

CITY OF MINNEOLA, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2012**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Minneola, Kansas

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

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A 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.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A 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 Minneola, Kansas 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 balances of the City of Minneola, Kansas 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 A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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 and the individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) 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 information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statement or to the 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 basic financial statement as a whole, on the basis of accounting described in Note A.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures (Schedule 2 as listed in the table of contents) upon which we rendered an unqualified opinion dated December 10, 2012 are also presented for comparative analysis and are not a required part of the 2012 financial statement. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management and Analysis and Standards at the following link <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 statements. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statements or to the 2011 financial statements themselves, 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 statements as a whole.

Kennedy McKee & Company LLP

June 18, 2013

CITY OF MINNEOLA, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year ended December 31, 2012

<u>Fund</u>	<u>Beginning unencumbered cash balance (deficit)</u>	<u>Prior year canceled encumbrances</u>
General	\$ 68,335	\$ -
Special purpose funds:		
Library	-	-
Library employee benefits	-	-
Employee benefits	(3,961)	-
Special highway	10,525	-
Total special purpose funds	<u>6,564</u>	<u>-</u>
Bond and interest fund:		
Bond and interest	<u>22,742</u>	<u>-</u>
Capital projects fund:		
Bond construction	<u>161,357</u>	<u>-</u>
Business funds:		
Water utility	58,456	-
Sewer utility	10,274	-
Trash utility	1,548	-
Total business funds	<u>70,278</u>	<u>-</u>
Total City of Minneola	329,276	-
Related municipal entity:		
Minneola City Library	<u>40,655</u>	<u>-</u>
Total municipal financial reporting entity	<u>\$ 369,931</u>	<u>\$ -</u>
Composition of cash:		
Checking		
Debit card		
Money market		
Certificate of deposit		
Total City of Minneola		
Related municipal entity		
Total municipal financial reporting entity		

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

STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 198,236	\$ 218,577	\$ 47,994	\$ 8,586	\$ 56,580
17,957	17,957	-	-	-
1,994	1,994	-	-	-
19,537	12,576	3,000	-	3,000
18,986	6,500	23,011	-	23,011
<u>58,474</u>	<u>39,027</u>	<u>26,011</u>	<u>-</u>	<u>26,011</u>
<u>80,505</u>	<u>76,967</u>	<u>26,280</u>	<u>-</u>	<u>26,280</u>
<u>-</u>	<u>79,536</u>	<u>81,821</u>	<u>-</u>	<u>81,821</u>
191,861	167,993	82,324	4,334	86,658
68,865	71,143	7,996	-	7,996
41,449	41,823	1,174	-	1,174
<u>302,175</u>	<u>280,959</u>	<u>91,494</u>	<u>4,334</u>	<u>95,828</u>
639,390	695,066	273,600	12,920	286,520
<u>31,988</u>	<u>22,621</u>	<u>50,022</u>	<u>296</u>	<u>50,318</u>
<u>\$ 671,378</u>	<u>\$ 717,687</u>	<u>\$ 323,622</u>	<u>\$ 13,216</u>	<u>\$ 336,838</u>
				\$ 25,171
				2,000
				209,349
				<u>50,000</u>
				286,520
				<u>50,318</u>
				<u>\$ 336,838</u>

CITY OF MINNEOLA, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement and notes are the representation of the City's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

The City of Minneola is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Minneola and its related municipal entity. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents.

Minneola City Library. The Minneola City Library operates the City's public library. The members of the governing board of the Library are approved by the City Council. Bond issuances must be approved by the City.

2. Regulatory Basis Fund Types

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.

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. enterprise and internal service funds, etc).

3. 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 encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America (continued)

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.

4. 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 the official 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 increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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 the Capital Project fund.

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

B. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration to the Director of Accounts and Reports, Kansas Department of Administration, and interpretation by legal representatives of the City.

K.S.A. 10-130 requires that municipalities remit payments for any bonds or interest to the state fiscal agent at least twenty days before the day of maturity. One payment was not made in accordance with this statute.

The budget law provided by K.S.A. 79-2935 prohibits the creation of indebtedness in any fund in excess of the amount allowed by budget. At year end, the Library, Library Employee Benefits, and Sewer Utility funds had expenditures in excess of budget in the amount of \$321, \$44, and \$4,249, respectively.

C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to 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 provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

At December 31, 2012, the City's carrying amount of deposits was \$286,520 and the bank balance was \$293,899. Of the bank balance, \$250,000 was covered by federal depository insurance and \$43,899 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

D. CAPITAL PROJECTS

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

	<u>Project authorization</u>	<u>Cash disbursements and accounts payable to date</u>
Sewer pump replacement	\$ 51,213	\$ 46,945
Engineering for Main Street project	65,538	41,074

E. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest paid
General obligation bonds:					
Street and utilities improvements Issued September 1, 2005 In the amount of \$175,000 At an interest rate of 4.0%-5.75% Maturing September 1, 2015	\$ 80,000	\$ -	\$ 19,000	\$ 61,000	\$ 3,342
General improvements Issued September 28, 2009 In the amount of \$465,000 At an interest rate of 2.0%-4.25% Maturing November 1, 2020	<u>395,000</u>	<u>-</u>	<u>40,000</u>	<u>355,000</u>	<u>14,112</u>
Total general obligation bonds	<u>475,000</u>	<u>-</u>	<u>59,000</u>	<u>416,000</u>	<u>17,454</u>
Capital leases:					
Gator and Hustler mower Issued May 6, 2010 In the amount of \$19,810 At an interest rate of 5.06% Maturing May 6, 2012	6,598	-	6,597	1	334
Hustler mower Issued May 18, 2011 In the amount of \$7,856 At an interest rate of 4.65% Maturing May 18, 2013	5,118	-	2,500	2,618	238
Ford pickup Issued June 20, 2012 In the amount of \$22,010 At an interest rate of 5.50% Maturing June 20, 2014	<u>-</u>	<u>22,010</u>	<u>7,733</u>	<u>14,277</u>	<u>-</u>
Total capital leases	<u>11,716</u>	<u>22,010</u>	<u>16,830</u>	<u>16,896</u>	<u>572</u>
Total contractual indebtedness	<u>\$ 486,716</u>	<u>\$ 22,010</u>	<u>\$ 75,830</u>	<u>\$ 432,896</u>	<u>\$ 18,026</u>

Current maturities of general obligation bonds for the next five years and thereafter through maturity are as follows:

	Principal due	Interest due	Total due
2013	\$ 60,000	\$ 15,575	\$ 75,575
2014	70,000	13,645	83,645
2015	51,000	11,180	62,180
2016	45,000	9,313	54,313
2017	45,000	7,737	52,737
2018-2020	<u>145,000</u>	<u>12,850</u>	<u>157,850</u>
Total	<u>\$ 416,000</u>	<u>\$ 70,300</u>	<u>\$ 486,300</u>

Current maturities of capital leases and interest through maturity are as follows:

	Principal due	Interest due	Total due
2013	\$ 9,565	\$ 907	\$ 10,472
2014	<u>7,331</u>	<u>403</u>	<u>7,734</u>
Total	<u>\$ 16,896</u>	<u>\$ 1,310</u>	<u>\$ 18,206</u>

F. DEBT LIMITATION

The amount of long-term debt that can be incurred by the City is limited by K.S.A. 10-308. K.S.A. 10-309 provides for certain exemptions and K.S.A. 10-311 exempts revenue bond issues from the overall limitation. Except as provided in other statutes the total outstanding bonded indebtedness during a year can be no greater than 30% of the assessed value of taxable tangible property as certified to the County Clerk on the preceding August 25. As of December 31, 2012, the City did not have any debt subject to the limitations imposed by K.S.A. 10-308.

G. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfer:			
Water Utility	Bond and Interest	K.S.A. 12-825d	\$ 30,000
Water Utility	Employee Benefits	K.S.A. 12-825d	2,500
Sewer Utility	Employee Benefits	K.S.A. 12-825d	<u>1,500</u>
			<u>\$ 34,000</u>
Transfers to related municipal entity:			
Library	Minneola City Library		\$ 17,497
Library Employee Benefits	Minneola City Library		<u>1,943</u>
			<u>\$ 19,440</u>

H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated absences. The City's compensated absence policy permits employees to accumulate vacation up to twenty days per year. The City's policy allows employees to carry over all accumulated vacation. Unused vacation is paid upon termination or resignation.

Sick leave is accumulated at the rate of one day per month. The maximum number of hours eligible to be carried over to a subsequent year is 240 hours. Unused sick leave is not paid upon termination or resignation. The City's policy is to recognize the costs of compensated absences when actually paid.

I. DEFINED BENEFIT PENSION PLAN

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

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy. K.S.A. 74-4919 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% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) 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 is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City's employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$12,741, \$11,162, and \$9,722, respectively, equal to the required contributions for each year.

J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and, natural disasters. The City purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 18, 2013, the date on which the financial statement was available to be used. Management's evaluation concluded that the following subsequent event is required to be recognized or disclosed in the financial statement:

In January 2013 the City applied to KDHE for a revolving loan of \$802,005 for the Main Street and water line projects.

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF MINNEOLA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year ended December 31, 2012

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General	\$ 302,498	\$ -	\$ 302,498	\$ 218,577	\$ 83,921
Special purpose funds:					
Library	17,636	-	17,636	17,957	(321)
Library employee benefits	1,950	-	1,950	1,994	(44)
Employee benefits	15,400	-	15,400	12,576	2,824
Special highway	41,600	-	41,600	6,500	35,100
Bond and interest fund:					
Bond and interest	86,555	-	86,555	76,967	9,588
Business funds:					
Water utility	167,993	-	167,993	167,993	-
Sewer utility	66,894	-	66,894	71,143	(4,249)
Trash utility	48,772	-	48,772	41,823	6,949
	<u>\$ 749,298</u>	<u>\$ -</u>	<u>\$ 749,298</u>	<u>\$ 615,530</u>	<u>\$ 133,768</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

GENERAL FUND

SCHEDULE OF 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)

	2012		Variance favorable (unfavorable)	
	2011	Actual		Budget
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 52,804	\$ 44,612	\$ 45,362	\$ (750)
Delinquent tax	-	3,722	-	3,722
Motor vehicle tax	10,971	9,914	11,604	(1,690)
Recreational vehicle tax	183	185	226	(41)
16/20M truck tax	20	17	48	(31)
Special assessments	2,821	325	-	325
Intangibles tax	5,459	4,802	3,831	971
Local sales tax	41,407	50,430	44,000	6,430
Franchise tax	36,708	34,744	39,500	(4,756)
Licenses, permits and fees:				
Licenses and permits	1,401	1,540	1,000	540
Animal control	416	2,219	85	2,134
Fines, forfeitures and penalties	34,346	18,899	57,000	(38,101)
Charges for services	17,532	17,976	14,100	3,876
Interest	1,703	719	3,500	(2,781)
Miscellaneous	24,911	8,132	-	8,132
Total cash receipts	<u>230,682</u>	<u>198,236</u>	<u>\$ 220,256</u>	<u>\$ (22,020)</u>
Expenditures:				
General government:				
Personnel	36,965	45,522	\$ 42,150	\$ (3,372)
Contractual services	79,881	81,647	79,400	(2,247)
Commodities	3,541	2,202	8,000	5,798
Capital outlay	14,426	4,582	67,219	62,637
Public safety:				
Law enforcement	2,700	3,300	4,400	1,100
Fire department	7,174	6,599	3,200	(3,399)
Municipal court:				
Personnel	11,345	9,049	14,500	5,451
Contractual services	31,346	19,485	34,500	15,015
Culture and recreation:				
Personnel	29,453	29,545	29,750	205
Contractual services	26,357	13,332	6,200	(7,132)
Commodities	7,805	1,881	11,500	9,619
Neighborhood revitalization	1,514	1,433	1,679	246
Total expenditures	<u>252,507</u>	<u>218,577</u>	<u>\$ 302,498</u>	<u>\$ 83,921</u>
Receipts over (under) expenditures	(21,825)	(20,341)		
Unencumbered cash, beginning of year	90,160	68,335	\$ 82,242	\$ (13,907)
Unencumbered cash, end of year	<u>\$ 68,335</u>	<u>\$ 47,994</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 13,676	\$ 14,320	\$ 14,560	\$ (240)
Delinquent tax	-	996	-	996
Motor vehicle tax	2,969	2,588	3,005	(417)
Recreational vehicle tax	49	48	59	(11)
16/20M truck tax	6	5	12	(7)
Total cash receipts	<u>16,700</u>	<u>17,957</u>	<u>\$ 17,636</u>	<u>\$ 321</u>
Expenditures:				
Transfer to component unit	16,308	17,497	\$ 17,097	\$ (400)
Neighborhood revitalization	<u>392</u>	<u>460</u>	<u>539</u>	<u>79</u>
Total expenditures	<u>16,700</u>	<u>17,957</u>	<u>\$ 17,636</u>	<u>\$ (321)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

LIBRARY EMPLOYEE BENEFITS FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 1,470	\$ 1,594	\$ 1,620	\$ (26)
Delinquent tax	-	111	-	111
Motor vehicle tax	334	283	323	(40)
Recreational vehicle tax	5	5	6	(1)
16/20M truck tax	1	1	1	-
Total cash receipts	<u>1,810</u>	<u>1,994</u>	<u>\$ 1,950</u>	<u>\$ 44</u>
Expenditures:				
Transfer to component unit	1,768	1,943	\$ 1,890	\$ (53)
Neighborhood revitalization	<u>42</u>	<u>51</u>	<u>60</u>	<u>9</u>
Total expenditures	<u>1,810</u>	<u>1,994</u>	<u>\$ 1,950</u>	<u>\$ (44)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 5,837	\$ 13,855	\$ 14,087	\$ (232)
Delinquent tax	-	562	-	562
Motor vehicle tax	1,518	1,098	1,283	(185)
Recreational vehicle tax	22	20	25	(5)
16/20M truck tax	4	2	5	(3)
Operating transfers in	-	4,000	-	4,000
Total cash receipts	<u>7,381</u>	<u>19,537</u>	<u>\$ 15,400</u>	<u>\$ 4,137</u>
Expenditures:				
General government	14,153	12,131	\$ 14,879	\$ 2,748
Neighborhood revitalization	167	445	521	76
Total expenditures	<u>14,320</u>	<u>12,576</u>	<u>\$ 15,400</u>	<u>\$ 2,824</u>
Receipts over (under) expenditures	(6,939)	6,961		
Unencumbered cash, beginning of year	<u>2,978</u>	<u>(3,961)</u>	<u>\$ -</u>	<u>\$ (3,961)</u>
Unencumbered cash, end of year	<u>\$ (3,961)</u>	<u>\$ 3,000</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
State of Kansas gas tax	\$ 17,931	\$ 18,986	\$ 17,210	\$ 1,776
Expenditures:				
Personnel	3,672	575	\$ 10,000	\$ 9,425
Contractual services	1,414	1,357	11,600	10,243
Commodities	22,104	3,568	20,000	16,432
Capital outlay	1,500	1,000	-	(1,000)
Total expenditures	28,690	6,500	\$ 41,600	\$ 35,100
Receipts over (under) expenditures	(10,759)	12,486		
Unencumbered cash, beginning of year	21,284	10,525	\$ 29,724	\$ (19,199)
Unencumbered cash, end of year	\$ 10,525	\$ 23,011	\$ 5,334	\$ 17,677

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 15,112	\$ 15,961	\$ 16,230	\$ (269)
Delinquent tax	-	1,101	-	1,101
Motor vehicle tax	3,477	2,979	3,320	(341)
Recreational vehicle tax	60	55	65	(10)
16/20M truck tax	5	6	13	(7)
Special assessments	30,666	30,403	21,895	8,508
Operating transfer in	30,000	30,000	30,000	-
Total cash receipts	<u>79,320</u>	<u>80,505</u>	<u>\$ 71,523</u>	<u>\$ 8,982</u>
Expenditures:				
Debt service:				
Principal	53,000	59,000	\$ 59,000	\$ -
Interest	18,874	17,454	17,455	1
Fees and commission	-	-	100	100
Cash basis reserve	-	-	9,399	9,399
Neighborhood revitalization	433	513	601	88
Total expenditures	<u>72,307</u>	<u>76,967</u>	<u>\$ 86,555</u>	<u>\$ 9,588</u>
Receipts over (under) expenditures	7,013	3,538		
Unencumbered cash, beginning of year	<u>15,729</u>	<u>22,742</u>	<u>\$ 15,032</u>	<u>\$ 7,710</u>
Unencumbered cash, end of year	<u>\$ 22,742</u>	<u>\$ 26,280</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

BOND CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011</u>	<u>2012</u>
Cash receipts:		
Miscellaneous	\$ 956	\$ -
Expenditures:		
Personnel	3,338	-
Contractual services	56,182	79,536
Commodities	7,000	-
Culture and recreation	50	-
Total expenditures	<u>66,570</u>	<u>79,536</u>
Receipts over (under) expenditures	(65,614)	(79,536)
Unencumbered cash, beginning of year	<u>226,971</u>	<u>161,357</u>
Unencumbered cash, end of year	<u>\$ 161,357</u>	<u>\$ 81,821</u>

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

WATER UTILITY FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Charges for services	\$ 161,181	\$ 177,978	\$ 150,000	\$ 27,978
Miscellaneous	3,589	13,883	-	13,883
Total cash receipts	<u>164,770</u>	<u>191,861</u>	<u>\$ 150,000</u>	<u>\$ 41,861</u>
Expenditures:				
Personnel	51,994	61,523	\$ 59,000	\$ (2,523)
Contractual Services	49,309	58,167	41,993	(16,174)
Commodities	8,222	10,766	23,800	13,034
Capital outlay	4,082	5,037	13,200	8,163
Operating transfers out	30,000	32,500	30,000	(2,500)
Total expenditures	<u>143,607</u>	<u>167,993</u>	<u>\$ 167,993</u>	<u>\$ -</u>
Receipts over (under) expenditures	21,163	23,868		
Unencumbered cash, beginning of year	<u>37,293</u>	<u>58,456</u>	<u>\$ 17,993</u>	<u>\$ 40,463</u>
Unencumbered cash, end of year	<u>\$ 58,456</u>	<u>\$ 82,324</u>		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

SEWER UTILITY FUND

SCHEDULE OF 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)

	2011	2012		Variance favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Charges for services	\$ 57,471	\$ 68,865	\$ 65,000	\$ 3,865
Expenditures:				
Personnel	37,642	43,668	\$ 49,100	\$ 5,432
Contractual services	14,725	15,002	5,000	(10,002)
Commodities	4,686	7,257	12,794	5,537
Capital outlay	4,738	3,716	-	(3,716)
Operating transfers out	-	1,500	-	(1,500)
Total expenditures	61,791	71,143	\$ 66,894	\$ (4,249)
Receipts over (under) expenditures	(4,320)	(2,278)		
Unencumbered cash, beginning of year	14,594	10,274	\$ 1,894	\$ 8,380
Unencumbered cash, end of year	\$ 10,274	\$ 7,996		

See Independent Auditor's Report.

CITY OF MINNEOLA, KANSAS

TRASH UTILITY FUND

**SCHEDULE OF 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)

	<u>2011</u>	<u>2012</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash receipts:				
Charges for services	\$ 37,628	\$ 41,449	\$ 46,000	\$ (4,551)
Expenditures:				
County contractor	36,852	41,823	\$ 48,772	\$ 6,949
Receipts over (under) expenditures	776	(374)		
Unencumbered cash, beginning of year	772	1,548	\$ 2,772	\$ (1,224)
Unencumbered cash, end of year	<u>\$ 1,548</u>	<u>\$ 1,174</u>		

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CITY OF MINNEOLA, KANSAS

MINNEOLA CITY LIBRARY
(RELATED MUNICIPAL ENTITY)SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011</u>	<u>2012</u>
Cash receipts:		
City appropriation:		
General	\$ 16,308	\$ 17,497
Employee benefits	1,768	1,943
State aid	309	317
SWKLS grants	6,288	6,700
Memorials	1,689	439
Other income	490	4,954
Interest on investments	248	138
Summer reading	1,000	-
	<u>28,100</u>	<u>31,988</u>
Total cash receipts		
Expenditures:		
Materials	5,262	4,335
Operations	10,331	2,363
Personnel	15,010	14,021
Technology	1,821	1,902
	<u>32,424</u>	<u>22,621</u>
Total expenditures		
Receipts over (under) expenditures	(4,324)	9,367
Unencumbered cash, beginning of year	44,979	40,655
	<u>40,655</u>	<u>50,022</u>
Unencumbered cash, end of year		

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