscellaneous	159	500	(341)
Repairs	11,403	20,000	(8,597)
Salaries and Wages	2,117	2,000	117
Snow Removal	2,788	1,200	1,588
Supplies	271	7,900	(7,629)
Sweeper Repairs	0	600	(600)
Transfer to Employee Benefit	162	400	(238)
Transfer to Special Equipment	0	25,500	(25,500)
Total Expenditures	17,325	58,600	(41,275)
Cash Receipts Over (Under) Expenditures	12,408		
Unencumbered Cash, Beginning	26,605		
Unencumbered Cash, Ending	\$ 39,013		

CITY OF LENORA, KANSAS
SPECIAL PARKS AND RECREATION FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Intergovernmental			
Local Alcoholic Liquor Tax	\$ <u>246</u>	<u>350</u>	<u>(104)</u>
Expenditures:			
Park Supplies	<u>817</u>	<u>4,286</u>	<u>(3,469)</u>
Cash Receipts Over (Under) Expenditures	(571)		
Unencumbered Cash, Beginning	<u>6,669</u>		
Unencumbered Cash, Ending	\$ <u>6,098</u>		

CITY OF LENORA, KANSAS
FIRE FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Taxes			
Ad Valorem Property	\$ 9,202	9,243	(41)
Delinquent	48	100	(52)
Motor Vehicle	1,213	1,535	(322)
16/20M Vehicle	65	0	65
Recreational Vehicle	48	53	(5)
Sale of Equipment	1,250	0	1,250
Reimbursed Expenses	3,708	0	3,708
Miscellaneous	0	20	(20)
Total Cash Receipts	15,534	10,951	4,583
Expenditures:			
Equipment	7,280	0	7,280
Fuel and Oil	635	500	135
Lease Payments	5,692	6,400	(708)
Miscellaneous	6	100	(94)
Repairs	668	1,500	(832)
Supplies	683	500	183
Telephone	385	500	(115)
Tools and Equipment	1,760	3,000	(1,240)
Transfer to Special Fire Equipment	0	4,241	(4,241)
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	0	3,708	(3,708)
Total Expenditures	17,109	20,449	(3,340)
Cash Receipts Over (Under) Expenditures	(1,575)		
Unencumbered Cash, Beginning	12,417		
Unencumbered Cash, Ending	\$ 10,842		

CITY OF LENORA, KANSAS
WATER REVENUE FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

SCHEDULE 2
Page 10

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Charges for Services	\$ 65,846	62,000	3,846
Bulk Water Sales	59	0	59
Hookup/Reconnect Fees	180	220	(40)
Capital Credits	214	270	(56)
 Total Cash Receipts	 66,299	 62,490	 3,809
 Expenditures:			
Administrative	0	8,000	(8,000)
Chemicals	288	250	38
Dues	139	160	(21)
Education and Travel	200	300	(100)
Electricity	5,226	5,400	(174)
Fire Hydrant Replacement	0	500	(500)
Heating	883	2,000	(1,117)
Lab Expenses	215	0	215
Legal and Professional Fees	3,500	2,000	1,500
Miscellaneous	24	0	24
Permits and Licenses	36	180	(144)
Publications	147	200	(53)
Repairs	3,087	6,100	(3,013)
Salaries and Wages	8,311	8,000	311
Sales and Groundwater Taxes and Fees	730	0	730
Supplies	80	3,100	(3,020)
Telephone	1,089	1,300	(211)
Tools and Equipment	367	300	67
Water Tower Maintenance	3,236	3,000	236

(Continued)

CITY OF LENORA, KANSAS
WATER REVENUE FUND
Schedule of Cash Receipts and Expenditures
Actual and Budget
For the Year Ended December 31, 2011

SCHEDULE 2
Page 11

	Actual	Budget	Variance Over (Under)
(Continued)			
Transfer to Employee Benefits	\$ 636	500	136
Transfer to Water Surplus	17,561	19,756	(2,195)
Transfer to Water System Debt Service	20,544	20,544	0
Total Expenditures	66,299	81,590	(15,291)
Cash Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 0		

CITY OF LENORA, KANSAS

SEWER FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Charges for Services	\$ 17,432	19,000	(1,568)
Miscellaneous	190	0	190
Capital Credits	<u>37</u>	<u>120</u>	<u>(83)</u>
Total Cash Receipts	<u>17,659</u>	<u>19,120</u>	<u>(1,461)</u>
Expenditures:			
Administrative	0	800	(800)
Chemicals	0	1,600	(1,600)
Education and Travel	100	150	(50)
Electricity	1,157	1,100	57
Heating	53	0	53
Legal and Professional Fees	2,000	1,000	1,000
Office Supplies	224	0	224
Permits and Licenses	205	220	(15)
Repairs	575	1,500	(925)
Revolving Loan Payment	8,813	8,813	0
Salaries and Wages	4,595	4,500	95
Telephone	352	360	(8)
Transfer to Employee Benefits	<u>351</u>	<u>350</u>	<u>1</u>
Total Expenditures	<u>18,425</u>	<u>20,393</u>	<u>(1,968)</u>
Cash Receipts Over (Under) Expenditures	(766)		
Unencumbered Cash, Beginning	<u>12,118</u>		
Unencumbered Cash, Ending	\$ <u>11,352</u>		

CITY OF LENORA, KANSAS

SOLID WASTE FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended December 31, 2011

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Charges for Services	\$ 29,477	28,900	577
Miscellaneous	48	0	48
Reimbursed Expenses	<u>45</u>	<u>0</u>	<u>45</u>
Total Cash Receipts	<u>29,570</u>	<u>28,900</u>	<u>670</u>
Expenditures:			
Administrative	0	450	(450)
Fuel and Oil	4,848	4,500	348
Landfill Fees	9,427	11,500	(2,073)
Miscellaneous	0	0	0
Office Supplies	0	500	(500)
Repairs	2,949	5,088	(2,139)
Salaries and Wages	12,336	12,500	(164)
Transfer to Employee Benefits	944	1,000	(56)
Adjustments for Qualifying Budget Credits:			
Reimbursed Expenses	<u>0</u>	<u>45</u>	<u>(45)</u>
Total Expenditures	<u>30,504</u>	<u>35,583</u>	<u>(5,079)</u>
Cash Receipts Over (Under) Expenditures	(934)		
Unencumbered Cash, Beginning	<u>51,804</u>		
Unencumbered Cash, Ending	\$ <u>50,870</u>		

CITY OF LENORA, KANSAS
 Any Non-Budgeted Fund
 Schedule of Cash Receipts and Expenditures
For the Year Ended December 31, 2011

	<u>Capital Improve- ments</u>	<u>Special Equipment</u>	<u>Special Fire Equipment</u>
Cash Receipts:			
Transfer from General	\$ 5,000	5,000	0
Expenditures:			
Equipment	0	26,400	5,251
Cash Receipts Over (Under) Expenditures	5,000	(21,400)	(5,251)
Unencumbered Cash, Beginning	<u>86,749</u>	<u>57,695</u>	<u>5,651</u>
Unencumbered Cash, Ending	\$ <u><u>91,749</u></u>	<u><u>36,295</u></u>	<u><u>400</u></u>

CITY OF LENORA, KANSAS
 Any Non-Budgeted Fund
 Schedule of Cash Receipts and Expenditures
For the Year Ended December 31, 2011

	<u>Hansen Foundation Grant</u>	<u>Water Surplus</u>	<u>Water System Debt Service</u>	<u>Customer Deposits</u>
Cash Receipts:				
Customer Deposits	\$ 0	0	0	300
Refunds	1,000	0	0	0
Interest on Idle Funds	0	111	0	0
Transfer from Water Revenue	<u>0</u>	<u>17,561</u>	<u>20,544</u>	<u>0</u>
Total Cash Receipts	<u>1,000</u>	<u>17,672</u>	<u>20,544</u>	<u>300</u>
Expenditures:				
Capital Outlay	0	195,670	0	0
Bond Principal	0	0	15,000	0
Bond Interest	0	0	5,623	0
Customer Refunds	<u>0</u>	<u>0</u>	<u>0</u>	<u>300</u>
Total Expenditures	<u>0</u>	<u>195,670</u>	<u>20,623</u>	<u>300</u>
Cash Receipts Over (Under) Expenditures	1,000	(177,998)	(79)	0
Unencumbered Cash, Beginning	<u>22,170</u>	<u>201,256</u>	<u>16,209</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>23,170</u></u>	<u><u>23,258</u></u>	<u><u>16,130</u></u>	<u><u>0</u></u>

CITY OF LENORA, KANSAS

SCHEDULE 3

Agency Funds

Summary of Cash Receipts and Cash Disbursements

For the Year Ended December 31, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Sales Tax	\$ 145	479	510	114
Payroll Clearing:				
AFLAC	89	876	893	72
KPERS	98	2,261	2,269	90
FICA	739	3,090	3,579	250
Medicare	171	1,067	1,153	85
Federal Withholding	627	5,435	5,672	390
State Withholding	175	2,095	2,369	(99)
Total Agency Funds	\$ <u>2,044</u>	<u>15,303</u>	<u>16,445</u>	<u>902</u>