

# **CITY OF AUGUSTA, KANSAS**

## **FINANCIAL STATEMENT**

**AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

Prepared By

Edw. B. Stephenson & Co., CPAs Chartered  
Certified Public Accountants  
Winfield, Kansas

# **CITY OF AUGUSTA, KANSAS**

## **FOR THE YEAR ENDED DECEMBER 31, 2012**

### **GOVERNING BODY**

Kristey Williams, Mayor                      04/15/2007 – 04/15/2015

### **CITY COUNCIL**

Holly Harper	Ward 1	06/02/2003 – 11/19/2012
Michael R Martin	Ward 1	12/03/2012 – 04/15/2013
Matt Childers	Ward 1	02/02/2009 – 04/15/2015
Michael Huddleston	Ward 2	04/18/2005 – 04/15/2013
Michael Wallace	Ward 2	04/15/2007 – 04/15/2015
Mike Rawlings	Ward 3	04/17/2000 – 04/15/2013
Sue Jones	Ward 3	04/15/2011 – 04/15/2015
Matt Malone	Ward 4	04/15/2011 – 04/15/2015
Ron Reavis	Ward 4	04/15/2009 – 04/15/2013

### **CITY OFFICERS**

William Keefer, City Manager

Erica Jones, Clerk

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**EDW. B  
STEPHENSON  
& CO., CPAs  
CHARTERED**

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EDW. B. STEPHENSON  
(1905-1985)

JAMES R. DOBBS  
(1927-1997)

HARRY L. SHETLAR, JR.  
(1931-2000)

MORRIS W. JARVIS  
(1935-1999)

N. DEAN BRADBURY  
(1936-2005)

LOREN L. PONTIOUS  
(Retired)

SHAREHOLDERS

AARON R. IVERSON, CPA

MICHAEL B. NORTON, CPA

MAURICE P. ROBERTS, CPA

ACCOUNTANTS

SARAH M. KINDT

MELISSA J. SCHOOLEY

HEIDI M. HUENERGARDT

## INDEPENDENT AUDITORS' REPORT

To the City Manager and City Council  
City of Augusta  
Augusta, Kansas

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

*Management's responsibility for the Financial Statement*

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

*Auditors' Responsibility*

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

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

1002 Main Street  
Winfield, Kansas 67156  
620-221-9320  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described in Note I of the financial statement, the financial statement is prepared by the City of Augusta to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Augusta as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Augusta as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note I.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards* we have also issued our report dated May 15, 2013, on our consideration of the City of Augusta, Kansas's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in accessing the results of our audit.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, (schedules 1, 2, and 3 as listed in the table of contents) and schedule of expenditures of federal awards, as required by the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for

analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note I.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated July 14, 2012. The 2011 financial statement and our accompany report are not presented herein, but are available in electronic form from the website of Kansas Department of Administration, Office of Management Analysis and Standards at the following line <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

Sincerely Yours,

  
Edw. B. Stephenson & Co., CPAs Chartered

# CITY OF AUGUSTA, KANSAS

## Summary Statement of Receipts, Expenditures and Unencumbered Cash Regulatory Basis

For the Year Ended December 31, 2012

|                                        | Beginning<br>Unencumbered<br>Cash Balance | Cash<br>Receipts       | Expenditures           | Ending<br>Unencumbered<br>Cash Balance | Add<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|----------------------------------------|-------------------------------------------|------------------------|------------------------|----------------------------------------|------------------------------------------------|------------------------|
| <b>General</b>                         | <b>\$ 1,333,279.78</b>                    | <b>\$ 3,474,425.45</b> | <b>\$ 3,607,542.51</b> | <b>\$ 1,200,162.72</b>                 | <b>\$ 88,758.70</b>                            | <b>\$ 1,288,921.42</b> |
| <b>Special Purpose Funds</b>           |                                           |                        |                        |                                        |                                                |                        |
| Industrial Development                 | 379,692.93                                | 44,870.75              | -                      | 424,563.68                             | -                                              | 424,563.68             |
| Library Employee Benefits              | 1,000.00                                  | 41,607.62              | 41,107.62              | 1,500.00                               | -                                              | 1,500.00               |
| Library                                | 1,969.58                                  | 229,435.27             | 229,850.12             | 1,554.73                               | -                                              | 1,554.73               |
| Cemetery Endowment                     | 89,726.70                                 | 8,611.06               | 15,000.00              | 83,337.76                              | -                                              | 83,337.76              |
| Employee Benefits                      | 92,973.45                                 | 888,402.59             | 825,905.12             | 155,470.92                             | 6,311.67                                       | 161,782.59             |
| Special City-County Highway            | 298,263.33                                | 322,158.96             | 289,555.71             | 330,866.58                             | 3,067.42                                       | 333,934.00             |
| Special Improvement                    | -                                         | -                      | -                      | -                                      | -                                              | -                      |
| Special Alcohol                        | 64,914.72                                 | 12,200.95              | 15,009.16              | 62,106.51                              | -                                              | 62,106.51              |
| Street Sales Tax                       | 553,509.03                                | 476,906.76             | 522,213.43             | 508,202.36                             | -                                              | 508,202.36             |
| Convention and Visitors Bureau         | 30,795.01                                 | 11,687.49              | 5,158.35               | 37,324.15                              | -                                              | 37,324.15              |
| Emergency Communications               | 186,377.68                                | 6,743.43               | 8,783.12               | 184,337.99                             | -                                              | 184,337.99             |
| Special Park                           | 176,521.84                                | 51,234.13              | 41,853.70              | 185,902.27                             | -                                              | 185,902.27             |
| Capital Improvements                   | 325,293.12                                | 486,762.68             | 556,268.71             | 255,787.09                             | -                                              | 255,787.09             |
| Water System Improvement Bonds         | 1,172,033.12                              | 17,041.76              | 141,771.22             | 1,047,303.66                           | -                                              | 1,047,303.66           |
| Emergency Communications 2012          | -                                         | 29,807.61              | -                      | 29,807.61                              | -                                              | 29,807.61              |
| Employee Insurance                     | 1,841.18                                  | 17,705.75              | 18,097.26              | 1,449.67                               | -                                              | 1,449.67               |
| Health Insurance Reserve               | 179,011.33                                | 528.52                 | -                      | 179,539.85                             | -                                              | 179,539.85             |
| Drug Reimbursement                     | 3,647.88                                  | -                      | -                      | 3,647.88                               | -                                              | 3,647.88               |
| FAA Airport Project                    | 5,151.88                                  | -                      | 5,151.88               | -                                      | -                                              | -                      |
| FAA Runway Project                     | (280,249.28)                              | 1,047,902.00           | 785,819.68             | (18,166.96)                            | -                                              | (18,166.96)            |
| Airport Fuel Branding                  | -                                         | 3,542.57               | 3,542.57               | -                                      | -                                              | -                      |
| State Seizure                          | 2,344.76                                  | 1,623.86               | -                      | 3,968.62                               | -                                              | 3,968.62               |
| Automatic External Defibrillator Grant | 1,488.21                                  | -                      | -                      | 1,488.21                               | -                                              | 1,488.21               |
| Law Enforcement Grant                  | 331.48                                    | -                      | -                      | 331.48                                 | -                                              | 331.48                 |
| DUI Grant                              | 1,088.07                                  | -                      | -                      | 1,088.07                               | -                                              | 1,088.07               |
| Corp Levee                             | 1,491,894.87                              | 206,331.55             | 738,887.57             | 959,338.85                             | 5,145.00                                       | 964,483.85             |
| Corp Levee Escrow                      | -                                         | 64,500.00              | 64,500.00              | -                                      | -                                              | -                      |
| E-Comm/Augusta Progress Inc. Loans     | 1,700.00                                  | 2,986.48               | 2,986.48               | 1,700.00                               | -                                              | 1,700.00               |
| Economic Development                   | 39,000.00                                 | -                      | -                      | 39,000.00                              | -                                              | 39,000.00              |
| Airport Fly-In Donations               | -                                         | 2,200.00               | 2,200.00               | -                                      | -                                              | -                      |

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

# CITY OF AUGUSTA, KANSAS

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

|                                                            | Beginning<br>Unencumbered<br>Cash Balance | Cash<br>Receipts        | Expenditures            | Ending<br>Unencumbered<br>Cash Balance | Add<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance  |
|------------------------------------------------------------|-------------------------------------------|-------------------------|-------------------------|----------------------------------------|------------------------------------------------|-------------------------|
| <b>Bond and Interest Fund</b>                              |                                           |                         |                         |                                        |                                                |                         |
| Bond and Interest                                          | \$ 62,738.97                              | \$ 2,190,145.13         | \$ 2,211,968.20         | \$ 40,915.90                           | \$ -                                           | \$ 40,915.90            |
| Water GO Bond and Interest                                 | 162,625.00                                | 375.00                  | 81,312.50               | 81,687.50                              | -                                              | 81,687.50               |
| <b>Capital Project Funds</b>                               |                                           |                         |                         |                                        |                                                |                         |
|                                                            | 1,649,742.84                              | 1,726,867.20            | 1,872,379.60            | 1,504,230.44                           | 38,492.24                                      | 1,542,722.68            |
| <b>Business Funds</b>                                      |                                           |                         |                         |                                        |                                                |                         |
| Electric Utility                                           | 5,101,559.99                              | 9,194,347.46            | 8,699,294.18            | 5,596,613.27                           | 39,961.37                                      | 5,636,574.64            |
| Water Utility                                              | 808,610.33                                | 2,480,737.28            | 2,343,170.34            | 946,177.27                             | 15,565.49                                      | 961,742.76              |
| Refuse                                                     | 307,766.41                                | 754,052.48              | 708,150.71              | 353,668.18                             | 11,767.98                                      | 365,436.16              |
| Wastewater Treatment                                       | 1,813,771.50                              | 6,221,049.67            | 6,333,515.37            | 1,701,305.80                           | 12,423.48                                      | 1,713,729.28            |
| Electric Bond Reserve                                      | 66,500.00                                 | -                       | -                       | 66,500.00                              | -                                              | 66,500.00               |
| Water Bond Reserve                                         | 461,000.00                                | -                       | -                       | 461,000.00                             | -                                              | 461,000.00              |
| <b>Total Reporting Entity<br/>(Excluding Agency Funds)</b> | <u>\$ 16,587,915.71</u>                   | <u>\$ 30,016,791.46</u> | <u>\$ 30,170,995.11</u> | <u>\$ 16,433,712.06</u>                | <u>\$ 221,493.35</u>                           | <u>\$ 16,655,205.41</u> |
| <b>Composition of Cash:</b>                                |                                           |                         |                         |                                        |                                                |                         |
| Cash on Hand                                               |                                           |                         |                         |                                        |                                                | \$ 700.00               |
| Checking Account - Emprise Bank                            |                                           |                         |                         |                                        |                                                | 3,674,978.65            |
| Checking Account - Emprise Bank - Payroll Acct             |                                           |                         |                         |                                        |                                                | 103,346.31              |
| Checking Account - Emprise Bank - HRA                      |                                           |                         |                         |                                        |                                                | 1,000.01                |
| Checking Account - Bank of America - AFLAC                 |                                           |                         |                         |                                        |                                                | 1,527.67                |
| Kansas Municipal Investment Pool                           |                                           |                         |                         |                                        |                                                | 9,586,872.99            |
| Certificates of Deposit - Bank of America                  |                                           |                         |                         |                                        |                                                | 2,610,717.42            |
| Certificates of Deposit - Emprise Bank                     |                                           |                         |                         |                                        |                                                | 668,343.59              |
| Emprise Bank - City Court Checking Account (Net)           |                                           |                         |                         |                                        |                                                | 12,158.41               |
| Insufficient Fund Checks on Hand                           |                                           |                         |                         |                                        |                                                | 249.87                  |
| Total Cash                                                 |                                           |                         |                         |                                        |                                                | <u>\$ 16,659,894.92</u> |
| Agency Funds per Schedule 3                                |                                           |                         |                         |                                        |                                                | <u>(4,689.51)</u>       |
| <b>Total Reporting Entity (Excluding Agency Funds)</b>     |                                           |                         |                         |                                        |                                                | <u>\$ 16,655,205.41</u> |

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

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Municipal Financial Reporting Entity**

The City of Augusta, Kansas, was incorporated in 1871 and is a City of the Second Class pursuant to state statute. The City is operated under a Mayor-Council-Manager form of government. The Council is composed of eight members elected from four wards, with a member of each ward elected every two years. The Mayor is elected at-large every four years.

The City receives funding from various local and state sources and must comply with the concomitant requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity" as defined in Section 2100 of GAFRS, since Council members are elected by the general public, have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

*Related Municipal Entities.* The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Augusta, Kansas, with the exception of the Augusta Public Library, the Augusta Housing Authority, and the Public Building Commission, component units which are not considered to be significant to the operations of the City. Copies can be obtained by contacting the management at the following addresses:

Augusta Public Library, 1609 State Street, Augusta, Kansas 67010  
Augusta Housing Authority, 620 Osage Street, Augusta, Kansas 67010  
Public Building Commission, 113 E. 6<sup>th</sup> Ave., Augusta, KS 67010

**B. Basis of Presentation – Regulatory Basis Fund Types**

The financial transactions of the City are recorded in individual 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 on specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

In accordance with State of Kansas Statutes, the following different types of funds comprise the financial activities of the City for the year ending December 31, 2012:

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

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

**C. Basis of Accounting**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrances obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

**D. 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.

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

**E. Utility Customers**

Utility accounts receivable on December 31, 2012, were \$1,073,325.88. As explained previously in Note I, The City is on the modified cash basis of accounting and does not recognize revenue until the cash payment is actually received.

**F. Special Assessments**

Projects financed in part by special assessments are funded through general obligation bonds issued by the City and listed with its other general obligation debt. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project but special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund, from which the bonds will be paid.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The budget was amended by the following amounts during 2012:

| <u>Fund</u>         | <u>Original Budget</u> | <u>Amended Budget</u> |
|---------------------|------------------------|-----------------------|
| Special Alcohol     | 16,000                 | 19,000                |
| Capital Improvement | 510,000                | 585,000               |
| Water Utility       | 2,328,400              | 2,428,400             |

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

|               |        |        |
|---------------|--------|--------|
| Special Parks | 45,000 | 47,000 |
|---------------|--------|--------|

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, agency funds and the following special purpose funds:

|                                             |                          |
|---------------------------------------------|--------------------------|
| Emergency Communication 2012 Fund           | Employee Insurance Fund  |
| Health Insurance Reserve Fund               | Drug Reimbursement Fund  |
| FAA Airport Project Fund                    | FAA Runway Project Fund  |
| Airport Fuel Branding Fund                  | State Seizure Fund       |
| Automatic External Defibrillator Grant Fund | DUI Grant Fund           |
| Law Enforcement Grant Fund                  | Corp Levee Fund          |
| E-Comm / Augusta Progress Inc. Loan         | Corp Levee Escrow Fund   |
| Economic Development                        | Airport Fly-In Donations |
| Electric Bond Reserve Fund                  | Water Bond Reserve Fund  |

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, or by the use of internal spending limits established by the governing body.

**B. Compliance with Kansas Statutes**

The City failed to comply with K.S.A. 60-1111, which requires the City to take a surety bond from a contractor in any public work contracts exceeding \$100,000. This surety bond must be in a sum not less than the sum total in the contract conditioned. There was one project which was in excess of \$100,000 that the City failed to obtain a surety bond.

**C. Compliance with Finance-Related Legal and Contractual Provisions**

The City failed to comply with K.S.A. 10-130, which requires the City to remit payment to the state fiscal agent at least 20 days before the day of maturity on any bonds or the interest thereon.

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

**III. DEPOSITS AND INVESTMENTS**

As of December 31, 2012, the City had the following investments and maturities:

| <u>Investment Type</u>           | <u>Fair Value</u> | <u>Maturity -<br/>Less than<br/>1 Year</u> | <u>Rating</u> |
|----------------------------------|-------------------|--------------------------------------------|---------------|
| Kansas Municipal Investment Pool | \$ 9,513,649.59   | \$ 9,513,649.59                            | AAAf/S1+      |

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, or in an adjoining county if such institution has been designated as an official depository, and the banks to 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 certificate 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.* This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. State statutes place no limit on the amount the City can invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the KMIP are diversified according to policies of the investment pool.

*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%. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the City's deposits, including certificates of deposit, was \$7,146,245.33 and the bank balance was \$7,816,552.93. Of the bank balance, \$500,000.00 was covered by federal depository insurance, and \$7,316,552.93 was collateralized with securities held by the pledging financial institutions agents in the City's name.

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality 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.

At December 31, 2012, the City had invested \$9,586,872.99 in the Kansas Municipal Investment Pool (KMIP). KMIP is under the oversight of the pooled money investment board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the United States government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, KMIP may invest in repurchase agreements with the Kansas banks or with primary government securities dealers.

**IV. CAPITAL PROJECTS**

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

| <u>Current Projects</u>           | <u>Authorized<br/>Amounts</u> | <u>Expenditures<br/>To Date</u> |
|-----------------------------------|-------------------------------|---------------------------------|
| Airport Pavement Seals            | \$ 159,000.00                 | \$ 102,478.75                   |
| FAA Parallel Taxiway-Engineering  | 114,900.00                    | 114,180.00                      |
| FAA Parallel Taxiway-Construction | 1,263,010.00                  | 1,263,009.38                    |
| Environment Assessment            | 93,000.00                     | 19,066.00                       |
| Water System Improvements         | 1,900,000.00                  | 843,200.30                      |
| Corp Levee                        | 5,400,000.00                  | 1,397,709.19                    |
| Depot Purchased                   | 125,000.00                    | 24,000.00                       |
| NRP Marketing Plan                | 20,000.00                     | 18,604.12                       |
| Dam Spillway Project              | 1,882,582.46                  | 1,754,014.50                    |
| KLINK 2012                        | 200,000.00                    | 180,314.26                      |
| Ohio/Kelly Intersection           | 825,592.83                    | 185,297.97                      |
| 2010 Temp Notes                   | 413,947.91                    | 412,251.40                      |

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

**V. LONG-TERM DEBT**

Changes in long-term liabilities for the Entity for the year ended December 31, 2012, were as follows:

| Issue                                    | Interest Rates | Date of Issue | Amount of Issue | Date of Final Maturity | Balance Beginning of Year | Additions    | Reductions / Payments | Balance       |               |
|------------------------------------------|----------------|---------------|-----------------|------------------------|---------------------------|--------------|-----------------------|---------------|---------------|
|                                          |                |               |                 |                        |                           |              |                       | End of Year   | Interest Paid |
| <b>General Obligation Bonds</b>          |                |               |                 |                        |                           |              |                       |               |               |
| Series 2005 A GO Internal Improvements   | 3.99%          | 03/24/05      | \$ 275,000      | 10/01/20               | \$ 195,000                | \$ -         | \$ 175,000            | \$ 20,000     | \$ 1,530      |
| Series 2006 A GO Refunding & Improvement | 3.70%          | 05/30/06      | 2,040,000       | 09/01/21               | 1,195,000                 | -            | 860,000               | 335,000       | 37,430        |
| Series 2006 B GO Refunding & Improvement | 3.70%          | 06/06/06      | 1,540,000       | 03/01/15               | 535,000                   | -            | 140,000               | 395,000       | 19,633        |
| Series 2008 A GO                         | 3.85%          | 04/15/08      | 655,000         | 09/01/23               | 390,000                   | -            | 30,000                | 360,000       | 15,695        |
| Series 2008 B GO                         | 3.38%          | 04/15/08      | 780,000         | 09/01/16               | 460,000                   | -            | 90,000                | 370,000       | 15,878        |
| Series 2009                              | 3.73%          | 12/15/09      | 700,000         | 09/01/24               | 680,000                   | -            | 40,000                | 640,000       | 24,620        |
| Series 2010 A GO                         | 3.25%          | 12/18/10      | 2,175,000       | 09/01/30               | 2,175,000                 | -            | -                     | 2,175,000     | 81,313        |
| Series 2010 B GO Refunding               | 2.00%          | 12/18/10      | 1,370           | 09/01/19               | 1,305,000                 | -            | 160,000               | 1,145,000     | 32,925        |
| Series 2010 C GO Refunding               | 2.00%          | 12/18/10      | 4,275,000       | 09/01/21               | 4,190,000                 | -            | 55,000                | 4,135,000     | 121,694       |
| Series 2012 GO Refunding                 | 2.00%          | 03/15/12      | 945,000         | 09/01/21               | -                         | 945,000      | 5,000                 | 940,000       | 8,715         |
| Series 2012 GO WWTP Refunding            | 2.00%          | 03/15/12      | 4,800,000       | 09/01/21               | -                         | 4,800,000    | 245,000               | 4,555,000     | 44,267        |
| Series 2012 B GO                         | 2.75%          | 08/01/12      | 455,000         | 09/01/32               | -                         | 455,000      | -                     | 455,000       | -             |
| <b>Revenue Bonds</b>                     |                |               |                 |                        |                           |              |                       |               |               |
| Series 2002 Electric Utility System      | 5.08%          | 05/15/02      | 7,335,000       | 08/01/22               | 340,000                   | -            | 340,000               | -             | 13,940        |
| Series 2004 A Waterworks System          | 4.25%          | 11/15/04      | 5,895,000       | 10/01/19               | 3,815,000                 | -            | 290,000               | 3,525,000     | 162,000       |
| Series 2010 Waterworks System            | 6.90%          | 12/18/10      | 520,000         | 09/01/18               | 520,000                   | -            | -                     | 520,000       | 22,938        |
| <b>Temporary Notes</b>                   |                |               |                 |                        |                           |              |                       |               |               |
| Series 2010-1                            | 0.75%          | 08/11/10      | 420,000         | 09/01/12               | 420,000                   | -            | 420,000               | -             | 1,575         |
| Series 2011-1                            | 2.00%          | 06/22/11      | 2,075,000       | 09/01/13               | 2,075,000                 | -            | -                     | 2,075,000     | 49,454        |
| Series 2011-2                            | 0.60%          | 09/01/11      | 1,135,000       | 09/01/13               | 1,135,000                 | -            | -                     | 1,135,000     | 6,810         |
| Series 2011-3                            | 0.50%          | 11/01/11      | 830,000         | 09/01/13               | 830,000                   | -            | -                     | 830,000       | 3,458         |
| <b>KDHE Loans</b>                        |                |               |                 |                        |                           |              |                       |               |               |
| Water Pollution Control                  | 3.11%          | 09/01/98      | 9,248,942       | 03/01/21               | 5,062,316                 | -            | 5,062,316             | -             | -             |
| <b>Lease Purchase Agreements</b>         |                |               |                 |                        |                           |              |                       |               |               |
| Street Sweeper                           | 3.34%          | 08/21/09      | 100,000         | 08/21/13               | 51,642                    | -            | 25,397                | 26,245        | -             |
| Total Bonded Debt                        |                |               |                 |                        | \$ 25,373,958             | \$ 6,200,000 | \$ 7,937,713          | \$ 23,636,245 | \$ 663,875    |
| Compensated Absences                     | N/A            | N/A           | N/A             | N/A                    | 248,669                   | 24,875       |                       | 273,544       |               |
| Total Long-term debt                     |                |               |                 |                        | \$ 25,622,627             | \$ 6,224,875 | \$ 7,937,713          | \$ 23,909,789 | \$ 663,875    |

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

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

|                                     | Year             |                  |                  |                  |                  |                  | Total            |                |                   |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|-------------------|
|                                     | 2013             | 2014             | 2015             | 2016             | 2017             | 2018-2022        |                  | 2023-2027      | 2028-2032         |
| <b>Principal</b>                    |                  |                  |                  |                  |                  |                  |                  |                |                   |
| General Obligation Bonds            | \$ 1,600,000     | \$ 1,640,000     | \$ 1,530,000     | \$ 1,455,000     | \$ 1,395,000     | \$ 5,930,000     | \$ 1,200,000     | \$ 775,000     | \$ 15,525,000     |
| Temporary Notes                     | 4,040,000        | -                | -                | -                | -                | -                | -                | -              | 4,040,000         |
| Revenue Bonds                       | 305,000          | 525,000          | 680,000          | 710,000          | 590,000          | 1,235,000        | -                | -              | 4,045,000         |
| Lease Purchase Agreement            | 26,245           | -                | -                | -                | -                | -                | -                | -              | 26,245            |
| <b>Total Principal</b>              | <u>5,971,245</u> | <u>2,165,000</u> | <u>2,210,000</u> | <u>2,165,000</u> | <u>1,985,000</u> | <u>7,165,000</u> | <u>1,200,000</u> | <u>775,000</u> | <u>23,636,245</u> |
| <b>Interest</b>                     |                  |                  |                  |                  |                  |                  |                  |                |                   |
| General Obligation Bonds            | \$ 355,051       | \$ 394,104       | \$ 347,771       | \$ 307,581       | \$ 269,799       | \$ 795,598       | \$ 277,218       | \$ 65,630      | \$ 2,812,751      |
| Temporary Notes                     | 52,460           | -                | -                | -                | -                | -                | -                | -              | 52,460            |
| Revenue Bonds                       | 174,018          | 160,130          | 139,193          | 111,648          | 82,531           | 76,275           | -                | -              | 743,794           |
| Lease Purchase Agreement            | 877              | -                | -                | -                | -                | -                | -                | -              | 877               |
| <b>Total Interest</b>               | <u>582,406</u>   | <u>554,234</u>   | <u>486,964</u>   | <u>419,229</u>   | <u>352,330</u>   | <u>871,873</u>   | <u>277,218</u>   | <u>65,630</u>  | <u>3,609,882</u>  |
| <b>Total Principal and Interest</b> | <u>6,553,651</u> | <u>2,719,234</u> | <u>2,696,964</u> | <u>2,584,229</u> | <u>2,337,330</u> | <u>8,036,873</u> | <u>1,477,218</u> | <u>840,630</u> | <u>27,246,127</u> |

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

**VI. INTERFUND TRANSFERS**

| <u>From Fund</u>           | <u>To Fund</u>                  | <u>Statutory Authority</u> | <u>Amount</u> |
|----------------------------|---------------------------------|----------------------------|---------------|
| General                    | Street Sales Tax                | K.S.A. 12-1,118            | \$ 476,906.76 |
| General                    | Capital Improvements            | K.S.A. 12-1,118            | 190,762.68    |
| FAA Master Plan            | FAA Airport Environmental Study | K.S.A. 12-1,118            | 5,151.88      |
| Street Sales Tax           | KLINK 7th Street                | K.S.A. 12-197              | 73,000.00     |
| Street Sales Tax           | Kelly/Ohio Project              | K.S.A. 12-197              | 100,000.00    |
| Street Sales Tax           | South Ohio Project              | K.S.A. 12-197              | 100,000.00    |
| Capital Improvement        | FAA Airport Environmental Study | K.S.A. 12-1,118            | 5,000.00      |
| Capital Improvement        | Garvin Park Playground          | K.S.A. 12-1,118            | 100,000.00    |
| Capital Improvement        | Public Works Building Project   | K.S.A. 12-1,118            | 50,000.00     |
| Capital Improvement        | Kelly/Ohio Project              | K.S.A. 12-1,118            | 100,000.00    |
| Capital Improvement        | South Ohio Project              | K.S.A. 12-1,118            | 100,000.00    |
| Sanitation                 | General                         | K.S.A. 12-825d             | 10,000.00     |
| Water                      | Water Bond P & I                | K.S.A. 12-825d             | 460,000.00    |
| Electric                   | General                         | K.S.A. 12-825d             | 225,300.00    |
| Electric                   | Library                         | K.S.A. 12-825d             | 3,400.00      |
| Electric                   | Special Parks                   | K.S.A. 12-825d             | 18,100.00     |
| Electric                   | Library Employee Benefit        | K.S.A. 12-825d             | 2,400.00      |
| Electric                   | Employee Benefit                | K.S.A. 12-825d             | 61,500.00     |
| Electric                   | Capital Improvements            | K.S.A. 12-1,118            | 296,000.00    |
| Electric                   | Electric Reserve                | K.S.A. 12-825d             | 200,000.00    |
| Electric                   | Electric P & I                  | K.S.A. 12-825d             | 515,000.00    |
| Electric                   | Bond & Interest                 | K.S.A. 12-825d             | 45,000.00     |
| Wastewater Treatment Plant | Wastewater Reserve              | K.S.A. 12-825d             | 50,000.00     |
| Corp Levee Project         | Levee Escrow                    | K.S.A. 12-1,118            | 64,500.00     |
| Library Project            | Bond & Interest                 | K.S.A. 12-1221             | 8,000.00      |

**VII. CLAIMS AND JUDGEMENTS**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

**VIII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

*Vacation Leave:* Employees earn vacation leave at the rate of 3.08 hours for each bi-weekly pay period during the first five years of service, 4.62 hours after five years of continuous service, and 6.16 hours after fifteen years of continuous service. Accumulated vacation hours may not exceed 200 hours; 260 hours for those with over ten years of continuous service. At December 31, 2012, earned but unused vacation leave amounted to \$245,506.64.

*Sick Leave:* Employees earn 4.62 hours of sick leave for each bi-weekly pay period employed. Each employee may accumulate a maximum of 960 hours. Any hours above the 960 hours will be compensated at the rate of one hour of regular pay for every four hours above the maximum hours allowed accumulated sick leave. No sick leave is paid upon termination of employment unless the employee qualifies upon retirement. At December 31, 2012, earned but unused sick leave due to be paid to the qualified retirees amounted to \$28,036.88.

Purchase Commitments

The City purchases its water supply from the City of El Dorado. A forty year contract, effective January 1, 1990, obligates the City of Augusta to purchase a minimum of 500 million gallons annually from the City of El Dorado at a specified price. The contract allows the two cities to review and modify the price per thousand gallons every five years, under a specified formula set out in the contract.

**IX. DEFINED BENEFIT PENSION PLAN**

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Suite 100, Topeka, KS 66603), at the following website: <http://kpers.org/annualreport2012.pdf> or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-419 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate at 4% for covered salary for

**CITY OF AUGUSTA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2012**

Tier 1 members and at 6% for covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 4149H of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The employer rate established by statutes for January 1, 2012 to December 31, 2012 is 7.34% plus 1.00% for death and disability. The State of Kansas issued a moratorium on death and disability insurance contributions effective March 1, 2012 through June 30, 2012. The City's contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$314,890.15, 288,878.26, and \$261,444.11 respectively, equal to the required contributions for each year.

**X. Risk Management**

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

**XI. SUBSEQUENT EVENTS**

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

**CITY OF AUGUSTA, KANSAS**

**SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

# CITY OF AUGUSTA, KANSAS

## Summary of Expenditures - Actual and Budget Regulatory Basis (Budgeted Funds Only) For the Year Ended December 31, 2012

Schedule - 1 -

|                                | Certified<br>Budget     | Adjustments<br>for     | Total<br>Budget for<br>Comparison | Expenditures<br>Chargeable to<br>Current Year | Variance -<br>favorable<br>(unfavorable) |
|--------------------------------|-------------------------|------------------------|-----------------------------------|-----------------------------------------------|------------------------------------------|
|                                | \$                      | \$                     | \$                                | \$                                            | \$                                       |
| <b>General</b>                 | 4,405,300.00            | -                      | 4,405,300.00                      | 3,607,542.51                                  | 797,757.49                               |
| <b>Special Revenue Funds</b>   |                         |                        |                                   |                                               |                                          |
| Industrial Development         | 100,000.00              | -                      | 100,000.00                        | -                                             | 100,000.00                               |
| Library Employee Benefits      | 42,600.00               | -                      | 42,600.00                         | 41,107.62                                     | 1,492.38                                 |
| Library                        | 236,200.00              | -                      | 236,200.00                        | 236,200.00                                    | -                                        |
| Cemetery Endowment             | 16,500.00               | -                      | 16,500.00                         | -                                             | 16,500.00                                |
| Employee Benefits              | 958,200.00              | -                      | 958,200.00                        | 825,905.12                                    | 132,294.88                               |
| Special City-County Highway    | 326,000.00              | -                      | 326,000.00                        | 289,555.71                                    | 36,444.29                                |
| Special Improvement            | -                       | -                      | -                                 | -                                             | -                                        |
| Special Alcohol                | 19,000.00               | -                      | 19,000.00                         | 15,009.16                                     | 3,990.84                                 |
| Street Sales Tax               | 725,000.00              | -                      | 725,000.00                        | 522,213.43                                    | 202,786.57                               |
| Convention and Visitors Bureau | 15,800.00               | -                      | 15,800.00                         | 5,158.35                                      | 10,641.65                                |
| Emergency Communications       | 30,500.00               | -                      | 30,500.00                         | 8,783.12                                      | 21,716.88                                |
| Special Park                   | 47,000.00               | -                      | 47,000.00                         | 41,853.70                                     | 5,146.30                                 |
| Capital Improvements           | 585,000.00              | -                      | 585,000.00                        | 556,268.71                                    | 28,731.29                                |
| Water System Improvement Bonds | 495,000.00              | -                      | 495,000.00                        | 141,771.22                                    | 353,228.78                               |
| <b>Debt Service Funds</b>      |                         |                        |                                   |                                               |                                          |
| Bond and Interest              | 805,000.00              | 1,425,236.60           | 2,230,236.60                      | 2,211,968.20                                  | 18,268.40                                |
| Water GO Bond and Interest     | 81,500.00               | -                      | 81,500.00                         | 81,312.50                                     | 187.50                                   |
| <b>Enterprise Funds</b>        |                         |                        |                                   |                                               |                                          |
| Electric Utility               | 9,274,600.00            | -                      | 9,274,600.00                      | 8,699,294.18                                  | 575,305.82                               |
| Water Utility                  | 2,428,400.00            | -                      | 2,428,400.00                      | 2,343,170.34                                  | 85,229.66                                |
| Refuse                         | 788,600.00              | -                      | 788,600.00                        | 708,150.71                                    | 80,449.29                                |
| Wastewater Treatment           | 1,735,600.00            | 4,926,070.40           | 6,661,670.40                      | 6,333,515.37                                  | 328,155.03                               |
|                                | <u>\$ 23,115,800.00</u> | <u>\$ 6,351,307.00</u> | <u>\$ 29,467,107.00</u>           | <u>\$ 26,668,779.95</u>                       | <u>\$ 2,798,327.05</u>                   |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### GENERAL FUND

|                                | Prior<br>Year<br>Actual | Current Year           |                        | Variance<br>favorable<br>(unfavorable) |
|--------------------------------|-------------------------|------------------------|------------------------|----------------------------------------|
|                                |                         | Actual                 | Budget                 |                                        |
| <b>Cash Receipts</b>           |                         |                        |                        |                                        |
| Property Taxes                 | \$ 1,056,386.49         | \$ 1,001,491.90        | \$ 1,054,700.00        | \$ (53,208.10)                         |
| Local Ad Valorem Reduction Tax | -                       | -                      | -                      | -                                      |
| Delinquent Property Taxes      | 40,020.82               | 35,325.73              | 25,000.00              | 10,325.73                              |
| Motor Vehicle Taxes            | 184,323.10              | 183,417.09             | 175,000.00             | 8,417.09                               |
| Franchise Fees                 | 253,503.41              | 223,902.77             | 255,000.00             | (31,097.23)                            |
| Airport Sales                  | 191,214.56              | 244,626.67             | 211,900.00             | 32,726.67                              |
| Alcoholic Beverages            | 13,939.92               | 14,650.96              | 12,200.00              | 2,450.96                               |
| Other Taxes                    | 1,222.67                | 189.33                 | 300.00                 | (110.67)                               |
| Licenses and Permits           | 91,955.37               | 136,311.90             | 77,300.00              | 59,011.90                              |
| Highway - Streets              | 21,504.01               | 21,518.81              | 21,500.00              | 18.81                                  |
| Fines and Forfeitures          | 259,358.11              | 211,916.61             | 220,000.00             | (8,083.39)                             |
| Reimbursed Expenditures        | 6,922.33                | 10,320.71              | 10,000.00              | 320.71                                 |
| County Fire Contribution       | 73,335.14               | 59,481.74              | 65,000.00              | (5,518.26)                             |
| Local Sales Tax                | 1,021,269.08            | 953,813.47             | 840,000.00             | 113,813.47                             |
| Cemetery Sales and Services    | 31,841.00               | 38,120.00              | 33,000.00              | 5,120.00                               |
| Lakes, Boating, and Camping    | 15,547.00               | 27,624.00              | 54,000.00              | (26,376.00)                            |
| Swimming Pool                  | 30,299.16               | 32,173.27              | 28,500.00              | 3,673.27                               |
| COPS FAST Grant                | 20,436.00               | 35,525.10              | 25,000.00              | 10,525.10                              |
| Animal Control                 | 3,389.00                | 3,949.00               | 3,500.00               | 449.00                                 |
| Miscellaneous                  | 2,776.24                | 3,462.35               | 1,200.00               | 2,262.35                               |
| Interest Income                | 1,573.86                | 1,304.04               | 1,000.00               | 304.04                                 |
| Transfers from Other Funds     | 220,300.00              | 235,300.00             | 235,300.00             | -                                      |
| <b>Total Cash Receipts</b>     | <u>\$ 3,541,117.27</u>  | <u>\$ 3,474,425.45</u> | <u>\$ 3,349,400.00</u> | <u>\$ 125,025.45</u>                   |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### GENERAL FUND

|                                           | Prior<br>Year<br>Actual | Current Year           |                        | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|------------------------|------------------------|----------------------------------------|
|                                           |                         | Actual                 | Budget                 |                                        |
| <b>Expenditures</b>                       |                         |                        |                        |                                        |
| Administration                            | \$ 160,498.95           | \$ 184,370.31          | \$ 910,600.00          | \$ 726,229.69                          |
| City Clerk                                | 101,829.56              | 105,031.53             | 110,200.00             | 5,168.47                               |
| Police and Fire                           | 1,536,707.27            | 1,549,462.82           | 1,580,700.00           | 31,237.18                              |
| Inspection                                | 112,968.84              | 109,240.15             | 123,400.00             | 14,159.85                              |
| Public Works                              | 203,492.37              | 200,897.11             | 216,100.00             | 15,202.89                              |
| Court                                     | 59,100.50               | 58,826.46              | 72,900.00              | 14,073.54                              |
| Parks                                     | 145,527.73              | 154,823.66             | 169,900.00             | 15,076.34                              |
| Santa Fe Lake                             | 90,212.06               | 82,070.17              | 107,200.00             | 25,129.83                              |
| Swimming Pool                             | 90,997.03               | 93,135.88              | 99,600.00              | 6,464.12                               |
| Cemetery                                  | 75,749.20               | 71,005.23              | 82,300.00              | 11,294.77                              |
| Animal Control                            | 62,946.24               | 60,992.58              | 70,500.00              | 9,507.42                               |
| Other                                     | 3,500.00                | 3,500.00               | 3,500.00               | -                                      |
| Airport                                   | 238,719.78              | 266,517.17             | 270,400.00             | 3,882.83                               |
| Transfers to Other Funds                  | 731,302.64              | 667,669.44             | 588,000.00             | (79,669.44)                            |
| <b>Total Expenditures</b>                 | <u>\$ 3,613,552.17</u>  | <u>\$ 3,607,542.51</u> | <u>\$ 4,405,300.00</u> | <u>\$ 797,757.49</u>                   |
| <b>Receipts Over (Under) Expenditures</b> | \$ (72,434.90)          | \$ (133,117.06)        |                        |                                        |
| Unencumbered Cash, Beginning              | <u>1,405,714.68</u>     | <u>1,333,279.78</u>    |                        |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 1,333,279.78</u>  | <u>\$ 1,200,162.72</u> |                        |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### INDUSTRIAL DEVELOPMENT FUND

|                                               | Prior<br>Year<br>Actual | Current Year      |               | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|-------------------|---------------|----------------------------------------|
|                                               |                         | Actual            | Budget        |                                        |
| <b>Cash Receipts</b>                          |                         |                   |               |                                        |
| CDBG Loan Repayments                          | \$ 1,100.00             | \$ 44,870.75      | \$ 5,000.00   | \$ 39,870.75                           |
| <b>Total Cash Receipts</b>                    | \$ 1,100.00             | \$ 44,870.75      | \$ 5,000.00   | \$ 39,870.75                           |
| <b>Expenditures</b>                           |                         |                   |               |                                        |
| CDBG Loans                                    | \$ 30,000.00            | \$ -              | \$ 100,000.00 | \$ 100,000.00                          |
| <b>Total Expenditures</b>                     | \$ 30,000.00            | \$ -              | \$ 100,000.00 | \$ 100,000.00                          |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ (28,900.00)      | <br>\$ 44,870.75  |               |                                        |
| <br>Unencumbered Cash, Beginning              | <br>408,592.93          | <br>379,692.93    |               |                                        |
| <br><b>Unencumbered Cash, Ending</b>          | <br>\$ 379,692.93       | <br>\$ 424,563.68 |               |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### LIBRARY EMPLOYEE BENEFITS FUND

|                                               | Prior<br>Year<br>Actual | Current Year    |              | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|-----------------|--------------|----------------------------------------|
|                                               |                         | Actual          | Budget       |                                        |
| <b>Cash Receipts</b>                          |                         |                 |              |                                        |
| Property Taxes                                | \$ 31,916.19            | \$ 32,098.49    | \$ 33,800.00 | \$ (1,701.51)                          |
| Delinquent Taxes                              | 1,189.15                | 1,071.44        | 1,000.00     | 71.44                                  |
| Motor Vehicle Taxes                           | 5,475.81                | 5,537.69        | 5,400.00     | 137.69                                 |
| Interest Income                               | -                       | 500.00          | -            | 500.00                                 |
| Transfers from Other Funds                    | -                       | 2,400.00        | 2,400.00     | -                                      |
| <b>Total Cash Receipts</b>                    | \$ 38,581.15            | \$ 41,607.62    | \$ 42,600.00 | \$ (992.38)                            |
| <b>Expenditures</b>                           |                         |                 |              |                                        |
| Appropriations                                | \$ 39,581.15            | \$ 41,107.62    | \$ 42,600.00 | \$ 1,492.38                            |
| <b>Total Expenditures</b>                     | \$ 39,581.15            | \$ 41,107.62    | \$ 42,600.00 | \$ 1,492.38                            |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ (1,000.00)       | <br>\$ 500.00   |              |                                        |
| <br>Unencumbered Cash, Beginning              | <br>2,000.00            | <br>1,000.00    |              |                                        |
| <br><b>Unencumbered Cash, Ending</b>          | <br>\$ 1,000.00         | <br>\$ 1,500.00 |              |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### LIBRARY FUND

|                                           | Prior<br>Year<br>Actual | Current Year         |                      | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|----------------------|----------------------|----------------------------------------|
|                                           |                         | Actual               | Budget               |                                        |
| <b>Cash Receipts</b>                      |                         |                      |                      |                                        |
| Property Taxes                            | \$ 185,676.03           | \$ 186,604.41        | \$ 196,500.00        | \$ (9,895.59)                          |
| Delinquent Taxes                          | 7,074.69                | 6,251.81             | 5,000.00             | 1,251.81                               |
| Motor Vehicle Taxes                       | 31,852.34               | 32,219.62            | 30,800.00            | 1,419.62                               |
| Interest Income                           | 654.88                  | 959.43               | 500.00               | 459.43                                 |
| Transfers from Other Funds                | -                       | 3,400.00             | 3,400.00             | -                                      |
| <b>Total Cash Receipts</b>                | <u>\$ 225,257.94</u>    | <u>\$ 229,435.27</u> | <u>\$ 236,200.00</u> | <u>\$ (6,764.73)</u>                   |
| <b>Expenditures</b>                       |                         |                      |                      |                                        |
| Appropriations                            | \$ 226,905.21           | \$ 229,850.12        | \$ 236,200.00        | \$ 6,349.88                            |
| <b>Total Expenditures</b>                 | <u>\$ 226,905.21</u>    | <u>\$ 229,850.12</u> | <u>\$ 236,200.00</u> | <u>\$ 6,349.88</u>                     |
| <b>Receipts Over (Under) Expenditures</b> | \$ (1,647.27)           | \$ (414.85)          |                      |                                        |
| Unencumbered Cash, Beginning              | <u>3,616.85</u>         | <u>1,969.58</u>      |                      |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 1,969.58</u>      | <u>\$ 1,554.73</u>   |                      |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### CEMETERY ENDOWMENT FUND

|                                               | Prior<br>Year<br>Actual | Current Year      |              | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|-------------------|--------------|----------------------------------------|
|                                               |                         | Actual            | Budget       |                                        |
| <b>Cash Receipts</b>                          |                         |                   |              |                                        |
| Endowment                                     | \$ 5,550.00             | \$ 8,300.00       | \$ 7,000.00  | \$ 1,300.00                            |
| Interest Income                               | 306.84                  | 311.06            | -            | 311.06                                 |
| <b>Total Cash Receipts</b>                    | \$ 5,856.84             | \$ 8,611.06       | \$ 7,000.00  | \$ 1,611.06                            |
| <b>Expenditures</b>                           |                         |                   |              |                                        |
| Building/Grounds Maintenance                  | \$ 1,000.00             | \$ -              | \$ 1,500.00  | \$ 1,500.00                            |
| Office Equipment                              | -                       | 15,000.00         | 15,000.00    | -                                      |
| <b>Total Expenditures</b>                     | \$ 1,000.00             | \$ 15,000.00      | \$ 16,500.00 | \$ 1,500.00                            |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ 4,856.84         | <br>\$ (6,388.94) |              |                                        |
| <br>Unencumbered Cash, Beginning              | <br>84,869.86           | <br>89,726.70     |              |                                        |
| <br>Unencumbered Cash, Ending                 | <br>\$ 89,726.70        | <br>\$ 83,337.76  |              |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### EMPLOYEE BENEFITS FUND

|                                               | Prior<br>Year<br>Actual | Current Year             |                      | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|--------------------------|----------------------|----------------------------------------|
|                                               |                         | Actual                   | Budget               |                                        |
| <b>Cash Receipts</b>                          |                         |                          |                      |                                        |
| Property Taxes                                | \$ 586,319.98           | \$ 679,509.40            | \$ 715,600.00        | \$ (36,090.60)                         |
| Motor Vehicle Taxes                           | 97,703.98               | 101,640.44               | 97,200.00            | 4,440.44                               |
| Delinquent Taxes                              | 21,281.40               | 19,893.52                | 15,000.00            | 4,893.52                               |
| Refunds of Expenditures                       | 16,433.05               | 21,940.35                | 11,000.00            | 10,940.35                              |
| Interest Income                               | 7,608.76                | 918.88                   | 1,000.00             | (81.12)                                |
| Dividend Income                               | 3,000.00                | 3,000.00                 | -                    | 3,000.00                               |
| Transfers from Other Funds                    | 61,500.00               | 61,500.00                | 61,500.00            | -                                      |
| <b>Total Cash Receipts</b>                    | <b>\$ 793,847.17</b>    | <b>\$ 888,402.59</b>     | <b>\$ 901,300.00</b> | <b>\$ (12,897.41)</b>                  |
| <b>Expenditures</b>                           |                         |                          |                      |                                        |
| Employee Benefits Paid                        | \$ 847,465.99           | \$ 825,905.12            | \$ 958,200.00        | \$ 132,294.88                          |
| <b>Total Expenditures</b>                     | <b>\$ 847,465.99</b>    | <b>\$ 825,905.12</b>     | <b>\$ 958,200.00</b> | <b>\$ 132,294.88</b>                   |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ (53,618.82)      | <br>\$ 62,497.47         |                      |                                        |
| <br>Unencumbered Cash, Beginning              | <br>146,592.27          | <br>92,973.45            |                      |                                        |
| <br><b>Unencumbered Cash, Ending</b>          | <br><b>\$ 92,973.45</b> | <br><b>\$ 155,470.92</b> |                      |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### SPECIAL CITY-COUNTY HIGHWAY FUND

|                                           | Prior<br>Year<br>Actual | Current Year         |                      | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|----------------------|----------------------|----------------------------------------|
|                                           |                         | Actual               | Budget               |                                        |
| <b>Cash Receipts</b>                      |                         |                      |                      |                                        |
| Special Gasoline Tax                      | \$ 235,099.93           | \$ 240,140.77        | \$ 220,000.00        | \$ 20,140.77                           |
| Gasoline Tax - County                     | 41,185.49               | 46,307.76            | 30,000.00            | 16,307.76                              |
| Sale of Property                          | -                       | 22,400.00            | -                    | 22,400.00                              |
| Refund of Expenditures                    | 7,951.03                | 13,310.43            | -                    | 13,310.43                              |
| <b>Total Cash Receipts</b>                | <b>\$ 284,236.45</b>    | <b>\$ 322,158.96</b> | <b>\$ 250,000.00</b> | <b>\$ 72,158.96</b>                    |
| <b>Expenditures</b>                       |                         |                      |                      |                                        |
| Personnel Services                        | \$ 117,385.22           | \$ 111,162.14        | \$ 124,700.00        | \$ 13,537.86                           |
| Contractual Services                      | 37,176.11               | 43,241.62            | 47,600.00            | 4,358.38                               |
| Commodities                               | 81,047.47               | 85,142.83            | 94,700.00            | 9,557.17                               |
| Capital Outlay                            | 60,850.46               | 50,009.12            | 59,000.00            | 8,990.88                               |
| Transfer to Other Funds                   | 3,600.00                | -                    | -                    | -                                      |
| <b>Total Expenditures</b>                 | <b>\$ 300,059.26</b>    | <b>\$ 289,555.71</b> | <b>\$ 326,000.00</b> | <b>\$ 36,444.29</b>                    |
| <b>Receipts Over (Under) Expenditures</b> | <b>\$ (15,822.81)</b>   | <b>\$ 32,603.25</b>  |                      |                                        |
| Unencumbered Cash, Beginning              | 314,086.14              | 298,263.33           |                      |                                        |
| <b>Unencumbered Cash, Ending</b>          | <b>\$ 298,263.33</b>    | <b>\$ 330,866.58</b> |                      |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### SPECIAL IMPROVEMENT FUND

|                                           | Prior<br>Year<br>Actual | Current Year |        | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|--------------|--------|----------------------------------------|
|                                           |                         | Actual       | Budget |                                        |
| <b>Total Cash Receipts</b>                | \$ -                    | \$ -         | \$ -   | \$ -                                   |
| <b>Expenditures</b>                       |                         |              |        |                                        |
| Professional Services                     | \$ 4,839.74             | \$ -         | \$ -   | \$ -                                   |
| <b>Total Expenditures</b>                 | \$ 4,839.74             | \$ -         | \$ -   | \$ -                                   |
| <b>Receipts Over (Under) Expenditures</b> | \$ (4,839.74)           | \$ -         |        |                                        |
| Unencumbered Cash, Beginning              | 4,839.74                | -            |        |                                        |
| <b>Unencumbered Cash, Ending</b>          | \$ -                    | \$ -         |        |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### SPECIAL ALCOHOL FUND

|                                               | Prior<br>Year<br>Actual | Current Year      |              | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|-------------------|--------------|----------------------------------------|
|                                               |                         | Actual            | Budget       |                                        |
| <b>Cash Receipts</b>                          |                         |                   |              |                                        |
| Liquor Tax                                    | \$ 11,414.89            | \$ 12,200.95      | \$ 10,000.00 | \$ 2,200.95                            |
| <b>Total Cash Receipts</b>                    | \$ 11,414.89            | \$ 12,200.95      | \$ 10,000.00 | \$ 2,200.95                            |
| <b>Expenditures</b>                           |                         |                   |              |                                        |
| Education and Training                        | \$ -                    | \$ 281.87         | \$ 1,000.00  | \$ 718.13                              |
| Printed Materials                             | 294.03                  | 427.29            | 1,000.00     | 572.71                                 |
| Other Commodities                             | 5,500.00                | 14,300.00         | 17,000.00    | 2,700.00                               |
| <b>Total Expenditures</b>                     | \$ 5,794.03             | \$ 15,009.16      | \$ 19,000.00 | \$ 3,990.84                            |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ 5,620.86         | <br>\$ (2,808.21) |              |                                        |
| <br>Unencumbered Cash, Beginning              | <br>59,293.86           | <br>64,914.72     |              |                                        |
| <br><b>Unencumbered Cash, Ending</b>          | <br>\$ 64,914.72        | <br>\$ 62,106.51  |              |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### STREET SALES TAX FUND

|                                               | Prior<br>Year<br>Actual | Current Year       |               | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|--------------------|---------------|----------------------------------------|
|                                               |                         | Actual             | Budget        |                                        |
| <b>Cash Receipts</b>                          |                         |                    |               |                                        |
| Transfer from Other Funds                     | \$ 510,634.57           | \$ 476,906.76      | \$ 420,000.00 | \$ 56,906.76                           |
| <b>Total Cash Receipts</b>                    | \$ 510,634.57           | \$ 476,906.76      | \$ 420,000.00 | \$ 56,906.76                           |
| <b>Expenditures</b>                           |                         |                    |               |                                        |
| Engineering Fee                               | \$ 44,664.08            | \$ 32,529.18       | \$ 40,000.00  | \$ 7,470.82                            |
| Construction                                  | 298,524.39              | 216,684.25         | 412,000.00    | 195,315.75                             |
| Interfund Transfer                            | 50,000.00               | 273,000.00         | 273,000.00    | -                                      |
| <b>Total Expenditures</b>                     | \$ 393,188.47           | \$ 522,213.43      | \$ 725,000.00 | \$ 202,786.57                          |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ 117,446.10       | <br>\$ (45,306.67) |               |                                        |
| <br>Unencumbered Cash, Beginning              | <br>436,062.93          | <br>553,509.03     |               |                                        |
| <br><b>Unencumbered Cash, Ending</b>          | <br>\$ 553,509.03       | <br>\$ 508,202.36  |               |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### CONVENTION AND VISITORS BUREAU FUND

|                                           | Prior<br>Year<br>Actual | Current Year        |                     | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|---------------------|---------------------|----------------------------------------|
|                                           |                         | Actual              | Budget              |                                        |
| <b>Cash Receipts</b>                      |                         |                     |                     |                                        |
| Guest Tax                                 | \$ 13,744.37            | \$ 11,607.49        | \$ 10,000.00        | \$ 1,607.49                            |
| Miscellaneous                             | -                       | 80.00               | -                   | 80.00                                  |
| <b>Total Cash Receipts</b>                | <u>\$ 13,744.37</u>     | <u>\$ 11,687.49</u> | <u>\$ 10,000.00</u> | <u>\$ 1,687.49</u>                     |
| <b>Expenditures</b>                       |                         |                     |                     |                                        |
| Contractual Services                      | \$ 7,432.00             | \$ 4,645.89         | \$ 13,200.00        | \$ 8,554.11                            |
| Commodities                               | 1,665.65                | 512.46              | 2,600.00            | 2,087.54                               |
| Transfers to Other Funds                  | 1,500.00                | -                   | -                   | -                                      |
| <b>Total Expenditures</b>                 | <u>\$ 10,597.65</u>     | <u>\$ 5,158.35</u>  | <u>\$ 15,800.00</u> | <u>\$ 10,641.65</u>                    |
| <b>Receipts Over (Under) Expenditures</b> | \$ 3,146.72             | \$ 6,529.14         |                     |                                        |
| Unencumbered Cash, Beginning              | <u>27,648.29</u>        | <u>30,795.01</u>    |                     |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 30,795.01</u>     | <u>\$ 37,324.15</u> |                     |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### EMERGENCY COMMUNICATIONS FUND

|                                               | Prior<br>Year<br>Actual | Current Year      |              | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|-------------------|--------------|----------------------------------------|
|                                               |                         | Actual            | Budget       |                                        |
| <b>Cash Receipts</b>                          |                         |                   |              |                                        |
| 911 Wireless                                  | \$ 17,283.06            | \$ 2,683.98       | \$ 15,000.00 | \$ (12,316.02)                         |
| Emergency Telephone Tax                       | 21,033.81               | 4,059.45          | 20,000.00    | (15,940.55)                            |
| <b>Total Cash Receipts</b>                    | \$ 38,316.87            | \$ 6,743.43       | \$ 35,000.00 | \$ (28,256.57)                         |
| <b>Expenditures</b>                           |                         |                   |              |                                        |
| Communication Operation                       | \$ 22,287.17            | \$ 8,783.12       | \$ 30,500.00 | \$ 21,716.88                           |
| <b>Total Expenditures</b>                     | \$ 22,287.17            | \$ 8,783.12       | \$ 30,500.00 | \$ 21,716.88                           |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ 16,029.70        | <br>\$ (2,039.69) |              |                                        |
| <br>Unencumbered Cash, Beginning              | <br>170,347.98          | <br>186,377.68    |              |                                        |
| <br><b>Unencumbered Cash, Ending</b>          | <br>\$ 186,377.68       | <br>\$ 184,337.99 |              |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### SPECIAL PARK FUND

|                                           | Prior<br>Year<br>Actual | Current Year  |              | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|---------------|--------------|----------------------------------------|
|                                           |                         | Actual        | Budget       |                                        |
| <b>Cash Receipts</b>                      |                         |               |              |                                        |
| Liquor Tax                                | \$ 11,414.89            | \$ 12,200.94  | \$ 10,000.00 | \$ 2,200.94                            |
| Donations                                 | 400.00                  | 1,529.00      | -            | 1,529.00                               |
| Grants                                    | -                       | 2,516.50      | -            | 2,516.50                               |
| Miscellaneous Income                      | 291.66                  | 100.00        | -            | 100.00                                 |
| Interest                                  | 645.42                  | 478.00        | 500.00       | (22.00)                                |
| Building Rent                             | 1,326.69                | 11,472.89     | 1,100.00     | 10,372.89                              |
| Sale of Scrap                             | -                       | 436.80        | -            | 436.80                                 |
| Sale of Property                          | -                       | 4,400.00      | -            | 4,400.00                               |
| Transfer from Other Funds                 | 27,000.00               | 18,100.00     | 18,100.00    | -                                      |
| <b>Total Cash Receipts</b>                | \$ 41,078.66            | \$ 51,234.13  | \$ 29,700.00 | \$ 21,534.13                           |
| <b>Expenditures</b>                       |                         |               |              |                                        |
| Other Commodities                         | \$ 2,315.00             | \$ 2,783.43   | \$ 5,000.00  | \$ 2,216.57                            |
| Building/Grounds Maintenance              | 4,418.89                | 4,295.62      | 5,000.00     | 704.38                                 |
| Building/Grounds Supply                   | 7,233.76                | 9,825.82      | 10,000.00    | 174.18                                 |
| Capital Outlay                            | 2,072.72                | 24,948.83     | 27,000.00    | 2,051.17                               |
| <b>Total Expenditures</b>                 | \$ 16,040.37            | \$ 41,853.70  | \$ 47,000.00 | \$ 5,146.30                            |
| <b>Receipts Over (Under) Expenditures</b> | \$ 25,038.29            | \$ 9,380.43   |              |                                        |
| Unencumbered Cash, Beginning              | 151,483.55              | 176,521.84    |              |                                        |
| <b>Unencumbered Cash, Ending</b>          | \$ 176,521.84           | \$ 185,902.27 |              |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### CAPITAL IMPROVEMENTS FUND

|                                               | Prior<br>Year<br>Actual  | Current Year             |                      | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|--------------------------|--------------------------|----------------------|----------------------------------------|
|                                               |                          | Actual                   | Budget               |                                        |
| <b>Cash Receipts</b>                          |                          |                          |                      |                                        |
| Transfers from Other Funds                    | \$ 464,253.83            | \$ 486,762.68            | \$ 428,000.00        | \$ 58,762.68                           |
| <b>Total Cash Receipts</b>                    | <u>\$ 464,253.83</u>     | <u>\$ 486,762.68</u>     | <u>\$ 428,000.00</u> | <u>\$ 58,762.68</u>                    |
| <b>Expenditures</b>                           |                          |                          |                      |                                        |
| Capital Outlay                                | \$ 58,884.94             | \$ 201,268.71            | \$ 230,000.00        | \$ 28,731.29                           |
| Transfers to Other Funds                      | 328,000.00               | 355,000.00               | 355,000.00           | -                                      |
| <b>Total Expenditures</b>                     | <u>\$ 386,884.94</u>     | <u>\$ 556,268.71</u>     | <u>\$ 585,000.00</u> | <u>\$ 28,731.29</u>                    |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ 77,368.89         | <br>\$ (69,506.03)       |                      |                                        |
| <br>Unencumbered Cash, Beginning              | <br><u>247,924.23</u>    | <br><u>325,293.12</u>    |                      |                                        |
| <br>Unencumbered Cash, Ending                 | <br><u>\$ 325,293.12</u> | <br><u>\$ 255,787.09</u> |                      |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### WATER SYSTEM IMPROVEMENT BONDS

|                                           | Prior<br>Year<br>Actual | Current Year          |                      | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|-----------------------|----------------------|----------------------------------------|
|                                           |                         | Actual                | Budget               |                                        |
| <b>Cash Receipts</b>                      |                         |                       |                      |                                        |
| Insurance Recovery                        | \$ -                    | \$ 17,041.76          | \$ -                 | \$ 17,041.76                           |
| <b>Total Cash Receipts</b>                | <u>\$ -</u>             | <u>\$ 17,041.76</u>   | <u>\$ -</u>          | <u>\$ 17,041.76</u>                    |
| <b>Expenditures</b>                       |                         |                       |                      |                                        |
| Engineering Fees                          | \$ 652,025.34           | \$ 20,197.72          | \$ 30,000.00         | \$ 9,802.28                            |
| Construction                              | -                       | 4,080.00              | 425,000.00           | 420,920.00                             |
| Building/Grounds                          | -                       | 69,167.40             | 10,000.00            | (59,167.40)                            |
| Other Services                            | 300.00                  | -                     | -                    | -                                      |
| Commodities                               | 29,355.37               | 17,016.20             | 15,000.00            | (2,016.20)                             |
| Capital Outlay                            | -                       | 31,309.90             | 15,000.00            | (16,309.90)                            |
| Transfers to Other Funds                  | 26,537.80               | -                     | -                    | -                                      |
| <b>Total Expenditures</b>                 | <u>\$ 708,218.51</u>    | <u>\$ 141,771.22</u>  | <u>\$ 495,000.00</u> | <u>\$ 353,228.78</u>                   |
| <b>Receipts Over (Under) Expenditures</b> | \$ (708,218.51)         | \$ (124,729.46)       |                      |                                        |
| Unencumbered Cash, Beginning              | <u>1,880,251.63</u>     | <u>1,172,033.12</u>   |                      |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$1,172,033.12</u>   | <u>\$1,047,303.66</u> |                      |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### EMERGENCY COMMUNICATION 2012 FUND

|                                    | <u>2011</u>        | <u>2012</u>                |
|------------------------------------|--------------------|----------------------------|
| Cash Receipts                      |                    |                            |
| E-911                              | \$ -               | \$ 29,807.61               |
| Total Cash Receipts                | <u>\$ -</u>        | <u>\$ 29,807.61</u>        |
| <br>                               |                    |                            |
| Total Expenditures                 | <u>\$ -</u>        | <u>\$ -</u>                |
| <br>                               |                    |                            |
| Receipts Over (Under) Expenditures | \$ -               | \$ 29,807.61               |
| <br>                               |                    |                            |
| Unencumbered Cash, Beginning       | <u>-</u>           | <u>-</u>                   |
| <br>                               |                    |                            |
| Unencumbered Cash, Ending          | <u><u>\$ -</u></u> | <u><u>\$ 29,807.61</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### EMPLOYEE INSURANCE FUND

|                                           | <u>2011</u>         | <u>2012</u>         |
|-------------------------------------------|---------------------|---------------------|
| <b>Cash Receipts</b>                      |                     |                     |
| Interest Income                           | \$ 0.22             | \$ 0.19             |
| Ins. AFLAC Flex                           | 17,813.90           | 17,705.56           |
| <b>Total Cash Receipts</b>                | <u>\$ 17,814.12</u> | <u>\$ 17,705.75</u> |
| <b>Expenditures</b>                       |                     |                     |
| Health Insurance                          | \$ 17,348.00        | \$ 17,299.26        |
| Adm. Health Ins. Charge                   | 942.00              | 798.00              |
| <b>Total Expenditures</b>                 | <u>\$ 18,290.00</u> | <u>\$ 18,097.26</u> |
| <b>Receipts Over (Under) Expenditures</b> | \$ (475.88)         | \$ (391.51)         |
| Unencumbered Cash, Beginning              | <u>2,317.06</u>     | <u>1,841.18</u>     |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 1,841.18</u>  | <u>\$ 1,449.67</u>  |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### HEALTH INSURANCE RESERVE FUND

|                                           | <u>2011</u>                 | <u>2012</u>                 |
|-------------------------------------------|-----------------------------|-----------------------------|
| <b>Cash Receipts</b>                      |                             |                             |
| Interest Income                           | \$ 1,122.58                 | \$ 528.52                   |
| <b>Total Cash Receipts</b>                | <u>\$ 1,122.58</u>          | <u>\$ 528.52</u>            |
| <br>                                      |                             |                             |
| <b>Total Expenditures</b>                 | <u>\$ -</u>                 | <u>\$ -</u>                 |
| <br>                                      |                             |                             |
| <b>Receipts Over (Under) Expenditures</b> | \$ 1,122.58                 | \$ 528.52                   |
| <br>                                      |                             |                             |
| Unencumbered Cash, Beginning              | <u>177,888.75</u>           | <u>179,011.33</u>           |
| <br>                                      |                             |                             |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ 179,011.33</u></u> | <u><u>\$ 179,539.85</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### DRUG REIMBURSEMENT FUND

|                                    | <u>2011</u>        | <u>2012</u>        |
|------------------------------------|--------------------|--------------------|
| Total Cash Receipts                | \$ -               | \$ -               |
| Total Expenditures                 | \$ -               | \$ -               |
| Receipts Over (Under) Expenditures | \$ -               | \$ -               |
| Unencumbered Cash, Beginning       | <u>3,647.88</u>    | <u>3,647.88</u>    |
| Unencumbered Cash, Ending          | <u>\$ 3,647.88</u> | <u>\$ 3,647.88</u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### FAA AIRPORT PROJECT FUND

|                                           | <u>2011</u>               | <u>2012</u>        |
|-------------------------------------------|---------------------------|--------------------|
| <b>Cash Receipts</b>                      |                           |                    |
| FAA Grant                                 | \$ 2,849.00               | \$ -               |
| <b>Total Cash Receipts</b>                | <u>\$ 2,849.00</u>        | <u>\$ -</u>        |
| <b>Expenditures</b>                       |                           |                    |
| Engeneering Fees                          | \$ 3,000.00               | \$ -               |
| Transfer to Other Funds                   | -                         | 5,151.88           |
| <b>Total Expenditures</b>                 | <u>\$ 3,000.00</u>        | <u>\$ 5,151.88</u> |
| <b>Receipts Over (Under) Expenditures</b> | \$ (151.00)               | \$ (5,151.88)      |
| Unencumbered Cash, Beginning              | <u>5,302.88</u>           | <u>5,151.88</u>    |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ 5,151.88</u></u> | <u><u>\$ -</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### FAA RUNWAY PROJECT FUND

|                                           | <u>2011</u>                   | <u>2012</u>                  |
|-------------------------------------------|-------------------------------|------------------------------|
| <b>Cash Receipts</b>                      |                               |                              |
| FAA Grant Reimbursement                   | \$ 175,143.00                 | \$1,047,902.00               |
| Transfer from Other Funds                 | 63,000.00                     | -                            |
| <b>Total Cash Receipts</b>                | <u>\$ 238,143.00</u>          | <u>\$1,047,902.00</u>        |
| <b>Expenditures</b>                       |                               |                              |
| Contractual Services                      | \$ 521,007.10                 | \$ 785,819.68                |
| <b>Total Expenditures</b>                 | <u>\$ 521,007.10</u>          | <u>\$ 785,819.68</u>         |
| <b>Receipts Over (Under) Expenditures</b> | \$ (282,864.10)               | \$ 262,082.32                |
| Unencumbered Cash, Beginning              | <u>2,614.82</u>               | <u>(280,249.28)</u>          |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ (280,249.28)</u></u> | <u><u>\$ (18,166.96)</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### AIRPORT FUEL BRANDING FUND

|                                               | <u>2011</u>            | <u>2012</u>            |
|-----------------------------------------------|------------------------|------------------------|
| <b>Cash Receipts</b>                          |                        |                        |
| Refund of Expenditures                        | \$ -                   | \$ 3,542.57            |
| <b>Total Cash Receipts</b>                    | <u>\$ -</u>            | <u>\$ 3,542.57</u>     |
| <b>Expenditures</b>                           |                        |                        |
| Equipment Supplies                            | \$ -                   | \$ 3,542.57            |
| <b>Total Expenditures</b>                     | <u>\$ -</u>            | <u>\$ 3,542.57</u>     |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ -               | <br>\$ -               |
| <br>Unencumbered Cash, Beginning              | <br><u>-</u>           | <br><u>-</u>           |
| <br>Unencumbered Cash, Ending                 | <br><u><u>\$ -</u></u> | <br><u><u>\$ -</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual

### Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

#### STATE SEIZURE FUND

|                                               | <u>2011</u>                   | <u>2012</u>                   |
|-----------------------------------------------|-------------------------------|-------------------------------|
| <b>Cash Receipts</b>                          |                               |                               |
| Contributions / Donations                     | \$ 1,005.89                   | \$ 1,623.86                   |
| <b>Total Cash Receipts</b>                    | <u>\$ 1,005.89</u>            | <u>\$ 1,623.86</u>            |
| <b>Expenditures</b>                           |                               |                               |
| Contractual Services                          | \$ 4,500.00                   | \$ -                          |
| <b>Total Expenditures</b>                     | <u>\$ 4,500.00</u>            | <u>\$ -</u>                   |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ (3,494.11)             | <br>\$ 1,623.86               |
| <br>Unencumbered Cash, Beginning              | <br><u>5,838.87</u>           | <br><u>2,344.76</u>           |
| <br>Unencumbered Cash, Ending                 | <br><u><u>\$ 2,344.76</u></u> | <br><u><u>\$ 3,968.62</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### AUTOMATIC EXTERNAL DEFIBRILLATOR GRANT FUND

|                                    | <u>2011</u>               | <u>2012</u>               |
|------------------------------------|---------------------------|---------------------------|
| Total Cash Receipts                | <u>\$ -</u>               | <u>\$ -</u>               |
| Total Expenditures                 | <u>\$ -</u>               | <u>\$ -</u>               |
| Receipts Over (Under) Expenditures | \$ -                      | \$ -                      |
| Unencumbered Cash, Beginning       | <u>1,488.21</u>           | <u>1,488.21</u>           |
| Unencumbered Cash, Ending          | <u><u>\$ 1,488.21</u></u> | <u><u>\$ 1,488.21</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### LAW ENFORCEMENT GRANT FUND

|                                    | <u>2011</u>      | <u>2012</u>      |
|------------------------------------|------------------|------------------|
| Total Cash Receipts                | \$ -             | \$ -             |
| Total Expenditures                 | \$ -             | \$ -             |
| Receipts Over (Under) Expenditures | \$ -             | \$ -             |
| Unencumbered Cash, Beginning       | <u>331.48</u>    | <u>331.48</u>    |
| Unencumbered Cash, Ending          | <u>\$ 331.48</u> | <u>\$ 331.48</u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### DUI GRANT FUND

|                                    | <u>2011</u>        | <u>2012</u>        |
|------------------------------------|--------------------|--------------------|
| Total Cash Receipts                | \$ -               | \$ -               |
| Total Expenditures                 | \$ -               | \$ -               |
| Receipts Over (Under) Expenditures | \$ -               | \$ -               |
| Unencumbered Cash, Beginning       | <u>1,088.07</u>    | <u>1,088.07</u>    |
| Unencumbered Cash, Ending          | <u>\$ 1,088.07</u> | <u>\$ 1,088.07</u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### CORP LEVEE FUND

|                                           | <u>2011</u>           | <u>2012</u>          |
|-------------------------------------------|-----------------------|----------------------|
| <b>Cash Receipts</b>                      |                       |                      |
| Temporary Notes                           | \$2,905,000.00        | \$ -                 |
| Interest Income                           | 122.54                | 1.62                 |
| Refund of Expenditures                    | -                     | 206,329.93           |
| Transfers from Other Funds                | 743,000.00            | -                    |
| <b>Total Cash Receipts</b>                | <u>\$3,648,122.54</u> | <u>\$ 206,331.55</u> |
| <b>Expenditures</b>                       |                       |                      |
| Professional Services                     | \$ 233,808.07         | \$ 101,908.26        |
| Land Purchase                             | 77,269.52             | 307,592.00           |
| Cost of Issuance                          | 13,348.09             | -                    |
| Other Commodities                         | -                     | 19,376.81            |
| Machinery & Equipment                     | -                     | 192,598.00           |
| Interest on Temporary Notes               | -                     | 52,912.50            |
| Transfers to Other Funds                  | 2,493,000.00          | 64,500.00            |
| <b>Total Expenditures</b>                 | <u>\$2,817,425.68</u> | <u>\$ 738,887.57</u> |
| <b>Receipts Over (Under) Expenditures</b> | \$ 830,696.86         | \$ (532,556.02)      |
| Unencumbered Cash, Beginning              | <u>661,198.01</u>     | <u>1,491,894.87</u>  |
| <b>Unencumbered Cash, Ending</b>          | <u>\$1,491,894.87</u> | <u>\$ 959,338.85</u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### CORP LEVEE ESCROW FUND

|                                           | <u>2011</u>           | <u>2012</u>         |
|-------------------------------------------|-----------------------|---------------------|
| <b>Cash Receipts</b>                      |                       |                     |
| Transfers from Other Funds                | \$1,850,000.00        | \$ 64,500.00        |
| <b>Total Cash Receipts</b>                | <u>\$1,850,000.00</u> | <u>\$ 64,500.00</u> |
| <b>Expenditures</b>                       |                       |                     |
| Professional Services                     | \$1,850,000.00        | \$ 64,500.00        |
| <b>Total Expenditures</b>                 | <u>\$1,850,000.00</u> | <u>\$ 64,500.00</u> |
| <b>Receipts Over (Under) Expenditures</b> | \$ -                  | \$ -                |
| <b>Unencumbered Cash, Beginning</b>       | <u>-</u>              | <u>-</u>            |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ -</u></u>    | <u><u>\$ -</u></u>  |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### E-COMM / AUGUSTA PROGRESS INC. LOAN

|                                           | <u>2011</u>               | <u>2012</u>               |
|-------------------------------------------|---------------------------|---------------------------|
| <b>Cash Receipts</b>                      |                           |                           |
| Loan Payment                              | \$ 5,054.40               | \$ 2,986.48               |
| Administrative Fees                       | 1,500.00                  | -                         |
| <b>Total Cash Receipts</b>                | <u>\$ 6,554.40</u>        | <u>\$ 2,986.48</u>        |
| <b>Expenditures</b>                       |                           |                           |
| Loan Payment Distribution                 | \$ 5,054.40               | \$ 2,986.48               |
| <b>Total Expenditures</b>                 | <u>\$ 5,054.40</u>        | <u>\$ 2,986.48</u>        |
| <br>                                      |                           |                           |
| <b>Receipts Over (Under) Expenditures</b> | \$ 1,500.00               | \$ -                      |
| <br>                                      |                           |                           |
| Unencumbered Cash, Beginning              | <u>200.00</u>             | <u>1,700.00</u>           |
| <br>                                      |                           |                           |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ 1,700.00</u></u> | <u><u>\$ 1,700.00</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### ECONOMIC DEVELOPMENT

|                                           | <u>2011</u>                | <u>2012</u>                |
|-------------------------------------------|----------------------------|----------------------------|
| <b>Cash Receipts</b>                      |                            |                            |
| Transfers from Other Funds                | \$ 20,000.00               | \$ -                       |
| <b>Total Cash Receipts</b>                | <u>\$ 20,000.00</u>        | <u>\$ -</u>                |
| <br>                                      |                            |                            |
| <b>Expenditures</b>                       |                            |                            |
| Transfers to Other Funds                  | \$ 1,000.00                | \$ -                       |
| <b>Total Expenditures</b>                 | <u>\$ 1,000.00</u>         | <u>\$ -</u>                |
| <br>                                      |                            |                            |
| <b>Receipts Over (Under) Expenditures</b> | \$ 19,000.00               | \$ -                       |
| <br>                                      |                            |                            |
| Unencumbered Cash, Beginning              | <u>20,000.00</u>           | <u>39,000.00</u>           |
| <br>                                      |                            |                            |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ 39,000.00</u></u> | <u><u>\$ 39,000.00</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### AIRPORT FLY IN DONATIONS

|                                           | <u>2011</u>        | <u>2012</u>        |
|-------------------------------------------|--------------------|--------------------|
| <b>Cash Receipts</b>                      |                    |                    |
| Donations                                 | \$ 1,850.00        | \$ 2,200.00        |
| Transfers from Other Funds                | 695.51             | -                  |
| <b>Total Cash Receipts</b>                | <u>\$ 2,545.51</u> | <u>\$ 2,200.00</u> |
| <br>                                      |                    |                    |
| <b>Expenditures</b>                       |                    |                    |
| Commodities                               | \$ 2,545.51        | \$ 2,200.00        |
| <b>Total Expenditures</b>                 | <u>\$ 2,545.51</u> | <u>\$ 2,200.00</u> |
| <br>                                      |                    |                    |
| <b>Receipts Over (Under) Expenditures</b> | \$ -               | \$ -               |
| <br>                                      |                    |                    |
| Unencumbered Cash, Beginning              | <u>-</u>           | <u>-</u>           |
| <br>                                      |                    |                    |
| <b>Unencumbered Cash, Ending</b>          | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### BOND AND INTEREST FUND

|                                            | Prior<br>Year<br>Actual | Current Year           |                        | Variance<br>favorable<br>(unfavorable) |
|--------------------------------------------|-------------------------|------------------------|------------------------|----------------------------------------|
|                                            |                         | Actual                 | Budget                 |                                        |
| <b>Cash Receipts</b>                       |                         |                        |                        |                                        |
| Property Taxes                             | \$ 141,598.53           | \$ 103,989.25          | \$ 109,500.00          | \$ (5,510.75)                          |
| Motor Vehicle Tax                          | 15,904.98               | 24,294.64              | 23,500.00              | 794.64                                 |
| Delinquent Taxes                           | 4,956.09                | 4,501.78               | 2,000.00               | 2,501.78                               |
| Special Assessments                        | 546,476.79              | 529,462.01             | 560,000.00             | (30,537.99)                            |
| Special Assessments Paid                   | 3,644.26                | 49,289.85              | -                      | 49,289.85                              |
| Bond Proceeds                              | -                       | 946,693.75             | -                      | 946,693.75                             |
| Premium                                    | -                       | 25,236.60              | -                      | 25,236.60                              |
| Temporary Notes                            | -                       | 453,306.25             | -                      | 453,306.25                             |
| Interest Income                            | 7,411.47                | 371.00                 | -                      | 371.00                                 |
| Refund of Expenditures                     | 13,663.56               | -                      | -                      | -                                      |
| Transfer from Other Funds                  | 59,100.00               | 53,000.00              | 53,000.00              | -                                      |
| <b>Total Cash Receipts</b>                 | <u>\$ 792,755.68</u>    | <u>\$ 2,190,145.13</u> | <u>\$ 748,000.00</u>   | <u>\$ 1,442,145.13</u>                 |
| <b>Expenditures</b>                        |                         |                        |                        |                                        |
| Principal                                  | \$ 585,000.00           | \$ 1,500,000.00        | \$ 630,000.00          | \$ (870,000.00)                        |
| Interest                                   | 205,346.93              | 247,698.25             | 175,000.00             | (72,698.25)                            |
| Underwriter Discount                       | -                       | 14,000.00              | -                      | (14,000.00)                            |
| Payoff Temporary Notes                     | -                       | 420,000.00             | -                      | (420,000.00)                           |
| Cost of Issuance                           | 6,674.35                | 31,935.93              | -                      | (31,935.93)                            |
| Transfer to Other Fund                     | -                       | (1,665.98)             | -                      | 1,665.98                               |
| <b>Legal Bond and Interest Fund Budget</b> | <u>\$ 797,021.28</u>    | <u>\$ 2,211,968.20</u> | <u>\$ 805,000.00</u>   | <u>\$ (1,406,968.20)</u>               |
| Adjustment for Qualifying Budget Credits   | \$ -                    | \$ -                   | \$ 1,425,236.60        | \$ 1,425,236.60                        |
| <b>Total Expenditures</b>                  | <u>\$ 797,021.28</u>    | <u>\$ 2,211,968.20</u> | <u>\$ 2,230,236.60</u> | <u>\$ 18,268.40</u>                    |
| <b>Receipts Over (Under) Expenditures</b>  | \$ (4,265.60)           | \$ (21,823.07)         |                        |                                        |
| Unencumbered Cash, Beginning               | 67,004.57               | 62,738.97              |                        |                                        |
| <b>Unencumbered Cash, Ending</b>           | <u>\$ 62,738.97</u>     | <u>\$ 40,915.90</u>    |                        |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### WATER GO BOND AND INTEREST FUND

|                                               | Prior<br>Year<br>Actual | Current Year       |              | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|--------------------|--------------|----------------------------------------|
|                                               |                         | Actual             | Budget       |                                        |
| <b>Cash Receipts</b>                          |                         |                    |              |                                        |
| Interest                                      | \$ -                    | \$ 375.00          | \$ -         | \$ 375.00                              |
| <b>Total Cash Receipts</b>                    | \$ -                    | \$ 375.00          | \$ -         | \$ 375.00                              |
| <b>Expenditures</b>                           |                         |                    |              |                                        |
| Interest                                      | \$ 63,920.66            | \$ 81,312.50       | \$ 81,500.00 | \$ 187.50                              |
| <b>Total Expenditures</b>                     | \$ 63,920.66            | \$ 81,312.50       | \$ 81,500.00 | \$ 187.50                              |
| <br><b>Receipts Over (Under) Expenditures</b> | <br>\$ (63,920.66)      | <br>\$ (80,937.50) |              |                                        |
| <br>Unencumbered Cash, Beginning              | <br>226,545.66          | <br>162,625.00     |              |                                        |
| <br>Unencumbered Cash, Ending                 | <br>\$ 162,625.00       | <br>\$ 81,687.50   |              |                                        |

**CITY OF AUGUSTA, KANSAS**  
 Schedule of Cash Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**CAPITAL PROJECTS FUNDS**

| Fund                             | Receipts           |                        |                        |                                         |                           |                     |             | Total Receipts         |
|----------------------------------|--------------------|------------------------|------------------------|-----------------------------------------|---------------------------|---------------------|-------------|------------------------|
|                                  | Interest Income    | Other                  | Bonds/ Temporary Notes | Accrued Interest Bonds/ Temporary Notes | Transfer From Other Funds | Special Assessments |             |                        |
| 7th Street ARRA Project          | \$ -               | \$ -                   | \$ -                   | \$ -                                    | \$ -                      | \$ -                | \$ -        | \$ -                   |
| Dam Spillway                     | -                  | 1,029,289.25           | -                      | -                                       | -                         | -                   | -           | 1,029,289.25           |
| Depot                            | 5,166.97           | -                      | -                      | -                                       | -                         | -                   | -           | 5,166.97               |
| FAA Airport Environmental Study  | -                  | -                      | -                      | -                                       | 10,151.88                 | -                   | -           | 10,151.88              |
| Garvin Park Playground Equipment | -                  | -                      | -                      | -                                       | 100,000.00                | -                   | -           | 100,000.00             |
| KLINK - 7th Street 2012          | -                  | -                      | -                      | -                                       | 73,000.00                 | -                   | -           | 73,000.00              |
| Library Project                  | -                  | -                      | -                      | -                                       | -                         | -                   | -           | -                      |
| Lions Club Project               | -                  | -                      | -                      | -                                       | -                         | -                   | -           | -                      |
| Marsh Donation - ADOPS           | -                  | -                      | -                      | -                                       | -                         | -                   | -           | -                      |
| NRP Marketing Plan               | -                  | -                      | -                      | -                                       | -                         | -                   | -           | -                      |
| Ohio and Kelly Intersection      | -                  | -                      | -                      | -                                       | 200,000.00                | -                   | -           | 200,000.00             |
| Project Playpark                 | -                  | -                      | -                      | -                                       | -                         | -                   | -           | -                      |
| Public Works Building Project    | -                  | -                      | -                      | -                                       | 50,000.00                 | -                   | -           | 50,000.00              |
| South Ohio Street                | -                  | -                      | -                      | -                                       | 200,000.00                | -                   | -           | 200,000.00             |
| Walking Path Project             | -                  | -                      | -                      | -                                       | -                         | -                   | -           | -                      |
| Walmart / Lulu Project           | -                  | 59,259.10              | -                      | -                                       | -                         | -                   | -           | 59,259.10              |
| <b>TOTALS</b>                    | <b>\$ 5,166.97</b> | <b>\$ 1,088,548.35</b> | <b>\$ -</b>            | <b>\$ -</b>                             | <b>\$ 633,151.88</b>      | <b>\$ -</b>         | <b>\$ -</b> | <b>\$ 1,726,867.20</b> |

**CITY OF AUGUSTA, KANSAS**  
 Schedule of Cash Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Year Ended December 31, 2012

**CAPITAL PROJECTS FUNDS**

| Fund                             | Expenditures                              |                                    |                                |                        |                                         |                                      | Receipts<br>Over<br>(Under)<br>Expenditures | Unencum-<br>bered<br>Cash,<br>Beginning | Unencum-<br>bered<br>Cash,<br>Ending |
|----------------------------------|-------------------------------------------|------------------------------------|--------------------------------|------------------------|-----------------------------------------|--------------------------------------|---------------------------------------------|-----------------------------------------|--------------------------------------|
|                                  | Construction,<br>Engineering<br>and Other | Temporary<br>Notes and<br>Interest | Transfers<br>to Other<br>Funds | Total<br>Expenditures  | Unencum-<br>bered<br>Cash,<br>Beginning | Unencum-<br>bered<br>Cash,<br>Ending |                                             |                                         |                                      |
| 7th Street ARRA Project          | \$ -                                      | \$ -                               | \$ -                           | \$ -                   | \$ -                                    | \$ -                                 | \$ 4,880.00                                 | \$ 4,880.00                             |                                      |
| Dam Spillway                     | 1,587,090.59                              | 6,810.00                           | -                              | 1,593,900.59           | 1,239,944.19                            | (564,611.34)                         | 1,239,944.19                                | 675,332.85                              |                                      |
| Depot                            | -                                         | -                                  | -                              | -                      | 5,166.97                                | 131,718.89                           | 131,718.89                                  | 136,885.86                              |                                      |
| FAA Airport Environmental Study  | 19,066.00                                 | -                                  | -                              | 19,066.00              | (8,914.12)                              | -                                    | -                                           | (8,914.12)                              |                                      |
| Garvin Park Playground Equipment | -                                         | -                                  | -                              | -                      | 100,000.00                              | -                                    | -                                           | 100,000.00                              |                                      |
| KLINK - 7th Street 2012          | 180,314.26                                | -                                  | -                              | 180,314.26             | (107,314.26)                            | -                                    | -                                           | (107,314.26)                            |                                      |
| Library Project                  | -                                         | -                                  | 8,000.00                       | 8,000.00               | (8,000.00)                              | -                                    | 21,410.25                                   | 13,410.25                               |                                      |
| Lions Club Project               | 2,500.00                                  | -                                  | -                              | 2,500.00               | (2,500.00)                              | -                                    | 2,500.00                                    | -                                       |                                      |
| Marsh Donation - ADOPS           | -                                         | -                                  | -                              | -                      | -                                       | -                                    | 1,075.34                                    | 1,075.34                                |                                      |
| NRP Marketing Plan               | 202.15                                    | -                                  | -                              | 202.15                 | (202.15)                                | -                                    | 2,049.03                                    | 1,846.88                                |                                      |
| Ohio and Kelly Intersection      | 67,048.22                                 | -                                  | -                              | 67,048.22              | 132,951.78                              | -                                    | 243,490.53                                  | 376,442.31                              |                                      |
| Project Playpark                 | 1,348.38                                  | -                                  | -                              | 1,348.38               | (1,348.38)                              | -                                    | 2,174.61                                    | 826.23                                  |                                      |
| Public Works Building Project    | -                                         | -                                  | -                              | -                      | 50,000.00                               | -                                    | -                                           | 50,000.00                               |                                      |
| South Ohio Street                | -                                         | -                                  | -                              | -                      | 200,000.00                              | -                                    | -                                           | 200,000.00                              |                                      |
| Walking Path Project             | -                                         | -                                  | -                              | -                      | -                                       | -                                    | 500.00                                      | 500.00                                  |                                      |
| Walmart / Lulu Project           | -                                         | -                                  | -                              | -                      | 59,259.10                               | -                                    | -                                           | 59,259.10                               |                                      |
| <b>TOTALS</b>                    | <b>\$ 1,857,569.60</b>                    | <b>\$ 6,810.00</b>                 | <b>\$ 8,000.00</b>             | <b>\$ 1,872,379.60</b> | <b>\$ (145,512.40)</b>                  | <b>\$ 1,649,742.84</b>               | <b>\$ 1,504,230.44</b>                      |                                         |                                      |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### ELECTRIC UTILITY FUND

|                                           | Prior<br>Year<br>Actual | Current Year           |                        | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|------------------------|------------------------|----------------------------------------|
|                                           |                         | Actual                 | Budget                 |                                        |
| <b>Cash Receipts</b>                      |                         |                        |                        |                                        |
| Sales and Fees                            | \$ 7,456,698.84         | \$ 7,290,475.51        | \$ 7,086,000.00        | \$ 204,475.51                          |
| Refunds and Miscellaneous                 | 221,975.15              | 219,915.14             | 133,000.00             | 86,915.14                              |
| Electric Fuel Adjustment                  | 808,882.45              | 959,977.17             | 850,000.00             | 109,977.17                             |
| Interest Income                           | 1,212.99                | 325.64                 | 5,000.00               | (4,674.36)                             |
| Dividends                                 | 1,000.00                | 2,000.00               | -                      | 2,000.00                               |
| Property Rent - Airport                   | -                       | 6,654.00               | -                      | 6,654.00                               |
| Transfers from Other Funds                | 1,368,800.00            | 715,000.00             | 715,000.00             | -                                      |
| <b>Total Cash Receipts</b>                | <u>\$ 9,858,569.43</u>  | <u>\$ 9,194,347.46</u> | <u>\$ 8,789,000.00</u> | <u>\$ 405,347.46</u>                   |
| <b>Expenditures</b>                       |                         |                        |                        |                                        |
| Personnel Services                        | \$ 1,174,891.71         | \$ 1,179,175.99        | \$ 1,330,400.00        | \$ (151,224.01)                        |
| Contractual Services                      | 5,041,225.60            | 5,172,928.98           | 5,540,900.00           | (367,971.02)                           |
| Commodities                               | 136,833.72              | 184,117.85             | 248,600.00             | (64,482.15)                            |
| Capital Outlay                            | 131,044.17              | 265,700.10             | 293,000.00             | (27,299.90)                            |
| Principal                                 | 410,000.00              | 395,000.00             | 395,000.00             | -                                      |
| Interest                                  | 123,941.20              | 135,633.76             | 136,000.00             | (366.24)                               |
| Commission                                | 3.75                    | 37.50                  | -                      | 37.50                                  |
| Transfer to Other Funds                   | 1,980,900.00            | 1,366,700.00           | 1,330,700.00           | 36,000.00                              |
| <b>Total Expenditures</b>                 | <u>\$ 8,998,840.15</u>  | <u>\$ 8,699,294.18</u> | <u>\$ 9,274,600.00</u> | <u>\$ (575,305.82)</u>                 |
| <b>Receipts Over (Under) Expenditures</b> | \$ 859,729.28           | \$ 495,053.28          |                        |                                        |
| Unencumbered Cash, Beginning              | 4,241,830.71            | 5,101,559.99           |                        |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 5,101,559.99</u>  | <u>\$ 5,596,613.27</u> |                        |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### WATER UTILITY FUND

|                                           | Prior<br>Year<br>Actual | Current Year    |                | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|-----------------|----------------|----------------------------------------|
|                                           |                         | Actual          | Budget         |                                        |
| <b>Cash Receipts</b>                      |                         |                 |                |                                        |
| Water Sales                               | \$2,016,023.01          | \$ 1,980,996.80 | \$1,770,200.00 | \$ 210,796.80                          |
| Installation Fees                         | 12,961.77               | 27,716.00       | 10,000.00      | 17,716.00                              |
| Refund of Expenditures                    | 1,274.75                | 4,003.25        | 1,000.00       | 3,003.25                               |
| Interest Income                           | 3,719.92                | 2,871.00        | 9,000.00       | (6,129.00)                             |
| Dividends                                 | 1,500.00                | 2,000.00        | -              | 2,000.00                               |
| Transfer from Other Funds                 | 455,000.00              | 460,000.00      | 460,000.00     | -                                      |
| Miscellaneous                             | 8,986.05                | 3,150.23        | 1,500.00       | 1,650.23                               |
| <b>Total Cash Receipts</b>                | \$2,499,465.50          | \$ 2,480,737.28 | \$2,251,700.00 | \$ 229,037.28                          |
| <b>Expenditures</b>                       |                         |                 |                |                                        |
| Personnel Services                        | \$ 392,603.61           | \$ 424,761.41   | \$ 478,500.00  | \$ 53,738.59                           |
| Contractual Services                      | 687,033.80              | 635,068.31      | 656,600.00     | 21,531.69                              |
| Commodities                               | 255,217.43              | 249,981.66      | 255,300.00     | 5,318.34                               |
| Capital Outlay                            | 78,378.45               | 98,421.44       | 103,000.00     | 4,578.56                               |
| Transfer to Other Funds                   | 455,000.00              | 460,000.00      | 460,000.00     | -                                      |
| Principal                                 | 275,000.00              | 290,000.00      | 290,000.00     | -                                      |
| Interest                                  | 189,780.18              | 184,937.52      | 185,000.00     | 62.48                                  |
| Cost of Issuance                          | 399.52                  | -               | -              | -                                      |
| <b>Total Expenditures</b>                 | \$2,333,412.99          | \$ 2,343,170.34 | \$2,428,400.00 | \$ 85,229.66                           |
| <b>Receipts Over (Under) Expenditures</b> | \$ 166,052.51           | \$ 137,566.94   |                |                                        |
| Unencumbered Cash, Beginning              | 642,557.82              | 808,610.33      |                |                                        |
| <b>Unencumbered Cash, Ending</b>          | \$ 808,610.33           | \$ 946,177.27   |                |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### REFUSE FUND

|                                           | Prior<br>Year<br>Actual | Current Year         |                      | Variance<br>favorable<br>(unfavorable) |
|-------------------------------------------|-------------------------|----------------------|----------------------|----------------------------------------|
|                                           |                         | Actual               | Budget               |                                        |
| <b>Cash Receipts</b>                      |                         |                      |                      |                                        |
| Dumpster Rental                           | \$ 37,101.17            | \$ 34,674.41         | \$ 37,000.00         | \$ (2,325.59)                          |
| Refuse Trash Bags                         | 2,372.95                | 2,588.58             | 2,000.00             | 588.58                                 |
| Refund of Expenditures                    | 2,710.68                | 3,462.29             | 1,000.00             | 2,462.29                               |
| Commercial Compost Payment                | 125.00                  | 350.00               | -                    | 350.00                                 |
| Sale of Scrap                             | 27,057.56               | 11,665.95            | 10,000.00            | 1,665.95                               |
| Service Fees                              | 686,910.75              | 699,311.25           | 685,000.00           | 14,311.25                              |
| Dividends                                 | 1,500.00                | 2,000.00             | -                    | 2,000.00                               |
| <b>Total Cash Receipts</b>                | <u>\$ 757,778.11</u>    | <u>\$ 754,052.48</u> | <u>\$ 735,000.00</u> | <u>\$ 19,052.48</u>                    |
| <b>Expenditures</b>                       |                         |                      |                      |                                        |
| Personnel Services                        | \$ 437,080.53           | \$ 426,438.55        | \$ 458,800.00        | \$ 32,361.45                           |
| Contractual Services                      | 175,349.71              | 189,392.93           | 224,700.00           | 35,307.07                              |
| Commodities                               | 67,244.23               | 73,968.11            | 77,100.00            | 3,131.89                               |
| Capital Outlay                            | 7,394.87                | 8,351.12             | 18,000.00            | 9,648.88                               |
| Interfund Transfer                        | 13,600.00               | 10,000.00            | 10,000.00            | -                                      |
| <b>Total Expenditures</b>                 | <u>\$ 700,669.34</u>    | <u>\$ 708,150.71</u> | <u>\$ 788,600.00</u> | <u>\$ 80,449.29</u>                    |
| <b>Receipts Over (Under) Expenditures</b> | \$ 57,108.77            | \$ 45,901.77         |                      |                                        |
| Unencumbered Cash, Beginning              | <u>250,657.64</u>       | <u>307,766.41</u>    |                      |                                        |
| <b>Unencumbered Cash, Ending</b>          | <u>\$ 307,766.41</u>    | <u>\$ 353,668.18</u> |                      |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual and Budget Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### WASTEWATER TREATMENT FUND

|                                               | Prior<br>Year<br>Actual | Current Year          |                       | Variance<br>favorable<br>(unfavorable) |
|-----------------------------------------------|-------------------------|-----------------------|-----------------------|----------------------------------------|
|                                               |                         | Actual                | Budget                |                                        |
| <b>Cash Receipts</b>                          |                         |                       |                       |                                        |
| Service Fees                                  | \$1,299,676.38          | \$1,284,196.20        | \$1,277,000.00        | \$ 7,196.20                            |
| Refunds of Expenditures                       | 870.62                  | 1,322.41              | 1,000.00              | 322.41                                 |
| Miscellaneous                                 | 724.80                  | 886.20                | 100.00                | 786.20                                 |
| Sewer District No. 12                         | 4,755.07                | 5,155.61              | 5,600.00              | (444.39)                               |
| Interest Income                               | 1,290.86                | 918.85                | 1,000.00              | (81.15)                                |
| Dividends                                     | 1,500.00                | 2,500.00              | -                     | 2,500.00                               |
| Bond Proceeds                                 | -                       | 4,800,000.00          | -                     | 4,800,000.00                           |
| Bond Premium                                  | -                       | 126,070.40            | -                     | 126,070.40                             |
| Transfer from Other Funds                     | -                       | -                     | 50,000.00             | (50,000.00)                            |
| <b>Total Cash Receipts</b>                    | <u>\$1,308,817.73</u>   | <u>\$6,221,049.67</u> | <u>\$1,334,700.00</u> | <u>\$ 4,886,349.67</u>                 |
| <b>Expenditures</b>                           |                         |                       |                       |                                        |
| Personnel Services                            | \$ 307,135.86           | \$ 367,581.34         | \$ 360,500.00         | \$ (7,081.34)                          |
| Contractual Services                          | 92,337.58               | 124,123.86            | 320,300.00            | 196,176.14                             |
| Commodities                                   | 105,711.60              | 82,733.33             | 94,200.00             | 11,466.67                              |
| Capital Outlay                                | 600,010.31              | 269,535.43            | 293,000.00            | 23,464.57                              |
| Principal                                     | 453,277.91              | 5,307,315.61          | 467,200.00            | (4,840,115.61)                         |
| Interest                                      | 164,255.13              | 132,559.82            | 150,400.00            | 17,840.18                              |
| Underwriter's Discount                        | -                       | 48,000.00             | -                     | (48,000.00)                            |
| Interfund Transfer                            | -                       | 1,665.98              | 50,000.00             | 48,334.02                              |
| <b>Legal Wastewater Treatment Fund Budget</b> | <u>\$1,722,728.39</u>   | <u>\$6,333,515.37</u> | <u>\$1,735,600.00</u> | <u>\$(4,597,915.37)</u>                |
| Adjustment for Qualifying Budget Credits      | \$ -                    | \$ -                  | \$4,926,070.40        | \$ 4,926,070.40                        |
| <b>Total Expenditures</b>                     | <u>\$1,722,728.39</u>   | <u>\$6,333,515.37</u> | <u>\$6,661,670.40</u> | <u>\$ 328,155.03</u>                   |
| <b>Receipts Over (Under) Expenditures</b>     | \$ (413,910.66)         | \$ (112,465.70)       |                       |                                        |
| Unencumbered Cash, Beginning                  | <u>2,227,682.16</u>     | <u>1,813,771.50</u>   |                       |                                        |
| <b>Unencumbered Cash, Ending</b>              | <u>\$1,813,771.50</u>   | <u>\$1,701,305.80</u> |                       |                                        |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### ELECTRIC BOND RESERVE FUND

|                                    | <u>2011</u>         | <u>2012</u>         |
|------------------------------------|---------------------|---------------------|
| Total Cash Receipts                | \$ -                | \$ -                |
| Total Expenditures                 | \$ -                | \$ -                |
| Receipts Over (Under) Expenditures | \$ -                | \$ -                |
| Unencumbered Cash, Beginning       | <u>66,500.00</u>    | <u>66,500.00</u>    |
| Unencumbered Cash, Ending          | <u>\$ 66,500.00</u> | <u>\$ 66,500.00</u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 2 -

## Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals For the Prior Year Ended December 31, 2011)

### WATER BONDS RESERVE FUND

|                                    | <u>2011</u>                 | <u>2012</u>                 |
|------------------------------------|-----------------------------|-----------------------------|
| Total Cash Receipts                | <u>\$ -</u>                 | <u>\$ -</u>                 |
| Total Expenditures                 | <u>\$ -</u>                 | <u>\$ -</u>                 |
| Receipts Over (Under) Expenditures | \$ -                        | \$ -                        |
| Unencumbered Cash, Beginning       | <u>461,000.00</u>           | <u>461,000.00</u>           |
| Unencumbered Cash, Ending          | <u><u>\$ 461,000.00</u></u> | <u><u>\$ 461,000.00</u></u> |

# CITY OF AUGUSTA, KANSAS

Schedule - 3 -

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

### AGENCY FUNDS

|                | <u>Beginning<br/>Cash<br/>Balance</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Ending<br/>Cash<br/>Balance</u> |
|----------------|---------------------------------------|--------------------------|-------------------------------|------------------------------------|
| Sales Tax Fund | \$ 13,970.62                          | \$ 212,364.25            | \$ 224,992.39                 | \$ 1,342.48                        |
| Mausoleum Fund | 3,318.56                              | 28.47                    | -                             | 3,347.03                           |
| <b>TOTALS</b>  | <u>\$ 17,289.18</u>                   | <u>\$ 212,392.72</u>     | <u>\$ 224,992.39</u>          | <u>\$ 4,689.51</u>                 |

**CITY OF AUGUSTA, KANSAS**  
**INSURANCE AND FIDELITY BOND COVERAGE**  
**December 31, 2012**

Schedule - 4 -

| <b>General Insurance Coverage</b>                                                                                                                                            | <b>Coverage Amount</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Standard fire, lightning, extended coverage, vandalism and malicious mischief,<br>90% coinsurance:                                                                           |                        |
| Blanket #1 - City Hall, Fire Department, and all other city owned property other than<br>those locations listed in Blanket #2 and Personal Property, \$2,500 deductible, ACV | \$ 30,508,836          |
| Blanket #2 - Contents City Hall, Fire Department, and all other city owned property,<br>\$2,500 deductible, Replacement cost                                                 | 2,588,284              |
| Comprehensive general liability policy on all operations, \$250 property damage deductible                                                                                   |                        |
| General aggregate limit/products and completed operations                                                                                                                    | 2,000,000/2,000,000    |
| Personal and/or advertising injury limit/Each occurrence limit                                                                                                               | 1,000,000              |
| Damage to premises rented to you                                                                                                                                             | 100,000                |
| Medical expense limit                                                                                                                                                        | 5,000                  |
| Inland marine policy:                                                                                                                                                        |                        |
| Commercial Articles, \$500 Deductible                                                                                                                                        | 3,256                  |
| Contractors' equipment, \$500 deductible, 80% Coinsurance                                                                                                                    | 1,176,920              |
| Data processing equipment, \$1,000/\$2,500/\$5,000 deductible                                                                                                                | 171,304                |
| Scheduled Property Floater, \$500 Deductible                                                                                                                                 | 3,246,680              |
| Linebacker - Combined bodily injury and property damage single limit, \$3,000 deductible                                                                                     | 1,000,000              |
| Standard workmen's compensation                                                                                                                                              | Statutory              |
| Employer's Liability                                                                                                                                                         | 500,000/500,000        |
| Commercial umbrella declarations                                                                                                                                             |                        |
| Occurrence and aggregate                                                                                                                                                     | 1,000,000              |
| Retained limit                                                                                                                                                               | 10,000                 |
| Comprehensive automobile policy:                                                                                                                                             |                        |
| Liability                                                                                                                                                                    | 1,000,000              |
| Uninsured motorists                                                                                                                                                          | 1,000,000              |
| Underinsured motorists                                                                                                                                                       | 1,000,000              |
| Employee benefits liability, aggregate limit, \$1,000 deductible                                                                                                             | 2,000,000              |
| Employee dishonesty, per employee, \$1,000 deductible                                                                                                                        | 15,000                 |
| Fidelity bonds on officers and employees:                                                                                                                                    |                        |
| City Clerk                                                                                                                                                                   | 200,000                |
| Utility Clerks (Each)                                                                                                                                                        | 25,000                 |
| Assistant City Clerk/Treasurer                                                                                                                                               | 135,000                |
| 690-694 Frisco, including generators, switch gears and transformers                                                                                                          | 21,639,196             |
| Personal Property                                                                                                                                                            | 50,000                 |
| 615 East 12th, including generators, switch gears and transformers                                                                                                           | 34,296,304             |
| Personal Property                                                                                                                                                            | 50,000                 |
| Flood policy:                                                                                                                                                                |                        |
| 208 West Fourth Street - Not City's - Caring Center uses city group to get cheaper rates                                                                                     |                        |
| Highway 77 South - Building coverage/contents/deductible                                                                                                                     | 500,000/229,700/1,000  |
| 300 East 4th - Building coverage/contents/deductible                                                                                                                         | 19,600/none/1,000      |
| 400 S Grove - Building coverage/contents/deductible                                                                                                                          | 35,500/68,600/1,000    |

**CITY OF AUGUSTA, KANSAS**

**FOR THE YEAR ENDED DECEMBER 31, 2012**

**APPENDICES**

**CITY OF AUGUSTA, KANSAS**  
**AUGUSTA, KANSAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Appendix - A -

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Disbursements/<br/>Expenditures</u> |
|----------------------------------------------------------------------|------------------------------------|----------------------------------------|
| <b>Federal Funds Paid Direct to City:</b>                            |                                    |                                        |
| <b>United States Department of Transportation</b>                    |                                    |                                        |
| Reconstruct and Improve Taxiway                                      | 20.106                             | \$ 746,529.00                          |
| Environmental Assessment                                             | 20.106                             | 17,159.00                              |
| <b>Total of United States Department of Education</b>                |                                    | <u>\$ 763,688.00</u>                   |
| <b>United States Environmental Protection Agency</b>                 |                                    |                                        |
| Spillway/Dam Project                                                 | 66.202                             | \$ 180,000.00                          |
| <b>Total of United States Environmental Protection Agency</b>        |                                    | <u>\$ 180,000.00</u>                   |
| <b>United States Department of Justice</b>                           |                                    |                                        |
| Bulletproof Vest Partnership Program                                 | 16.607                             | 2,250.00                               |
| <b>Total of United States Department of Justice</b>                  |                                    | <u>\$ 2,250.00</u>                     |
| <b>Total Funds Paid Direct to City</b>                               |                                    | <u>\$ 945,938.00</u>                   |
| <b>Total Expenditures of Federal Awards</b>                          |                                    | <u>\$ 945,938.00</u>                   |

Note: The Schedule of Expenditures of Federal Awards was prepared using the KMAAG Regulatory Basis of Accounting

**EDW. B  
STEPHENSON  
& CO., CPAs  
CHARTERED**

EDW. B. STEPHENSON  
(1905-1985)

JAMES R. DOBBS  
(1927-1997)

HARRY L. SHETLAR, JR.  
(1931-2000)

MORRIS W. JARVIS  
(1935-1999)

N. DEAN BRADBURY  
(1936-2005)

LOREN L. PONTIOUS  
(Retired)

SHAREHOLDERS

AARON R. IVERSON, CPA

MICHAEL B. NORTON, CPA

MAURICE P. ROBERTS, CPA

ACCOUNTANTS

SARAH M. KINDT

MELISSA J. SCHOOLEY

HEIDI M. HUENEGART

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the City Council and City Manager of the  
City of Augusta, Kansas  
Augusta, Kansas 67010

We have audited the regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Augusta, Kansas, as of and for the year ended December 31, 2012, and have issued our report thereon dated May 15, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the internal control of the City of Augusta, Kansas, over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Winfield, Kansas 67156  
620-221-9320  
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the City of Augusta, Kansas, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the City Council and City Manager and should not be used for any other purpose.

*Edw. B. Stephenson & Co., CPA's Char'd*

Winfield, Kansas

May 15, 2013

**EDW. B  
STEPHENSON  
& CO., CPAs  
CHARTERED**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

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HEIDI M. HUENEGARDT

To the City Council and City Manager of the  
City of Augusta, Kansas  
Augusta, Kansas 67010

We have audited the compliance of the City of Augusta, Kansas, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2012.

Internal Control Over Compliance

The management of the City of Augusta, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In

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planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Augusta, Kansas, internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal (state) program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of control deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

This report is intended solely for the information of the City of Augusta, Council and management and should not be used for any other purpose.

*Edwin B. Stephenson & Co., CPAs, Chartered*  
Winfield, Kansas  
May 15, 2013

**CITY OF AUGUSTA  
AUGUSTA, KANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Appendix – D –

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an adverse opinion on the financial statement of City of Augusta.
2. No significant deficiencies and no material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instance of noncompliance material to the financial statements of City of Augusta, Kansas, was disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditors' report on compliance for the major federal award programs for City of Augusta, Kansas, expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for City of Augusta, Kansas, are to be reported in Part C of this schedule.
7. The programs tested as major programs include:  
  
FEDERAL FUNDS PAID DIRECT TO CITY  
  
U. S. Department of Transportation  
  
Airport Improvement Program  
    Reconstruct and Improve Taxiway 20.106
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City Augusta, Kansas was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COST - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**CITY OF AUGUSTA  
AUGUSTA, KANSAS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2012**

Appendix – E –

There are no prior audit findings relative to federal awards.