

CITY OF OGDEN
OGDEN, KANSAS

FINANCIAL STATEMENTS
DECEMBER 31, 2011

CITY OF OGDEN, KANSAS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

April 6, 2012

Mayor and City Council
City of Ogden, Kansas

We have audited the accompanying primary government financial statements of the City of Ogden, Kansas (the City), as of and for the year ended December 31, 2011, as listed in the Table of Contents. These financial statements are the responsibility of the City of Ogden, Kansas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Kansas Municipal Audit Guide. Those standards 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 statements. 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.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statements referred to above do not include the financial data of component units of the City of Ogden, Kansas, as of December 31, 2011.

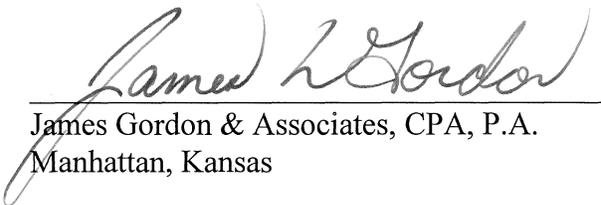
As described in Note 1, the City prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects 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, are presumed to be material.

Mayor and City Council
City of Ogden, Kansas
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In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of the City of Ogden, Kansas, as of December 31, 2011, and its cash receipts and expenditures compared to budget on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 3, 2011 on our consideration of the City of Ogden, Kansas internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended for the information and use of the City Council and management of the City of Ogden, Kansas and for filing with the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



James Gordon & Associates, CPA, P.A.
Manhattan, Kansas

CITY OF OGDEN, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances And Accounts Payable</u>	<u>Ending Cash Balance</u>
Governmental Type Funds:						
General Fund	\$ 775,037.57	\$ 702,704.52	\$ 633,993.79	\$ 843,748.30	\$ 23,281.95	867,030.25
Special Revenue Funds:						
Employee Benefit Fund	-	105,695.24	101,446.37	4,248.87	3,215.08	7,463.95
Special Highway Fund	58,917.41	69,942.13	58,205.31	70,654.23	1,288.10	71,942.33
Special Parks and Recreation Fund	76,232.68	6,553.99	3,295.50	79,491.17		79,491.17
Debt Service Fund:						
Bond and Interest Fund	53,455.30	598,695.15	632,637.84	19,512.61	-	19,512.61
Bond and Interest Reserve Fund	-	533,565.44	-	533,565.44	-	533,565.44
Capital Project Funds:						
Capital Improvement Fund	837,164.37	7,813.71	-	844,978.08	-	844,978.08
Capital Project - Wastewater Upgrade Funds						
Utility Relocation	(9,766.77)	9,766.77	-	-	-	-
Lift Station	(1,252.21)	1,252.21	-	-	-	-
Lagoon Upgrades	(148,609.10)	157,143.10	8,534.00	-	-	-
Proprietary Type Funds:						
Enterprise Funds:						
Sewer System Revenue Fund	477,469.42	160,283.13	166,261.24	471,491.31	1,709.25	473,200.56
Water System Revenue Fund	331,663.02	212,217.08	145,094.41	398,785.69	3,842.97	402,628.66
Total (Memorandum Only)	<u>\$ 2,450,311.69</u>	<u>\$ 2,565,632.47</u>	<u>\$ 1,749,468.46</u>	<u>\$ 3,266,475.70</u>	<u>\$ 33,337.35</u>	<u>\$ 3,299,813.05</u>

Composition of Cash:

Checking Account - Community 1st National Bank	\$ 174,069.54
Public Fund - Community 1st National Bank (90159446)	2,535,589.50
Certificate of Deposit, Community 1st National Bank	255,740.85
Certificate of Deposit, Community 1st National Bank	244,409.62
Certificate of Deposit, Community 1st National Bank	89,821.73
Petty Cash - Community Center	100.00
Petty Cash - City Clerk	31.81
Change Fund	50.00

Total Ending Cash Balance\$ 3,299,813.05

CITY OF OGDEN, KANSAS

SUMMARY OF EXPENDITURES
ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds:					
General Fund	\$ 1,162,709.00	\$ -	\$ 1,162,709.00	\$ 633,993.79	\$ (528,715.21)
Special Revenue Funds:					
Employee Benefit Fund	103,000.00	-	103,000.00	101,446.37	(1,553.63)
Special Highway Fund	82,945.00	-	82,945.00	58,205.31	(24,739.69)
Special Parks and Recreation Fund	83,613.00	-	83,613.00	3,295.50	(80,317.50)
Debt Service Fund:					
Bond and Interest Fund	680,374.00	-	680,374.00	632,637.84	(47,736.16)
Capital Improvement Fund	848,755.00	-	848,755.00	-	(848,755.00)
Proprietary Type Funds:					
Enterprise Funds:					
Sewer System Revenue Fund	197,868.00	-	197,868.00	166,261.24	(31,606.76)
Water System Revenue Fund	516,437.00	-	516,437.00	145,094.41	(371,342.59)

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

CITY OF OGDEN, KANSAS

GENERAL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Ad valorem tax	\$ 182,861.68	\$ 220,110.00	\$ (37,248.32)
Delinquent tax	55,375.37	6,000.00	49,375.37
Motor vehicle tax	18,454.33	21,857.00	(3,402.67)
Recreational vehicle tax	180.46	261.00	(80.54)
16/20 M vehicle tax	35.76	77.00	(41.24)
Sales tax	267,511.82	255,000.00	12,511.82
Liquor tax	2,393.43	2,500.00	(106.57)
Utility franchise	96,898.42	105,000.00	(8,101.58)
Swimming pool fees	3,839.80	3,000.00	839.80
Fees and permits	5,326.56	4,000.00	1,326.56
Interest on idle money	19,337.94	6,000.00	13,337.94
Dog tags	961.00	1,000.00	(39.00)
Police fines	34,591.50	24,000.00	10,591.50
Community center	6,156.36	14,000.00	(7,843.64)
Reimbursed expenses	4,607.50	-	4,607.50
Miscellaneous	4,172.59	5,000.00	(827.41)
Total Cash Receipts	702,704.52	\$ 667,805.00	\$ 34,899.52
Expenditures and Transfers Subject to Budget:			
General:			
Personal services	227,046.96	\$ 320,000.00	\$ (92,953.04)
Contractual services	105,274.65	160,000.00	(54,725.35)
Commodities	41,000.93	70,000.00	(28,999.07)
Capital outlay	80,559.86	87,800.00	(7,240.14)
Administrative and miscellaneous	19,740.00	25,000.00	(5,260.00)
Total General	473,622.40	662,800.00	(189,177.60)
Community Center:			
Personal services	44,896.08	50,000.00	(5,103.92)
Contractual services	22,606.88	16,000.00	6,606.88
Commodities	7,066.07	5,000.00	2,066.07
Capital outlay	383.40	5,000.00	(4,616.60)
Total Community Center	74,952.43	76,000.00	(1,047.57)

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

CITY OF OGDEN, KANSAS

GENERAL FUND, CONTINUED
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	Actual	Budget	Variance Over (Under)
Expenditures and Transfers Subject to Budget			
Continued:			
Court:			
Personal services	12,181.71	13,000.00	(818.29)
Contractual services	15,288.38	12,000.00	3,288.38
Commodities	596.59	9,000.00	(8,403.41)
Capital outlay	-	1,000.00	(1,000.00)
<u>Total Court</u>	<u>28,066.68</u>	<u>35,000.00</u>	<u>(6,933.32)</u>
Swimming Pool:			
Personal services	11,551.46	9,000.00	2,551.46
Contractual services	3,839.22	4,000.00	(160.78)
Commodities	10,845.40	9,000.00	1,845.40
Capital outlay	-	1,000.00	(1,000.00)
<u>Total Swimming Pool</u>	<u>26,236.08</u>	<u>23,000.00</u>	<u>3,236.08</u>
Park:			
Contractual services	1,315.24	3,000.00	(1,684.76)
Commodities	2,163.49	2,000.00	163.49
Capital outlay	-	5,000.00	(5,000.00)
<u>Total Park</u>	<u>3,478.73</u>	<u>10,000.00</u>	<u>(6,521.27)</u>
Library:			
Personal services	11,980.58	13,000.00	(1,019.42)
Contractual services	90.19	4,000.00	(3,909.81)
Commodities	1,339.59	1,000.00	339.59
Capital outlay	-	1,000.00	(1,000.00)
<u>Total Library</u>	<u>13,410.36</u>	<u>19,000.00</u>	<u>(5,589.64)</u>
Other:Expenditures			
City building	-	-	-
Street lighting	14,227.11	15,000.00	(772.89)
Economic development	-	-	-
Capital outlay	-	-	-
Contractual services	-	-	-
Welcome wagon	-	-	-
Bond principle	-	157,270.00	(157,270.00)
Bond interest	-	164,639.00	(164,639.00)
Bond Commission	-	-	-
Transfer to capital improvement fund	-	-	-
<u>Total Other Expenditures</u>	<u>14,227.11</u>	<u>336,909.00</u>	<u>(322,681.89)</u>
<u>Total Expenditures and Transfers</u>			
<u>Subject to Budget</u>	<u>633,993.79</u>	<u>\$1,162,709.00</u>	<u>\$ (528,715.21)</u>
<u>Excess (Deficit) Cash Revenues Over</u>			
<u>Cash Expenditures</u>	<u>68,710.73</u>		
<u>Beginning Fund Balance</u>	<u>775,037.57</u>		
<u>Ending Fund Balance</u>	<u>\$ 843,748.30</u>		

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

CITY OF OGDEN, KANSAS

EMPLOYEE BENEFIT FUND
STATEMENT 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>
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem tax	\$ 79,100.76	\$ 95,222.00	\$ (16,121.24)
Delinquent tax	19,907.25	-	19,907.25
Motor Vehicle tax	6,609.79	7,828.00	(1,218.21)
16/20M Vehicle tax	12.80	28.00	(15.20)
Recreational Vehicle tax	64.64	93.00	(28.36)
<u>Total Cash Receipts</u>	<u>105,695.24</u>	<u>\$ 103,171.00</u>	<u>\$ 2,524.24</u>
Expenditures and Transfers Subject to Budget:			
Personal services	57,163.02	\$ 60,000.00	\$ (2,836.98)
Contractual services	44,283.35	43,000.00	1,283.35
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>101,446.37</u>	<u>\$ 103,000.00</u>	<u>\$ (1,553.63)</u>
<u>Receipts Over (Under) Expenditures</u>	<u>4,248.87</u>		
<u>Unencumbered Cash, Beginning</u>	<u>-</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 4,248.87</u>		

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

CITY OF OGDEN, KANSAS

SPECIAL HIGHWAY FUND
STATEMENT 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>
Cash Receipts:			
State of Kansas	\$ 57,548.95	\$ 55,130.00	\$ 2,418.95
County Treasurer	5,014.10	4,480.00	534.10
FEMA disaster relief	7,379.08	1,500.00	5,879.08
	<u>69,942.13</u>	<u>\$ 61,110.00</u>	<u>\$ 8,832.13</u>
Expenditures and Transfers Subject to Budget:			
Personal services	-	\$ -	\$ -
Contractual services	5,384.33	4,000.00	1,384.33
Commodities	37,301.16	35,000.00	2,301.16
Capital outlay	15,519.82	43,945.00	(28,425.18)
	<u>58,205.31</u>	<u>\$ 82,945.00</u>	<u>\$ (24,739.69)</u>
<u>Receipts Over (Under) Expenditures</u>	11,736.82		
<u>Unencumbered Cash, Beginning</u>	<u>58,917.41</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 70,654.23</u>		

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

CITY OF OGDEN, KANSAS

SPECIAL PARKS AND RECREATION FUND
STATEMENT 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>
Cash Receipts:			
Taxes and Shared Revenue:			
Liquor tax	\$ 2,393.43	\$ 2,500.00	\$ (106.57)
Rents and fees	4,160.56	6,000.00	(1,839.44)
<u>Total Cash Receipts</u>	<u>6,553.99</u>	<u>\$ 8,500.00</u>	<u>\$ (1,946.01)</u>
Expenditures and Transfers Subject to Budget:			
Commodities	2,170.57	\$ 83,613.00	\$ (81,442.43)
Capital outlay	1,124.93	-	1,124.93
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>3,295.50</u>	<u>\$ 83,613.00</u>	<u>\$ (80,317.50)</u>
<u>Receipts Over (Under) Expenditures</u>	3,258.49		
<u>Unencumbered Cash, Beginning</u>	<u>76,232.68</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 79,491.17</u>		

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

CITY OF OGDEN, KANSAS

BOND AND INTEREST FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2011

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Ad valorem tax	\$ 12,328.82	\$ 14,840.00	\$ (2,511.18)
Delinquent tax	3,362.89	-	3,362.89
Motor vehicle tax	1,110.90	1,315.00	(204.10)
Recreational vehicle tax	10.86	16.00	(5.14)
16/20 M vehicle tax	2.16	5.00	(2.84)
Special assessments	441,011.65	448,640.00	(7,628.35)
Transfer from sewer fund	140,867.87	140,868.00	(0.13)
<u>Total Cash Receipts</u>	598,695.15	\$ 605,684.00	\$ (6,988.85)
Expenditures and Transfers:			
Water System:			
Cash Basis Reserve	-	\$ 47,723.00	\$ (47,723.00)
<u>Total Water System</u>	-	47,723.00	(47,723.00)
Internal Improvement:			
Expenditures and Transfers Subject to Budget, Continued:			
Internal Improvement, Continued:			
Principal payments on bonds and loans	372,697.84	352,272.00	20,425.84
Interest payments on bonds and loans	252,442.53	270,707.00	(18,264.47)
Service fees on bonds and loans	7,491.22	9,653.00	(2,161.78)
Commissions	6.25	19.00	(12.75)
<u>Total Internal Improvement</u>	632,637.84	632,651.00	(13.16)
<u>Total Expenditures and Transfers Subject to Budget</u>	632,637.84	\$ 680,374.00	\$ (47,736.16)
<u>Receipts Over (Under) Expenditures</u>	(33,942.69)		
<u>Unencumbered Cash, Beginning</u>	53,455.30		
<u>Unencumbered Cash, Ending</u>	\$ 19,512.61		

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

CITY OF OGDEN, KANSAS

BOND AND INTEREST RESERVE FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts:			
Proceeds from Letter of Credit	<u>\$ 533,565.44</u>	<u>\$ -</u>	<u>\$ 533,565.44</u>
<u>Total Cash Receipts</u>	<u>533,565.44</u>	<u>\$ -</u>	<u>\$ 533,565.44</u>
Expenditures and Transfers:			
Transfer to Bond and Interest Fund	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Receipts Over (Under) Expenditures</u>	533,565.44		
<u>Unencumbered Cash, Beginning</u>	<u>-</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 533,565.44</u>		

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

CITY OF OGDEN, KANSAS

CAPITAL IMPROVEMENT FUND
STATEMENT 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>
Cash Receipts:			
Interest on idle money	<u>\$ 7,813.71</u>	<u>\$ 12,000.00</u>	<u>\$ (4,186.29)</u>
<u>Total Cash Receipts</u>	<u>7,813.71</u>	<u>\$ 12,000.00</u>	<u>\$ (4,186.29)</u>
Expenditures and Transfers:			
Capital Outlay	<u>-</u>	<u>\$ 848,755.00</u>	<u>\$ (848,755.00)</u>
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>-</u>	<u>\$ 848,755.00</u>	<u>\$ (848,755.00)</u>
<u>Receipts Over (Under) Expenditures</u>	7,813.71		
<u>Unencumbered Cash, Beginning</u>	<u>837,164.37</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 844,978.08</u>		

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

CITY OF OGDEN, KANSAS

CAPITAL PROJECT - UTILITY RELOCATION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>
Cash Receipts:	
Proceeds from KDOT Grant	<u>\$ 9,766.77</u>
<u>Total Cash Receipts</u>	<u>9,766.77</u>
Expenditures and Transfers:	
Capital Outlay	<u>-</u>
<u>Total Expenditures and Transfers</u>	<u>-</u>
<u>Receipts Over (Under) Expenditures</u>	9,766.77
<u>Unencumbered Cash, Beginning</u>	<u>(9,766.77)</u>
<u>Unencumbered Cash, Ending</u>	<u>\$ -</u>

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

CITY OF OGDEN, KANSAS

CAPITAL PROJECT - LIFT STATION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>
Cash Receipts:	
Transfer from Sewer Fund	<u>\$ 1,252.21</u>
<u>Total Cash Receipts</u>	<u>1,252.21</u>
Expenditures and Transfers:	
Capital Outlay - Lift Station	<u>-</u>
<u>Total Expenditures and Transfers</u>	<u>-</u>
<u>Receipts Over (Under) Expenditures</u>	1,252.21
<u>Unencumbered Cash, Beginning</u>	<u>(1,252.21)</u>
<u>Unencumbered Cash, Ending</u>	<u>\$ -</u>

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

CITY OF OGDEN, KANSAS

CAPITAL PROJECT - LAGOON UPGRADE
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Actual</u>
Cash Receipts:	
Proceeds from KDHE Loan	\$ 150,524.28
CDBG Grant # 09-PF-834 Lagoons	4,550.00
Transfer from Sewer Fund	<u>2,068.82</u>
<u>Total Cash Receipts</u>	<u>157,143.10</u>
Expenditures and Transfers:	
Capital Outlay - Lift Station	<u>8,534.00</u>
<u>Total Expenditures and Transfers</u>	<u>8,534.00</u>
<u>Receipts Over (Under) Expenditures</u>	148,609.10
<u>Unencumbered Cash, Beginning</u>	<u>(148,609.10)</u>
<u>Unencumbered Cash, Ending</u>	<u>\$ -</u>

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

CITY OF OGDEN, KANSAS

SEWER SYSTEM REVENUE FUND
STATEMENT 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>
Cash Receipts:			
Sales/charges	\$ 160,283.13	\$ 153,000.00	\$ 7,283.13
<u>Total Cash Receipts</u>	<u>160,283.13</u>	<u>\$ 153,000.00</u>	<u>\$ 7,283.13</u>
Expenditures and Transfers Subject to Budget:			
Contractual services	11,658.97	\$ 17,000.00	\$ (5,341.03)
Commodities	10,413.37	20,000.00	(9,586.63)
Capital outlay	-	20,000.00	(20,000.00)
Transfer to Bond and Interest	140,867.87	140,868.00	(0.13)
Transfer to Capital Project - Lift Station	1,252.21		1,252.21
Transfer to Capital Project - Lagoon Upgrade	2,068.82	-	2,068.82
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>166,261.24</u>	<u>\$ 197,868.00</u>	<u>\$ (31,606.76)</u>
<u>Receipts Over (Under) Expenditures</u>	(5,978.11)		
<u>Unencumbered Cash, Beginning</u>	<u>477,469.42</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 471,491.31</u>		

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

CITY OF OGDEN, KANSAS

WATER SYSTEM REVENUE FUND
STATEMENT 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>
Cash Receipts:			
Sales/charges	\$ 204,425.63	\$ 185,000.00	\$ 19,425.63
Late charges	5,026.15	4,000.00	1,026.15
Sales tax	2,765.30	3,000.00	(234.70)
Reimbursed Expenses	-	-	-
<u>Total Cash Receipts</u>	<u>212,217.08</u>	<u>\$ 192,000.00</u>	<u>\$ 20,217.08</u>
Expenditures and Transfers Subject to Budget:			
Personal services	79,981.25	\$ 97,000.00	\$ (17,018.75)
Contractual services	34,657.23	20,000.00	14,657.23
Commodities	24,243.39	25,000.00	(756.61)
Capital outlay	2,091.16	374,437.00	(372,345.84)
Sales tax	4,121.38	-	4,121.38
Transfer to General Fund	-	-	-
<u>Total Expenditures and Transfers Subject to Budget</u>	<u>145,094.41</u>	<u>\$ 516,437.00</u>	<u>\$ (371,342.59)</u>
<u>Receipts Over (Under) Expenditures</u>	67,122.67		
<u>Unencumbered Cash, Beginning</u>	<u>331,663.02</u>		
<u>Unencumbered Cash, Ending</u>	<u>\$ 398,785.69</u>		

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

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Ogden, Kansas, is a municipal corporation governed by an elected five-member council plus a mayor. The City provides services to its citizens in the areas of water, sewers, streets, recreation facilities and general administrative services.

Fund Accounting

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

The following types of funds were utilized in recording the financial activities of the City of Ogden for the year 2011.

Governmental Funds

General Fund -- The general fund is used to account for all unrestricted financial resources except those required to be accounted for in another fund.

Special Revenue Funds -- The special revenue funds are used 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 expenditures for specific purposes.

Debt Service Fund -- The debt service fund is used to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments, which are general obligations of the City.

Debt Service Reserve Fund -- The debt service reserve fund is prepayments of future property special assessments received after the issuance of bonds to fund development infrastructure. The funds are transferred to the Debt Service Fund in the year that they were originally scheduled for assessment.

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 1 - Summary of Significant Accounting Policies, Continued

Governmental Funds, continued

Capital Project Funds -- The capital project funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities and improvements, other than those financed by enterprise funds.

Proprietary Funds

Enterprise Funds -- The enterprise funds are used to account for operations where it is the intent that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

The amounts shown in the Total (Memorandum Only) row on the accompanying statement "Summary of Cash Receipts, Expenditures, and Unencumbered Cash" is presented only to facilitate financial analysis and is not the equivalent of a consolidated financial statement.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, 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. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, an expenditure is charged in the fund from which the transfer is made. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by either a purchase order or a written contract.

The City approved a GAAP waiver as allowed by Kansas statute for 2011, which allows the City to present financial statements on a statutory basis of accounting.

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 1 - Summary of Significant Accounting Policies, Continued

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial 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 expenditures, 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 balances; 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 City 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 statements.

Budgetary Information

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

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

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1 - Summary of Significant Accounting Policies, Continued

Budgetary Information, Continued

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

The statutes permit transferring budget 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.

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

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

A legal operating budget is not required for the capital improvement fund and the capital project funds. Spending in funds not subject to the legal annual operating budget requirement is controlled by the use of internal spending limits established by the governing body.

Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employees. Full-time employees are entitled to ten days paid vacation leave after one year. Employees earn 15 days vacation per year after they have been employed ten years or more. Part-time employees who work at least 20 hours per week earn vacation leave of five days per year.

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 1 - Summary of Significant Accounting Policies, Continued

Compensated Absences, Continued

Upon termination, an employee will be compensated for all earned but unused vacation leave at their final rate of pay. There is no limit on the accumulation of vacation leave. Full-time employees earn ten hours of sick leave for each full month of service. Part-time employees, who are employed to work not less than 20 hours per week, receive five hours of sick leave for each month of employment. Sick leave may accrue indefinitely with no limit set. An employee who retires will be paid for sick leave at a rate of 25% of accrued sick leave. No pay will be given if an employee quits or is terminated.

Pension Plan

Substantially all employees of the City are members of the State of Kansas Public Employees' Retirement System, a multiple-employer public employer statewide pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

Note 2 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 (d) (1) 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.

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 2 - Deposits and Investments, Continued

<u>Investments</u>	<u>Percentage of Investments</u>
Guaranteed Investment Contracts Secured by U.S. Treasury & Agencies	100%

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’s designated “peak periods” are June 2 and December 3 for two sixty day periods. The depository bank’s pledge securities were deficient to meet the requirements of K.S.A. 9-1402 on several occasions with the maximum deficiency at one time reaching \$146,384.72 and a deficiency at December 31, 2011 of \$25,561.70.

At December 31, 2011, the City’s carrying amount of deposits was \$3,299,631.24 and the bank balance was \$3,311,878.73. The bank balance was held at one bank resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks. Of the bank balance, \$436,317.03 was covered by federal depository insurance and \$2,850,000.00 was covered by an irrevocable letter of credit issued by Federal Home Loan Bank of Topeka.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 3 – Statutory Compliance

K.S.A. 10-130 requires the City to remit sufficient moneys to the state for the redemption of maturing bond interest and principle at least 20 days before the due date. The City remitted payment on bond principle and interest maturing on October 1, 2011 on September 20, 2011.

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 4– Risk Management

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

Note 5 – Property Taxes

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied 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 of the full amounts of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes levied and collected in the year prior to January 1st of the ensuing year.

Note 6 – Compensated Absences

As of December 31, 2011, the accumulated vacation leave due was \$76,842.00. Those employees currently qualified for early retirement under the Kansas Public Employees' Retirement System (see note 7) would be entitled to \$37,932.00 of pay for unused sick leave. An estimate of other future sick pay liability as of December 31, 2011 has not been made, due to the uncertainty involved in predicting retirement versus termination and future sick days that will be taken.

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 7 - Long-Term Debt

Changes in long-term liabilities for the City of Ogden 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 and Service Fee Paid
General Obligation Bonds:										
Internal Improvement-										
Stills Ranch Addition #1	7.75%	1/1/91	60,490.00	10/1/11	\$ 3,000.00	\$ -	\$ 3,000.00	\$ (3,000.00)	\$ -	\$ 232.50
Stills Ranch Addition #6	5.60%-5.85%	6/15/00	230,000.00	12/1/15	105,000.00	-	20,000.00	(20,000.00)	85,000.00	6,032.50
Stills Ranch Addition #7	4.6%-5.1%	6/15/02	201,500.00	12/1/17	115,000.00	-	15,000.00	(15,000.00)	100,000.00	5,655.00
Community Building	4.0%	6/1/03	100,000.00	12/1/13	35,000.00	-	11,000.00	(11,000.00)	24,000.00	1,400.00
Stills Ranch #8	3.8%-4.6%	10/15/03	268,000.00	12/1/18	170,000.00	-	20,000.00	(20,000.00)	150,000.00	7,330.00
Stills Ranch Addition #9	3.65%-4.25%	8/15/05	213,000.00	12/1/20	165,000.00	-	15,000.00	(15,000.00)	150,000.00	6,667.50
Stills Ranch #10 & Springer Addition	2.65% - 4.85%	5/15/08	1,060,000.00	10/1/28	1,000,000.00	-	40,000.00	(40,000.00)	960,000.00	41,077.50
Stills Ranch #10 & Springer Addition	3.25% - 4.75%	7/15/09	1,960,000.00	10/1/29	1,920,000.00	-	65,000.00	(65,000.00)	1,855,000.00	82,955.00
River Trail #8	3.25% - 5.35%	7/15/10	210,000.00	12/1/30	210,000.00	-	5,000.00	(5,000.00)	205,000.00	13,536.67
Other:										
KDOT TFR 0053	3.59%	3/7/07	1,348,798.67	8/1/27	1,294,194.45	-	56,564.52	(56,564.52)	1,237,629.93	46,461.58
KDOT TFR 0069	3.85%	4/22/08	382,542.99	8/1/27	367,419.81	-	15,705.42	(15,705.42)	351,714.39	14,145.66
KDHE Revolving Loan Fund	2.58%	9/30/08	1,525,279.02	9/1/30	1,314,806.95	150,524.28	106,427.90	44,096.38	1,358,903.33	34,439.84
Total Contractual Indebtedness					6,699,421.21	150,524.28	372,697.84	(222,173.56)	6,477,247.65	259,933.75
Compensated Absences					149,153.00	-	34,379.00	(34,379.00)	114,774.00	-
Total Long - Term Debt					<u>\$6,848,574.21</u>	<u>\$150,524.28</u>	<u>\$407,076.84</u>	<u>\$(256,552.56)</u>	<u>\$6,592,021.65</u>	<u>\$259,933.75</u>

CITY OF OGDEN, KANSAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 6 - 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>2022-2026</u>	<u>2027-2032</u>	<u>Total</u>
PRINCIPAL									
General Obligation Bonds	\$192,000.00	\$197,000.00	\$200,000.00	\$205,000.00	\$190,000.00	\$ 915,000.00	\$ 980,000.00	\$ 650,000.00	\$3,529,000.00
KDHE and KDOT Loans	<u>133,055.50</u>	<u>137,296.96</u>	<u>141,677.33</u>	<u>146,201.25</u>	<u>150,873.55</u>	<u>830,004.20</u>	<u>972,146.26</u>	<u>436,992.60</u>	<u>2,948,247.65</u>
TOTAL PRINCIPAL	<u>325,055.50</u>	<u>334,296.96</u>	<u>341,677.33</u>	<u>351,201.25</u>	<u>340,873.55</u>	<u>1,745,004.20</u>	<u>1,952,146.26</u>	<u>1,086,992.60</u>	<u>6,477,247.65</u>
INTEREST									
General Obligation Bonds	153,997.50	146,737.50	139,312.50	131,792.50	123,545.00	501,160.00	299,715.00	60,937.50	1,557,197.50
KDHE and KDOT Loans	<u>92,658.96</u>	<u>88,417.50</u>	<u>84,037.13</u>	<u>79,513.21</u>	<u>74,840.91</u>	<u>298,568.10</u>	<u>156,426.04</u>	<u>20,815.06</u>	<u>895,276.91</u>
TOTAL INTEREST	<u>246,656.46</u>	<u>235,155.00</u>	<u>223,349.63</u>	<u>211,305.71</u>	<u>198,385.91</u>	<u>799,728.10</u>	<u>456,141.04</u>	<u>81,752.56</u>	<u>2,452,474.41</u>
TOTAL PRINCIPAL & INTEREST	<u>\$571,711.96</u>	<u>\$569,451.96</u>	<u>\$565,026.96</u>	<u>\$562,506.96</u>	<u>\$539,259.46</u>	<u>\$2,544,732.30</u>	<u>\$2,408,287.30</u>	<u>\$1,168,745.16</u>	<u>\$8,929,722.06</u>

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note 8 - Defined Benefit Pension Plan

Plan description. The City of Ogden, Kansas 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, Kansas 66603-3808) 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 City collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for January 1, 2011 to December 31, 2011 is 7.74% and includes 1% for death and disability. The State of Kansas issued a moratorium on death and disability insurance contributions effective March 1, 2011 through June 30, 2011. The City contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$27,230.10, \$26,612.88, and \$19,883.61 respectively, equal to the statutory required contributions for each year.

Note 9 – Capital Project Funds

At year-end, the council had authorized a project to replace the current City water meters with telemetry meters. The total authorized project is for \$198,998.00. The project began in January and is expected to be completed by May of 2012. City employees are being utilized to replace the meters.

Note 10 – Interfund Transactions

The following operating transfers have been authorized for the year 2011:

<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>STATUTE</u>
Sewer Fund	Bond & Interest	\$ 140,867.87	K.S.A 12-825d
Sewer Fund	Capital Project – Lift Station	\$ 1,252.21	K.S.A 12-825d
Sewer Fund	Capital Project – Lagoon Upgrade	\$ 2,068.82	K.S.A 12-825d

CITY OF OGDEN, KANSAS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011

Note 10 – Subsequent Events

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through April 6, 2012 the date the financial statements were issued.