

CITY OF NORWICH, KANSAS

Statutory Basis Financial Statement
and Independent Auditors' Report
with Supplemental Information

For the Year Ended December 31, 2011

CITY OF NORWICH, KANSAS

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JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Norwich, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Norwich, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of Norwich, Kansas' management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year summarized comparative information has been derived from the City's 2010 financial statement and, in our report dated June 13, 2011, we expressed an unqualified opinion on the financial statement of the City of Norwich, Kansas, prepared in accordance with the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

As described more fully in Note 1, the City of Norwich, Kansas, has prepared this financial statement using 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 effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The financial statement, referred to above, do not include financial data of the Norwich Public Library and Norwich Housing Authority, component units, which should be included in order to conform with accounting principles generally accepted in the United States of America. The effect on the financial statements, although not reasonably determinable, is presumed to be material.

In our opinion, because of the omission of the Norwich Public Library and the Norwich Housing Authority and because of the effects of the matters discussed in the preceding 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 Norwich, Kansas, as of December 31, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, except for the omission of the Norwich Public Housing and Norwich Housing Authority, the financial statement referred above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Norwich, 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 the schedule of cash receipts and expenditures-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 statements. 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 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 financial statement as a whole.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 27, 2011
Chanute, Kansas

CITY OF NORWICH, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2011	Ending Cash Balance December 31, 2010
Governmental Type Funds:							
General	\$ 61,058.86	\$ 201,430.69	\$ 182,158.11	\$ 80,331.44	\$ 4,705.86	\$ 85,037.30	\$ 63,673.22
Special Revenue Funds:							
Fire	16,607.59	46,930.81	54,323.70	9,214.70	1,576.05	10,790.75	16,890.14
Library	327.64	13,514.24	13,285.12	556.76	286.75	843.51	849.64
Employee Benefits	7,415.83	14,701.87	16,548.22	5,569.48	-	5,569.48	7,444.87
Special Highway	13,400.50	12,858.78	1,375.68	24,883.60	15.84	24,899.44	13,408.47
Emergency Medical Service	27,485.44	90,023.13	107,383.72	10,124.85	1,352.54	11,477.39	41,337.58
Municipal Equipment Reserve	12,211.64	10,970.30	7,800.00	15,381.94	-	15,381.94	12,211.64
Capital Improvement Reserve	53,384.21	16,133.56	-	69,517.77	-	69,517.77	53,384.21
Special Machinery	15,718.38	38.04	12,851.98	2,904.44	-	2,904.44	15,718.38
EMS Building	353.98	1.62	-	355.60	-	355.60	353.98
Debt Service Funds:							
Bond and Interest	6,575.41	84,568.57	86,383.75	4,760.23	-	4,760.23	6,575.41
Proprietary Type Funds:							
Enterprise Funds:							
Water Utility	96,651.90	109,873.63	90,929.03	115,596.50	2,538.60	118,135.10	101,211.17
Sewer Utility	14,324.83	48,415.90	51,527.07	11,213.66	912.06	12,125.72	15,746.57
Total Reporting Entity (Excluding Agency Funds)	\$ 325,516.21	\$ 649,461.14	\$ 624,566.38	\$ 350,410.97	\$ 11,387.70	\$ 361,798.67	\$ 348,805.28
Composition of Cash:							
Cash on Hand						\$ 18.00	\$ 18.00
Checking Accounts						68,169.20	72,205.54
Money Market Accounts						294,757.49	277,727.76
Totals - Primary Government						362,944.69	349,951.30
Less Agency Funds (Schedule 3)						(1,146.02)	(1,146.02)
Total Reporting Entity (Excluding Agency Funds)						\$ 361,798.67	\$ 348,805.28

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

CITY OF NORWICH, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Norwich, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

Reporting Entity

The City of Norwich, Kansas (the City) is a municipal corporation governed by an elected five member commission. These financial statement present the City of Norwich, Kansas (the primary government), and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Unit. The component unit section of the financial statements includes the financial data of the discretely presented component unit. The component unit is reported separately to emphasize that it is legally separate from the City. The governing body of this component unit are appointed by the City.

Norwich Public Library

The City of Norwich Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate unaudited financial statements are available at the Library. However, the statements are omitted in an apparent departure from accounting principles generally accepted in the United States of America.

Norwich Public Housing Authority

The City of Norwich Public Housing Authority operates the City's Housing Authority. Acquisition or disposition of real property by the Board must be approved by the City. Separate unaudited financial statements are available at the Housing Authority. However, the statements are omitted in an apparent departure from accounting principles generally accepted in the United States of America.

There are no other separate entities related to the City which should be accounted for in the City's financial statements.

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its cash, liabilities, fund equity, cash receipts and expenditures. The various funds are grouped by type in the financial statements. The types of funds maintained by the City are as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

GOVERNMENTAL FUNDS

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through cash receipts received by the General Fund.

Special Revenue Funds - These funds are used to account for cash receipts derived from specific taxes, governmental grants or other cash receipts sources which are designated to finance particular functions or activities of the City.

Debt Service Funds - The Bond and Interest Fund is used to account for the payment of principal and interest on the City's general obligation bonds, which are recorded in the general long-term debt group of accounts. Cash receipts for this purpose include ad valorem property taxes, special assessment taxes, and investment interest income.

Capital Project Funds - The Capital Project Funds account for capital improvements (except for those financed by proprietary funds), which are financed from the City's general obligation bond issues, special assessments, certain federal grants and other specific receipts.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), federal grants and other City funds.

Basis of Presentation – Statutory Basis of Accounting

The statutory basis of accounting, as used in preparation of these statutory basis financial statement and schedules, 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 would be charged in the fund from which the transfer is made.

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 municipality to use the statutory basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Departures 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 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 fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. 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.

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.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget comparisons schedules presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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. Although directory rather than mandatory, the statutes provide for the following 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 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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. During the year ended December 31, 2011 the City had no such amendments.

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 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 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 projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

Municipal Equipment Reserve Fund
Capital Improvement Reserve Fund
Special Machinery Fund
EMS Building Fund

In addition, an operating budget is not required for enterprise principal and interest funds and enterprise reserve funds.

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

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in compliance with cash basis and budget laws of Kansas.

3. DEPOSITS AND INVESTMENTS

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

K.S.A 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of 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 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 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. All deposits were legally secured at December 31, 2011.

Deposits: At year-end, the City's carrying amount of deposits was \$362,944.69 and the bank balance was \$364,832.22. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$320,074.73 was covered by FDIC insurance, and \$44,757.49 was collateralized with securities held by the pledging financial institution's agents in the City's name.

4. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to finance the acquisition of ambulance equipment. Payments are made quarterly, including interest at approximately 6.25%. Final maturity of the lease is April 3, 2013. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 2,116.64
2013	<u>1,058.32</u>
	3,174.96
Less imputed interest	<u>(169.31)</u>
Net Present Value of Minimum	
Lease Payments	3,005.65
Less: Current Maturities	<u>(1,972.03)</u>
Long-Term Capital Lease Obligations	<u>\$ 1,033.62</u>

4. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of a 2008 ambulance. Payments are made semi-annually, including interest at approximately 5.557%. Final maturity of the lease is June 15, 2018. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 14,962.40
2013	14,962.40
2014	14,962.40
2015	14,962.40
2016	14,962.40
2015-2018	<u>22,443.60</u>
	97,255.60
Less imputed interest	<u>(15,851.04)</u>
Net Present Value of Minimum	
Lease Payments	81,404.56
Less: Current Maturities	<u>(10,097.29)</u>
Long-Term Capital Lease Obligations	<u>\$ 71,307.21</u>

The City has entered into a capital lease agreement in order to finance the construction of an EMS building. Payments are made semi-annually, including interest at approximately 6.50%. Final maturity of the lease is December 24, 2015. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 11,444.40
2013	11,444.40
2014	11,444.40
2015	<u>11,264.28</u>
	45,597.48
Less imputed interest	<u>(5,849.67)</u>
Net Present Value of Minimum	
Lease Payments	39,747.81
Less: Current Maturities	<u>(9,004.78)</u>
Long-Term Capital Lease Obligations	<u>\$ 30,743.03</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a CAT Skid Loader. Payments are made semi-annually, including interest at approximately 5.00%. Final maturity of the lease is March 18, 2014. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 4,035.96
2013	4,035.96
2014	<u>2,000.26</u>
	10,072.18
Less imputed interest	<u>(712.66)</u>
Net Present Value of Minimum	
Lease Payments	9,359.52
Less: Current Maturities	<u>(3,612.58)</u>
Long-Term Capital Lease Obligations	<u>\$ 5,746.94</u>

4. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of a 2011 Ford Excursion. Payments are made annually, including interest at approximately 5.00%. Final maturity of the lease is September 12, 2014. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 4,641.91
2013	4,641.92
2014	<u>4,620.98</u>
	13,904.81
Less imputed interest	<u>(1,281.81)</u>
Net Present Value of Minimum	
Lease Payments	12,623.00
Less: Current Maturities	<u>(4,010.76)</u>
Long-Term Capital Lease Obligations	<u>\$ 8,612.24</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2011 Ford F150. Payments are made annually, including interest at approximately 5.00%. Final maturity of the lease is June 15, 2015. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 4,862.33
2013	4,862.33
2014	4,862.33
2015	<u>4,862.33</u>
	19,449.32
Less imputed interest	<u>(2,185.32)</u>
Net Present Value of Minimum	
Lease Payments	17,264.00
Less: Current Maturities	<u>(4,051.16)</u>
Long-Term Capital Lease Obligations	<u>\$ 13,212.84</u>

5. LONG-TERM LIABILITIES

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

Issue	Interest Rates	Date of Issue	Original 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:										
Paid with Tax Levies										
General Obligation Bonds -										
Streets, Series 1997	4.8% to 6.5%	April 1, 1997	\$ 235,000.00	October 1, 2012	\$ 40,000.00	\$ -	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 2,190.00
Paid with Utility Revenues										
General Obligation Bonds -										
Water, Series 1992	6.75%	December 1, 1992	350,000.00	September 1, 2013	85,000.00	-	25,000.00	-	60,000.00	5,525.00
General Obligation Bonds -										
Sewer, Series 1999	4.9% to 6.8%	June 1, 1999	355,000.00	September 1, 2016	165,000.00	-	25,000.00	-	140,000.00	8,662.50
Capital Leases:										
1994 Fire Truck	5.500%	September 14, 2005	18,500.00	January 10, 2011	4,233.50	-	4,233.50	-	-	236.36
Ambulance Equipment	6.250%	March 28, 2007	10,483.05	April 3, 2013	4,857.94	-	1,852.29	-	3,005.65	264.35
2008 Ambulance	5.557%	June 19, 2008	118,935.00	June 15, 2018	92,351.20	-	10,946.64	-	81,404.56	4,015.76
EMS Building Construction	6.250%	November 30, 2010	48,194.62	December 24, 2015	48,194.62	-	8,446.81	-	39,747.81	2,997.59
CAT Skid Loader	5.000%	March 18, 2011	11,100.00	March 18, 2014	-	11,100.00	1,740.48	-	9,359.52	277.50
2011 Ford Excursion	5.000%	September 12, 2011	12,623.00	September 12, 2014	-	12,623.00	-	-	12,623.00	-
2011 Ford F150	5.000%	July 8, 2011	17,264.00	June 15, 2015	-	17,264.00	-	-	17,264.00	-
Total Contractual Debt					439,637.26	40,987.00	97,219.72		383,404.54	24,169.06
Compensated Absences										
Vacation Benefits										
	N/A	N/A	N/A	N/A	1,867.36			1,722.01	3,589.37	N/A
Total Long-Term Liabilities					\$ 441,504.62	\$ 40,987.00	\$ 95,781.12	\$ 1,722.01	\$ 386,993.91	\$ 24,169.06

5. LONG-TERM LIABILITIES (Continued)

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

Issue	2012	2013	2014	2015	2016	2017-2018	Total
Principal							
General Obligation Bonds:							
Paid with Tax Levies							
General Obligation Bonds - Streets, Series 1997	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00
Paid with Utility Revenues							
General Obligation Bonds - Water, Series 1992	30,000.00	30,000.00	-	-	-	-	60,000.00
General Obligation Bonds - Sewer, Series 1999	25,000.00	25,000.00	30,000.00	30,000.00	30,000.00	-	140,000.00
Capital Leases:							
Ambulance Equipment	1,972.03	1,033.62	-	-	-	-	3,005.65
2008 Ambulance	10,660.27	11,254.65	11,882.17	12,544.67	13,244.12	21,818.68	81,404.56
EMS Building Construction	9,004.78	9,599.60	10,233.72	10,909.71	-	-	39,747.81
CAT Skid Loader	3,612.58	3,795.47	1,951.47	-	-	-	9,359.52
2011 Ford Excursion	4,010.76	4,211.31	4,400.93	-	-	-	12,623.00
2011 Ford F150	4,051.16	4,201.69	4,411.77	4,599.38	-	-	17,264.00
Total Principal Payments	108,311.58	89,096.34	62,880.06	58,053.76	43,244.12	21,818.68	383,404.54
Interest							
General Obligation Bonds:							
Paid with Tax Levies							
General Obligation Bonds - Streets, Series 1997	1,100.00	-	-	-	-	-	1,100.00
Paid with Utility Revenues							
General Obligation Bonds - Water, Series 1992	4,050.00	2,025.00	-	-	-	-	6,075.00
General Obligation Bonds - Sewer, Series 1999	7,350.00	6,037.50	4,725.00	3,150.00	1,575.00	-	22,837.50
Capital Leases:							
Ambulance Equipment	144.61	24.70	-	-	-	-	169.31
2008 Ambulance	4,302.13	3,707.75	3,080.23	2,417.73	1,718.28	624.92	15,851.04
EMS Building Construction	2,439.62	1,844.80	1,210.68	354.57	-	-	5,849.67
CAT Skid Loader	423.38	240.49	48.79	-	-	-	712.66
2011 Ford Excursion	631.15	430.61	220.05	-	-	-	1,281.81
2011 Ford F150	811.17	660.64	450.56	262.95	-	-	2,185.32
Total Interest Payments	21,252.06	14,971.49	9,735.31	6,185.25	3,293.28	624.92	56,062.31
Total Principal and Interest	\$ 129,563.64	\$ 104,067.83	\$ 72,615.37	\$ 64,239.01	\$ 46,537.40	\$ 22,443.60	\$ 439,466.85

6. INDUSTRIAL REVENUE BONDS

The City has entered into various agreements to induce businesses to locate or expand operations in Norwich, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2011, there was one industrial revenue bond issue with principal balances due totaling \$3,875,000.00.

7. COMPENSATED ABSENCES

All full-time employees of the City are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

After one year employment	1 Week
After three years of employment	2 Weeks
After ten years of employment	3 Weeks

The City council can; after ten years of service, award an employee additional vacation as they deem appropriate. All vacation or pay in lieu of must be used or paid in the year earned. In the event of termination employees will be compensated for unused vacation leave.

All full time employees are eligible for paid sick leave and starts accruing after the 90 day probationary period and is accrued at a rate of one eight hour day per month. Maximum accumulation of 90 days is allowed and not paid upon termination.

The City determines a liability for compensated absences when the following conditions are met:

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.

In accordance with the above criteria, the City has disclosed the liability for vacation benefits in Footnote 5, and not accrued a liability for sick pay which has been earned, but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

8. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

10. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Fire	K.S.A. 79-2934	\$ 3,500.00
General	Capital Improvements Reserve	K.S.A. 12-1,118	16,000.00
General	Municipal Equipment Reserve	K.S.A. 12-1,117	6,000.00
Water Utility	Bond and Interest	K.S.A. 12-825d	18,000.00
Water Utility	General	K.S.A. 12-825d	10,000.00
Sewer Utility	Bond and Interest	K.S.A. 12-825d	10,000.00

11. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTAL INFORMATION

Schedule 1

CITY OF NORWICH, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
				Chargeable to Current Year	Current Year	
Governmental Type Funds:						
General	\$ 181,135.00	\$ 2,000.00	\$ 183,135.00	\$ 182,158.11	\$	(976.89)
Special Revenue Funds:						
Fire	58,100.00	-	58,100.00	54,323.70		(3,776.30)
Library	16,058.00	7,279.75	23,337.75	13,285.12		(10,052.63)
Employee Benefit	17,000.00	-	17,000.00	16,548.22		(451.78)
Special Highway	13,000.00	-	13,000.00	1,375.68		(11,624.32)
Emergency Medical Service	117,000.00	1,118.77	118,118.77	107,383.72		(10,735.05)
Debt Service Funds:						
Bond and Interest	96,545.00	-	96,545.00	86,383.75		(10,161.25)
Proprietary Type Funds:						
Enterprise Funds:						
Water Utility	100,600.00	-	100,600.00	90,929.03		(9,670.97)
Sewer Utility	70,000.00	-	70,000.00	51,527.07		(18,472.93)

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 60,422.50	\$ 109,658.62	\$ 93,292.00	\$ 16,366.62
Delinquent Tax	1,597.66	1,902.36	-	1,902.36
Motor Vehicle Tax	10,873.13	8,510.56	6,492.00	2,018.56
Recreational Vehicle Tax	305.86	218.12	163.00	55.12
16/20M Vehicle Tax	197.16	285.97	27.00	258.97
Franchise Tax	47,097.04	52,310.74	52,000.00	310.74
Charges for Services				
Swimming Pool Receipts	8,418.50	8,420.00	7,800.00	620.00
Police Agreement	2,700.00	2,700.00	2,700.00	-
VIN Inspections	160.00	205.00	100.00	105.00
Licenses and Permits	260.00	210.00	300.00	(90.00)
Municipal Court Fines	420.00	-	500.00	(500.00)
Use of Money and Property				
Interest Income	487.38	198.79	800.00	(601.21)
Lease/Rent of Property	600.00	600.00	600.00	-
Other Revenues				
Donations	-	100.00	-	100.00
Miscellaneous	4,354.95	4,110.53	400.00	3,710.53
Reimbursed Expenses	10,533.93	2,000.00	-	2,000.00
Operating Transfers from:				
Water Utility Fund	-	10,000.00	10,000.00	-
Sewer Utility Fund	-	-	5,000.00	(5,000.00)
Total Cash Receipts	148,428.11	201,430.69	\$ 180,174.00	\$ 21,256.69
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	6,737.54	2,675.14	\$ 6,500.00	\$ (3,824.86)
Commodities	3,413.80	7,317.68	2,500.00	4,817.68

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers				
Subject to Budget (Continued)				
General Administration				
Personal Services	\$ 9,681.11	\$ 7,499.39	\$ 8,250.00	\$ (750.61)
Contractual Services	1,856.53	7,102.84	1,300.00	5,802.84
Commodities	3,006.39	2,911.52	2,000.00	911.52
Capital Outlay	-	50.00	1,500.00	(1,450.00)
Police				
Personal Services	38,421.32	40,780.30	40,735.00	45.30
Contractual Services	4,035.84	5,577.97	3,500.00	2,077.97
Commodities	7,951.05	14,335.41	5,500.00	8,835.41
Capital Outlay	-	2,092.09	600.00	1,492.09
Street Lights				
Personal Services	-	70.00	-	70.00
Contractual Services	10,291.92	11,448.83	10,000.00	1,448.83
Commodities	-	-	500.00	(500.00)
Buildings and Properties				
Contractual Services	2,740.12	2,992.93	4,000.00	(1,007.07)
Commodities	1,228.04	1,804.40	4,000.00	(2,195.60)
Capital Outlay	-	3,019.03	10,000.00	(6,980.97)
Park				
Personal Services	420.00	112.00	-	112.00
Contractual Services	1,392.57	1,496.83	1,500.00	(3.17)
Commodities	1,560.01	1,325.08	2,500.00	(1,174.92)
Capital Outlay	-	1,711.75	5,000.00	(3,288.25)
Streets				
Contractual Services	183.97	1,015.00	100.00	915.00
Commodities	9,016.99	2,958.31	10,000.00	(7,041.69)
Capital Outlay	-	18,237.65	5,000.00	13,237.65
Swimming Pool				
Personal Services	6,425.73	6,006.80	7,350.00	(1,343.20)
Contractual Services	4,585.49	4,776.86	5,500.00	(723.14)
Commodities	9,923.00	7,465.99	8,000.00	(534.01)
Capital Outlay	-	129.03	5,000.00	(4,870.97)

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers				
Subject to Budget (Continued)				
Noxious Weeds				
Personal Services	\$ 364.00	\$ 1,403.50	\$ 500.00	\$ 903.50
Contractual Services	63.00	206.50	-	206.50
Commodities	107.51	135.28	300.00	(164.72)
Sidewalk Improvements				
Commodities	323.74	-	-	-
Capital Outlay	-	-	500.00	(500.00)
Fire				
Contractual Services	-	-	7,000.00	(7,000.00)
Operating Transfers to:				
Fire Fund	8,800.00	3,500.00	-	3,500.00
Emergency Medical Services Fund	500.00	-	-	-
Capital Improvements Reserve Fund	-	16,000.00	16,000.00	-
Municipal Equipment Reserve Fund	-	6,000.00	6,000.00	-
Water Utility Fund	318.75	-	-	-
Sewer Utility Fund	318.75	-	-	-
Total Certified Budget			181,135.00	1,023.11
Adjustments for Qualifying				
Budget Credits			2,000.00	(2,000.00)
Total Expenditures and Transfers Subject to Budget	133,667.17	182,158.11	\$ 183,135.00	\$ (976.89)
Receipts Over(Under) Expenditures	14,760.94	19,272.58		
Unencumbered Cash, Beginning	46,297.92	61,058.86		
Unencumbered Cash, Ending	\$ 61,058.86	\$ 80,331.44		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
FIRE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Township Appropriations	\$ 32,500.00	\$ 39,900.00	\$ 42,000.00	\$ (2,100.00)
Use of Money and Property				
Interest Income	202.48	65.19	300.00	(234.81)
Other Revenues				
Miscellaneous	227.50	240.00	-	240.00
Donations	5,000.00	3,225.62	2,000.00	1,225.62
Operating Transfers from:				
General Fund	8,800.00	3,500.00	-	3,500.00
Total Cash Receipts	46,729.98	46,930.81	\$ 44,300.00	\$ 2,630.81
Expenditures and Transfers				
Subject to Budget				
Emergency Services				
Personal Services	1,100.00	1,100.00	\$ 1,100.00	\$ -
Contractual Services	5,144.41	7,006.07	8,000.00	(993.93)
Commodities	30,997.01	40,026.44	28,000.00	12,026.44
Capital Outlay	-	1,721.33	6,000.00	(4,278.67)
Debt Service				
Capital Lease Payments	4,429.45	4,469.86	15,000.00	(10,530.14)
Total Expenditures and Transfers Subject to Budget	41,670.87	54,323.70	\$ 58,100.00	\$ (3,776.30)
Receipts Over(Under) Expenditures	5,059.11	(7,392.89)		
Unencumbered Cash, Beginning	11,548.48	16,607.59		
Unencumbered Cash, Ending	<u>\$ 16,607.59</u>	<u>\$ 9,214.70</u>		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
LIBRARY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 7,212.91	\$ 5,113.52	\$ 5,397.00	\$ (283.48)
Delinquent Tax	121.38	156.85	-	156.85
Motor Vehicle Tax	789.64	917.11	774.00	143.11
Recreational Vehicle Tax	22.29	24.91	20.00	4.91
16/20M Vehicle Tax	14.64	22.10	3.00	19.10
Other Revenues				
Reimbursed Expense	5,700.00	7,279.75	7,121.00	158.75
Total Cash Receipts	13,860.86	13,514.24	\$ 13,315.00	\$ 199.24
Expenditures and Transfers				
Subject to Budget				
Cultural and Recreation				
Library Appropriations	8,160.86	6,234.49	\$ 8,937.00	\$ (2,702.51)
Personal Services	6,237.00	7,040.63	7,121.00	(80.37)
Contractual Services	-	10.00	-	10.00
Total Certified Budget			16,058.00	(2,772.88)
Adjustments for Qualifying				
Budget Credits			7,279.75	(7,279.75)
Total Expenditures and Transfers				
Subject to Budget	14,397.86	13,285.12	\$ 23,337.75	\$ (10,052.63)
Receipts Over(Under) Expenditures	(537.00)	229.12		
Unencumbered Cash, Beginning	864.64	327.64		
Unencumbered Cash, Ending	\$ 327.64	\$ 556.76		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
EMPLOYEE BENEFITS

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 18,015.55	\$ 11,977.29	\$ 12,645.00	\$ (667.71)
Delinquent Tax	264.58	363.49	-	363.49
Motor Vehicle Tax	1,640.52	2,226.95	1,934.00	292.95
Recreational Vehicle Tax	46.28	61.47	49.00	12.47
16/20M Vehicle Tax	30.24	47.46	8.00	39.46
Use of Money and Property				
Interest Income	91.68	25.21	-	25.21
Other Revenues				
Miscellaneous	-	-	100.00	(100.00)
Total Cash Receipts	20,088.85	14,701.87	\$ 14,736.00	\$ (34.13)
Expenditures and Transfers				
Subject to Budget				
General Administration				
Personal Services	15,387.53	16,548.22	17,000.00	(451.78)
Total Expenditures and Transfers				
Subject to Budget	15,387.53	16,548.22	\$ 17,000.00	\$ (451.78)
Receipts Over(Under) Expenditures	4,701.32	(1,846.35)		
Unencumbered Cash, Beginning	2,714.51	7,415.83		
Unencumbered Cash, Ending	\$ 7,415.83	\$ 5,569.48		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
SPECIAL HIGHWAY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Special Highway Tax	\$ 13,278.90	\$ 12,800.15	\$ 13,730.00	\$ (929.85)
Use of Money and Property				
Interest Income	166.76	58.63	250.00	(191.37)
Total Cash Receipts	13,445.66	12,858.78	\$ 13,980.00	\$ (1,121.22)
Expenditures and Transfers				
Subject to Budget				
Street Maintenance				
Contractual Services	948.11	1,157.23	\$ 1,500.00	\$ (342.77)
Commodities	-	89.50	1,500.00	(1,410.50)
Capital Outlay	-	128.95	4,000.00	(3,871.05)
Debt Service				
Capital Lease - CAT Loader	5,814.44	-	6,000.00	(6,000.00)
Total Expenditures and Transfers				
Subject to Budget	6,762.55	1,375.68	\$ 13,000.00	\$ (11,624.32)
Receipts Over(Under) Expenditures	6,683.11	11,483.10		
Unencumbered Cash, Beginning	6,717.39	13,400.50		
Unencumbered Cash, Ending	\$ 13,400.50	\$ 24,883.60		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
EMERGENCY MEDICAL SERVICE FUND

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

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Kingman County Appropriations	\$ 27,427.45	\$ 32,231.21	\$ 24,750.00	\$ 7,481.21
Sumner County Appropriations	23,020.00	22,560.00	22,000.00	560.00
State Aid - Emergency Medical	6,640.00	4,000.00	-	4,000.00
Charges for Services				
Transports	19,150.98	25,484.09	28,000.00	(2,515.91)
Use of Money and Property				
Interest Income	864.34	105.23	600.00	(494.77)
Loan Proceeds	48,194.82	-	-	-
Other Revenues				
Miscellaneous	3,244.56	3,450.83	-	3,450.83
Reimbursed Expense	-	1,118.77	-	1,118.77
Donations	2,795.00	1,073.00	1,000.00	73.00
Operating Transfers from General Fund				
	500.00	-	-	-
Total Cash Receipts	131,837.15	90,023.13	\$ 76,350.00	\$ 13,673.13
Expenditures and Transfers				
Subject to Budget				
Emergency Services				
Personal Services	15,375.13	19,855.37	\$ 20,500.00	\$ (644.63)
Contractual Services	27,362.72	27,860.10	30,000.00	(2,139.90)
Commodities	20,473.27	25,224.50	20,000.00	5,224.50
Capital Outlay	99,388.00	5,920.31	25,000.00	(19,079.69)
Debt Service				
Capital Lease - Equipment	17,079.04	28,523.44	17,500.00	11,023.44

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
EMERGENCY MEDICAL SERVICE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers Subject to Budget (Continued)				
Operating Transfer to				
EMS Building Fund	\$ -	\$ -	\$ 4,000.00	\$ (4,000.00)
Total Certified Budget			117,000.00	(9,616.28)
Adjustments for Qualifying				
Budget Credits			1,118.77	(1,118.77)
Total Expenditures and Transfers Subject to Budget	179,678.16	107,383.72	\$ 118,118.77	\$ (10,735.05)
Receipts Over(Under) Expenditures	(47,841.01)	(17,360.59)		
Unencumbered Cash, Beginning	75,326.45	27,485.44		
Unencumbered Cash, Ending	\$ 27,485.44	\$ 10,124.85		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
MUNICIPAL EQUIPMENT RESERVE FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 78.92	\$ 54.30
Other Revenues		
Miscellaneous	-	4,916.00
Operating Transfer from:		
General Fund	-	6,000.00
	78.92	10,970.30
Total Cash Receipts		
Expenditures and Transfers		
General Government		
Capital Outlay	-	7,800.00
	-	7,800.00
Total Expenditures and Transfers		
Receipts Over(Under) Expenditures	78.92	3,170.30
Unencumbered Cash, Beginning	12,132.72	12,211.64
Unencumbered Cash, Ending	\$ 12,211.64	\$ 15,381.94

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
CAPITAL IMPROVEMENT RESERVE FUND
 Schedule of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2011
 (With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 323.12	\$ 133.56
Operating Transfer from:		
General Fund	-	16,000.00
Total Cash Receipts	<u>323.12</u>	<u>16,133.56</u>
Expenditures and Transfers		
General Government		
Capital Outlay	-	-
Total Expenditures and Transfers	<u>-</u>	<u>-</u>
Receipts Over(Under) Expenditures	323.12	16,133.56
Unencumbered Cash, Beginning	<u>53,061.09</u>	<u>53,384.21</u>
Unencumbered Cash, Ending	<u>\$ 53,384.21</u>	<u>\$ 69,517.77</u>

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
SPECIAL MACHINERY FUND

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

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 161.04	\$ 38.04
Total Cash Receipts	161.04	38.04
Expenditures and Transfers		
General Government		
Capital Outlay	-	10,834.00
Debt Service		
Capital Lease Payments	-	2,017.98
Total Expenditures and Transfers	-	12,851.98
Receipts Over(Under) Expenditures	161.04	(12,813.94)
Unencumbered Cash, Beginning	15,557.34	15,718.38
Unencumbered Cash, Ending	\$ 15,718.38	\$ 2,904.44

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
EMS BUILDING FUND

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

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 54.99	\$ 1.62
Total Cash Receipts	54.99	1.62
Expenditures and Transfers		
Emergency Services		
Capital Outlay	6,500.00	-
Total Expenditures and Transfers	6,500.00	-
Receipts Over(Under) Expenditures	(6,445.01)	1.62
Unencumbered Cash, Beginning	6,798.99	353.98
Unencumbered Cash, Ending	\$ 353.98	\$ 355.60

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
BOND AND INTEREST FUND

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

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 43,623.57	\$ 32,078.36	\$ 33,871.00	\$ (1,792.64)
Delinquent Tax	748.44	962.00	-	962.00
Motor Vehicle Tax	4,788.71	5,538.99	4,683.00	855.99
Recreational Vehicle Tax	136.15	150.52	118.00	32.52
16/20M Vehicle Tax	93.06	132.77	19.00	113.77
Special Assessments	16,993.18	17,600.26	20,000.00	(2,399.74)
Use of Money and Property				
Interest Income	413.23	105.67	500.00	(394.33)
Operating Transfers from:				
Water Utility Fund	18,000.00	18,000.00	17,000.00	1,000.00
Sewer Utility Fund	10,000.00	10,000.00	16,500.00	(6,500.00)
Total Cash Receipts	94,796.34	84,568.57	\$ 92,691.00	\$ (8,122.43)
Expenditures and Transfers				
Subject to Budget				
Debt Service				
Principal	70,000.00	70,000.00	\$ 70,000.00	\$ -
Interest	20,332.50	16,377.50	16,525.00	(147.50)
Service Charges	8.75	6.25	20.00	(13.75)
Cash Basis Reserve	-	-	10,000.00	(10,000.00)
Total Expenditures and Transfers				
Subject to Budget	90,341.25	86,383.75	\$ 96,545.00	\$ (10,161.25)
Receipts Over(Under) Expenditures	4,455.09	(1,815.18)		
Unencumbered Cash, Beginning	2,120.32	6,575.41		
Unencumbered Cash, Ending	\$ 6,575.41	\$ 4,760.23		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
WATER UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Service	\$ 103,864.97	\$ 109,285.79	\$ 90,000.00	\$ 19,285.79
Use of Money and Property				
Interest Income	717.04	276.44	1,500.00	(1,223.56)
Other Revenues				
Miscellaneous	1,639.22	311.40	-	311.40
Operating Transfers from General Fund	318.75	-	-	-
Total Cash Receipts	106,539.98	109,873.63	\$ 91,500.00	\$ 18,373.63
Expenditures and Transfers Subject to Budget				
Operations				
Personal Services	25,211.48	24,069.42	\$ 25,000.00	\$ (930.58)
Contractual Services	14,207.48	23,422.96	27,600.00	(4,177.04)
Commodities	15,385.83	14,816.28	20,000.00	(5,183.72)
Capital Outlay	-	620.37	-	620.37
Operating Transfers to:				
General Fund	-	10,000.00	10,000.00	-
Bond and Interest Fund	18,000.00	18,000.00	18,000.00	-
Total Expenditures and Transfers Subject to Budget	72,804.79	90,929.03	\$ 100,600.00	\$ (9,670.97)
Receipts Over(Under) Expenditures	33,735.19	18,944.60		
Unencumbered Cash, Beginning	62,916.71	96,651.90		
Unencumbered Cash, Ending	\$ 96,651.90	\$ 115,596.50		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
SEWER UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Service	\$ 44,619.72	\$ 48,376.26	\$ 46,000.00	\$ 2,376.26
Use of Money and Property				
Interest Income	269.91	39.64	300.00	(260.36)
Other Revenues				
Miscellaneous	558.02	-	-	-
Operating Transfers from General Fund	318.75	-	-	-
Total Cash Receipts	45,766.40	48,415.90	\$ 46,300.00	\$ 2,115.90
Expenditures and Transfers				
Subject to Budget				
Operations				
Personal Services	22,711.57	24,508.88	\$ 25,000.00	\$ (491.12)
Contractual Services	4,198.19	9,059.17	8,000.00	1,059.17
Commodities	8,894.49	7,338.65	12,000.00	(4,661.35)
Capital Outlay	-	620.37	5,000.00	(4,379.63)
Operating Transfers to				
General Operating	-	-	10,000.00	(10,000.00)
Bond and Interest Fund	10,000.00	10,000.00	10,000.00	-
Total Expenditures and Transfers Subject to Budget	45,804.25	51,527.07	\$ 70,000.00	\$ (18,472.93)
Receipts Over(Under) Expenditures	(37.85)	(3,111.17)		
Unencumbered Cash, Beginning	14,362.68	14,324.83		
Unencumbered Cash, Ending	<u>\$ 14,324.83</u>	<u>\$ 11,213.66</u>		

See accompanying independent auditors' report

CITY OF NORWICH, KANSAS
AGENCY FUNDS
Schedule of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	<u>\$ 1,146.02</u>	<u>\$ 133,672.91</u>	<u>\$ 133,672.91</u>	<u>\$ 1,146.02</u>

See accompanying independent auditors' report