

CITY OF OSAWATOMIE, KANSAS

Financial Statement and
Independent Auditors' Report with
Supplemental Information

For the Year Ended December 31, 2012

CITY OF OSAWATOMIE, KANSAS

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-2
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash- Regulatory Basis.....	3-4
Notes to the Financial Statement	5-15
SUPPLEMENTAL INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) Regulatory Basis	16
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget –Regulatory Basis (with Comparative Actual Amounts for the Prior Year)	
General Fund	17-19
Industrial Fund.....	20
Library Fund.....	21
Recreation Fund	22
Recreation Employee Benefits Fund.....	23
Employee Benefits Fund.....	24
Special Parks and Recreation Fund.....	25
Tourism Fund.....	26
911 Fund.....	27
Street Improvement Fund.....	28
Golf Course Fund	29
Capital Improvements General Fund.....	30
Public Safety Equipment Fund.....	31
Library Project Fund.....	32
Street Project Fund.....	33
General Obligation Bond and Interest Fund.....	34
Electric Utility Fund.....	35-36
Water Utility Fund.....	37-38
Refuse Utility Fund.....	39
Sewer Utility Fund.....	40
<u>Schedule 3</u>	
Schedule of Receipts and Disbursements – Agency Funds - Regulatory Basis.....	41

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Osawatomie, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Osawatomie, Kansas, a municipality, 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 1 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, 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 1 of the financial statement, the financial statement is prepared by the City of Osawatomie, 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 1 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 Osawatomie, 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 balance of the City of Osawatomie, 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 1.

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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the 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 1.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 1, 2013
Chanute, Kansas

CITY OF OSAWATOMIE, KANSAS

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

Funds	Beginning			Add		Cash Balance December 31, 2012
	Unencumbered Cash Balances	Receipts	Expenditures	Unencumbered Cash Balances	Encumbrances and Accounts Payable	
General Fund	\$ 30,824.04	\$ 2,210,456.54	\$ 2,129,895.90	\$ 111,384.68	\$ 65,561.80	\$ 176,946.48
Special Purpose Funds:						
Industrial	48,169.46	24,441.20	11,373.29	61,237.37	4,363.68	65,601.05
Library	91,625.55	29,857.87	5,729.90	115,753.52	-	115,753.52
Recreation	713.87	101,066.27	101,066.27	713.87	-	713.87
Recreation Employee Benefits	-	12,652.97	12,652.97	-	-	-
Employee Benefits	28,831.77	600,249.05	576,998.49	52,082.33	-	52,082.33
Special Parks and Recreation	12,692.43	308,323.39	229,943.00	91,072.82	6,041.87	97,114.69
Tourism	3,722.53	52,874.14	47,173.54	9,423.13	878.29	10,301.42
911	9,897.41	-	-	9,897.41	-	9,897.41
Street Improvement	4,662.26	185,962.15	91,352.76	99,271.65	1,239.34	100,510.99
Golf Course	3,328.34	256,193.68	254,718.19	4,803.83	4,459.14	9,262.97
Capital Improvements General	3,790.29	392,164.26	38,227.65	357,726.90	1,567.00	359,293.90
Public Safety Equipment	9,771.80	75.31	-	9,847.11	-	9,847.11
Capital Projects Fund:						
Library Project	0.01	-	-	0.01	-	0.01
Street Project	0.01	570,765.04	386,805.26	183,959.79	-	183,959.79
Bond and Interest Fund:						
General Obligation Bond and Interest	61,001.68	602,153.63	566,263.32	96,891.99	-	96,891.99
Business Funds:						
Electric Utility	216,890.62	4,082,962.75	3,856,390.17	443,463.20	188,558.67	632,021.87
Water Utility	43,575.36	851,783.05	719,265.65	176,092.76	16,907.17	192,999.93
Refuse Utility	4,725.30	374,915.56	373,388.92	6,251.94	30,141.94	36,393.88
Sewer Utility	361,440.35	748,972.29	774,860.84	335,551.80	24,945.14	360,496.94
Total Reporting Entity (Excluding Agency Funds)	\$ 935,663.08	\$ 11,405,869.15	\$ 10,176,106.12	\$ 2,165,426.11	\$ 344,664.04	\$ 2,510,090.15

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

Statement 1 (Continued)

CITY OF OSAWATOMIE, KANSAS

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

	2012
Total Cash to be accounted for:	\$ 2,510,090.15
Composition of Cash:	
Cash on Hand	\$ 640.00
Checking Accounts:	
Operating Account	86,974.29
Cash Flow Account	2,078,440.39
Petty Cash	2,000.00
Grant Account.....	0.01
CDBG Grant Account.....	4,831.08
ADSAP	6,911.00
Municipal Court	6,521.37
Police Forfeitures.....	57.29
Paypal Donations Account.....	95.65
Rural Fire Checking.....	762.88
Cafeteria 125 Checking.....	4,925.74
Investments:	
Kansas Municipal Investment Pool.....	0.42
Certificates of Deposit	424,324.52
Total Reporting Entity	2,616,484.64
Agency Funds Per Schedule 3	(106,394.49)
Total Reporting Entity (Excluding Agency Funds)	\$ 2,510,090.15

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

CITY OF OSAWATOMIE, KANSAS

Notes to the Financial Statement
December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

The City of Osawatomie, Kansas (the City) is a municipal corporation governed by an elected eight-member council. These financial statements present the City of Osawatomie, Kansas (the primary government).

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

The Osawatomie Housing Authority – The Osawatomie Housing Authority operates the City's housing projects. The Osawatomie Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Osawatomie Housing Authority's financial statements should be included with the City's financial statements. However, the statements are omitted in an apparent departure from accounting principles generally accepted in the United States of America. Separate financial statements are prepared and are available at the Osawatomie Housing Authority. The Osawatomie Housing Authority is considered a major component unit.

Regulatory Basis Fund Types

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

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 fund etc.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

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.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection account, etc.).

Basis of Presentation – Regulatory Basis of Accounting

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

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

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursed Expenses

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

Special Assessments

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special 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 increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2012 the City amended the Employee Benefits Fund, General Obligation Bond and Interest Fund, Special Parks and Recreation Fund, Tourism Fund, and Recreation Employee Benefits Fund.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

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

All legal annual operating budgets are prepared using the 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, trust funds, and the following special purpose funds:

Capital Improvements General

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.

Compliance with Kansas Statutes

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

3. 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>Less than 1</u>	<u>1-2</u>	<u>Rating</u>
Kansas Investment Pool	\$ 0.42	\$ 0.42	\$ - -	S&P AAf/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 branch 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. The rating of the City's investments is noted above.

3. DEPOSITS AND INVESTMENTS (Continued)

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2012, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Investment Pool	100%

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

Deposits: At year-end, the City's carrying amount of deposits was \$2,615,844.22 and the bank balance was \$2,705,357.38. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$281,475.34 was covered by FDIC insurance and \$2,423,882.04 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments to be adequately secured.

At December 31, 2012, the City has invested \$0.42 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board 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 obligation that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. LONG-TERM DEBT COMMITMENTS

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Tax Levies:									
Series 2003A - Streets	3.75%-4.5%	9/1/2003	\$ 475,000.00	9/1/2018	\$ 265,000.00	\$ -	\$ (265,000.00)	\$ -	\$ 7,893.71
Series 2008B - Streets	4.1-5.5%	10/15/2008	2,435,000.00	9/1/2028	2,270,000.00	-	(75,000.00)	2,195,000.00	103,527.50
Paid by Utility Revenues:									
Series 2008A - Sewer	4.50%	10/28/2008	3,550,000.00	10/28/2048	3,450,000.00	-	(37,000.00)	3,413,000.00	155,250.00
Series 2012A - Refunding	2.00-4.70%	5/1/2012	2,810,000.00	9/1/2027	-	2,810,000.00	(170,000.00)	2,640,000.00	19,733.32
Revolving Loans									
Kansas Water Pollution Control									
1314-01 - Sewer	3.54%	8/30/1995	1,518,929.00	9/1/2016	455,168.60	-	(455,168.60)	-	10,778.52
1395-01 - Sewer	3.13%	6/10/1998	2,413,903.00	9/1/2019	1,058,419.41	-	(1,058,419.41)	-	22,387.74
Kansas Public Water Supply									
2128 - Water	4.21%	7/25/2001	901,479.00	2/1/2023	587,583.03	-	(587,583.03)	-	18,805.67
Capital Leases									
Golf Course Irrigation	3.25%	11/26/2006	195,525.75	10/1/2021	146,054.11	-	(9,192.62)	136,861.49	8,097.70
Golf Carts	4.49%	5/19/2010	49,910.00	5/19/2012	10,770.02	-	(10,770.02)	-	127.88
Total Long-Term Debt Commitments					\$ 8,242,995.17	\$ 2,810,000.00	\$ (2,668,133.68)	\$ 8,384,861.49	\$ 346,602.04

4. LONG-TERM DEBT COMMITMENTS (Continued)

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

Issue	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2049	Total
Principal													
General Obligation Bonds													
Paid by Tax Levies:													
Series 2008B	\$ 75,000.00	\$ 80,000.00	\$ 75,000.00	\$ 80,000.00	\$ 85,000.00	\$ 685,000.00	\$ 910,000.00	\$ 205,000.00	\$ -	\$ -	\$ -	\$ -	\$ 2,195,000.00
Paid by Utility Revenues:													
Series 2008A	39,000.00	42,000.00	43,000.00	45,000.00	48,000.00	271,000.00	338,000.00	418,000.00	522,000.00	650,000.00	812,000.00	185,000.00	3,413,000.00
Series 2012A	330,000.00	335,000.00	350,000.00	355,000.00	260,000.00	780,000.00	230,000.00	-	-	-	-	-	2,640,000.00
Capital Leases													
Golf Course Irrigation	16,995.80	13,340.58	13,780.17	14,225.87	14,703.01	63,816.06	-	-	-	-	-	-	136,861.49
Total Principal Payments	460,995.80	470,340.58	481,780.17	494,225.87	407,703.01	1,799,816.06	1,478,000.00	623,000.00	522,000.00	650,000.00	812,000.00	185,000.00	8,384,861.49
Interest													
General Obligation Bonds													
Paid by Tax Levies:													
Series 2008B	99,402.50	95,465.00	92,265.00	87,515.00	83,515.00	347,705.00	177,315.00	9,635.00	-	-	-	-	992,817.50
Paid by Utility Revenues:													
Series 2008A	153,585.00	151,830.00	149,940.00	148,005.00	145,980.00	695,835.00	629,100.00	546,030.00	443,160.00	314,685.00	154,530.00	8,325.00	3,541,005.00
Series 2012A	55,800.00	49,200.00	42,500.00	35,500.00	28,400.00	74,412.50	19,500.00	-	-	-	-	-	305,312.50
Capital Leases													
Golf Course Irrigation	4,375.31	3,949.74	3,510.15	3,064.45	2,587.31	5,345.22	-	-	-	-	-	-	22,832.18
Total Interest Payments	313,162.81	300,444.74	288,215.15	274,084.45	260,482.31	1,123,297.72	825,915.00	555,665.00	443,160.00	314,685.00	154,530.00	8,325.00	4,861,967.18
Total Principal and Interest	\$ 774,158.61	\$ 770,785.32	\$ 769,995.32	\$ 768,310.32	\$ 668,185.32	\$2,923,113.78	\$2,303,915.00	\$1,178,665.00	\$ 965,160.00	\$ 964,685.00	\$ 966,530.00	\$ 193,325.00	\$13,246,828.67

5. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to finance the acquisition of a Golf Course Irrigation System. Payments are made yearly, including interest at approximately 3.25%. Final maturity of the lease is October 1, 2021. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2013	\$ 21,371.11
2014	17,290.32
2015	17,290.32
2016	17,290.32
2017	17,290.32
2018-2021	<u>69,161.28</u>
	196,927.20
Less imputed interest	<u>(22,832.18)</u>
Net Present Value of Minimum Lease Payments	136,861.49
Less: Current Maturities	<u>(16,995.80)</u>
Long-Term Capital Lease Obligations	<u>\$ 119,865.69</u>

6. OPERATING LEASES

As of December 31, 2012 the City has entered into a number of operating leases for equipment. Rent expense for the year ended December 31, 2012, was \$6,765.64. Under the current lease agreements, the future minimum rental payments are as follows:

2013	\$ 5,674.80
2014	3,362.80
2015	2,206.80
2016	1,655.10

7. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS). KPERS is part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes 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 and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

8. CAPITAL PROJECTS

The following is a summary of capital project authorizations and expenditures to date:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/12</u>	<u>ESTIMATED COMPLETION</u>
Street Project	\$ 1,702,700.00	\$ 1,052,743.50	Complete

9. COMPENSATED ABSENCES

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

Years Continuous Employment:	Days Granted per Year:	Maximum Days Accrued:
Less than 5 years	12 Days	20 Days
After 5 but less than 10	15 Days	25 Days
After 10 but less than 15	18 Days	30 Days
More than 15 years	21 Days	30 Days

No vacation time may be taken by an employee until they have been in the service of the City continuously for a period of six months.

In the event of termination, an employee will be compensated for unused vacation leave, provided they have been in the service of the City for at least six full months.

Sick leave accrues to all full-time employees at the rate of 8 hours per month to a maximum of 960 hours. All employees shall receive their sick leave credit on the last payroll of the month. Employees who terminate by other than retirement will not be paid for accumulated sick leave. Upon retirement 30 days of remaining sick leave will be paid at their hourly rate, provided the employee has accrued 960 hours and provided one year notice to the City of their intent to retire.

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

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation pay and compensatory time, which has been earned, but not taken by City employees. The liability for compensated absences and compensatory time was \$275,320.27. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

10. OTHER POST EMPLOYMENT BENEFITS

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

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

Early Retirement Incentive: The City offered an early retirement incentive program to certain eligible employees. The early retirement incentive was offered in 2011 and accepted in 2012 to reduce expenditures for 2012 and 2013. The original goal for the program was three retirees, reducing expenditures by an estimated \$100,000 for 2012 and \$200,000 for 2013. The incentive was offered to all retirement eligible employees for a limited period in late 2011. As of December 31, 2012, only two employees accepted the incentive and both were altered slightly from the original offer to match individual circumstances. One position was provided 3 years of single health insurance provided with 100% of the premium covered by the City. Another position covered the employee and spouse at 70%, with some provisions for coverage of the spouse until age 65.

11. RISK MANAGEMENT

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

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

12. CONCENTRATION OF RISK

The City provides water to two rural water districts. During 2012, sales to Rural Water District No. 1 accounted for 12.20% of the water sold and sales to Rural Water District No. 3 accounted for 27.70% of the water sold. Risk of accounting loss exists from the possibility that a customer would no longer purchase water from the City. Impact of potential risk cannot be determined.

13. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Electric Utility	General	K.S.A. 12-825d	\$ 388,200.00
Sewer Utility	General	K.S.A. 12-825d	116,400.00
Water Utility	General	K.S.A. 12-825d	115,400.00
Library	General	K.S.A. 79-2934	962.59
Recreation Fund	Special Parks and Recreation	K.S.A. 79-2958	101,066.27
Recreation Employee Benefits	Employee Benefits	K.S.A. 12-16,102	12,652.97
Electric Utility	Employee Benefits	K.S.A. 12-16,102	70,268.00
Sewer Utility	Employee Benefits	K.S.A. 12-16,102	6,837.00
Water Utility	Employee Benefits	K.S.A. 12-16,102	10,478.00
Electric Utility	Special Parks and Recreation	K.S.A. 12-825d	90,000.00
Electric Utility	Tourism	K.S.A. 12-825d	12,000.00
Electric Utility	Golf Course	K.S.A. 12-825d	45,000.00
Electric Utility	Capital Improvements General	K.S.A. 12-825d	380,000.00
Sewer Utility	General Obligation Bond and Interest	K.S.A. 13-1270	310,000.00
Water Utility	General Obligation Bond and Interest	K.S.A. 13-1270	27,235.00

14. SUBSEQUENT EVENTS

There were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTAL INFORMATION

CITY OF OSAWATOMIE, KANSAS

Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)

Regulatory Basis

For the Year Ended December 31, 2012

Funds	Certified Budget	Adjustments for		Total Budget for Comparison	Expenditures		Variance - Over (Under)
		Qualifying Budget Credits	Budget Credits		Charged to Current Year Budget	Over (Under)	
General Fund	\$ 2,291,543.00	\$ 6,647.84	\$ 2,298,190.84	\$ 2,129,895.90	\$ (168,294.94)		
Special Purpose Funds:							
Industrial	12,000.00	-	12,000.00	11,373.29	(626.71)		
Library	109,551.00	-	109,551.00	5,729.90	(103,821.10)		
Recreation	174,829.00	-	174,829.00	101,066.27	(73,762.73)		
Recreation Employee Benefits	13,500.00	-	13,500.00	12,652.97	(847.03)		
Employee Benefits	610,000.00	-	610,000.00	576,998.49	(33,001.51)		
Special Parks and Recreation	265,000.00	-	265,000.00	229,943.00	(35,057.00)		
Tourism	48,000.00	-	48,000.00	47,173.54	(826.46)		
'911	9,897.00	-	9,897.00	-	(9,897.00)		
Street Improvement	120,500.00	-	120,500.00	91,352.76	(29,147.24)		
Golf Course	282,892.00	-	282,892.00	254,718.19	(28,173.81)		
Public Safety Equipment	9,520.00	-	9,520.00	-	(9,520.00)		
Bond and Interest Fund:							
General Obligation Bond and Interest	565,000.00	5,000.00	570,000.00	566,263.32	(3,736.68)		
Business Funds:							
Electric Utility	3,765,012.00	328,665.90	4,093,677.90	3,856,390.17	(237,287.73)		
Water Utility	832,025.00	-	832,025.00	719,265.65	(112,759.35)		
Refuse Utility	376,700.00	-	376,700.00	373,388.92	(3,311.08)		
Sewer Utility	837,988.00	-	837,988.00	774,860.84	(63,127.16)		

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 432,232.74	\$ 477,202.70	\$ 514,514.00	\$ (37,311.30)
Delinquent Tax	17,885.95	23,240.86	18,000.00	5,240.86
Motor Vehicle Tax	50,359.77	45,790.08	42,013.00	3,777.08
Recreational Vehicle Tax	730.63	696.20	708.00	(11.80)
16/20M Vehicle Tax	-	273.37	294.00	(20.63)
Special Assessments	6,000.00	1,050.00	-	1,050.00
Sales Tax	625,011.16	639,726.26	665,000.00	(25,273.74)
Franchise Taxes	156,721.41	125,528.91	250,000.00	(124,471.09)
Intergovernmental				
Local Alcoholic Liquor Tax	3,629.94	3,573.02	5,458.00	(1,884.98)
Grant Proceeds	10,494.50	9,453.83	-	9,453.83
Licenses and Permits				
Business Licenses, Permits & Fees	30,257.17	22,545.56	44,500.00	(21,954.44)
Non-Business Licenses, Permits & Fees	6,297.00	4,470.50	5,500.00	(1,029.50)
Charges for Services				
Sale of Cemetery Lots	5,340.00	14,435.00	5,000.00	9,435.00
Cemetery Charges	35,625.00	24,395.00	20,000.00	4,395.00
Auditorium Rent	3,445.00	3,340.00	3,000.00	340.00
Memorial Hall Rent	4,650.00	4,085.00	5,000.00	(915.00)
Swimming Pool Fees	4,339.65	-	4,000.00	(4,000.00)
Animal Control	2,426.00	8,876.00	3,000.00	5,876.00
Fines, Forfeitures and Penalties				
Fines	101,607.89	130,322.54	125,000.00	5,322.54
Use of Money and Property				
Interest Income	22,095.48	22,655.52	32,000.00	(9,344.48)
Sale of Equipment and Property	1,750.00	6,025.00	-	6,025.00
Other Revenues				
Miscellaneous	7,221.81	13,824.03	35,000.00	(21,175.97)
John Brown Cabin	896.83	1,336.73	2,000.00	(663.27)
Reimbursed Expense	40,394.05	6,647.84	5,000.00	1,647.84
Operating Transfers from:				
Electric Utility Fund	743,800.00	388,200.00	363,800.00	24,400.00
Sewer Utility Fund	77,900.00	116,400.00	77,900.00	38,500.00

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts (Continued)				
Operating Transfers from (Continued):				
Water Utility Fund	\$ -	\$ 115,400.00	\$ 77,400.00	\$ 38,000.00
Library Fund	2,810.72	962.59	-	962.59
Total Receipts	2,393,922.70	2,210,456.54	\$ 2,304,087.00	\$ (93,630.46)
Expenditures				
General Administration				
Personal Services	400,496.66	418,934.05	403,325.00	15,609.05
Contractual Services	88,456.93	92,203.82	92,000.00	203.82
Commodities	14,781.80	15,673.93	9,750.00	5,923.93
Capital Outlay	4,070.42	7,338.01	-	7,338.01
Other Expenses	20,278.00	20,467.50	18,800.00	1,667.50
Sports Complex				
Personal Services	40,377.91	-	43,840.00	(43,840.00)
Contractual Services	20,378.79	-	21,000.00	(21,000.00)
Commodities	18,202.39	-	14,100.00	(14,100.00)
Capital Outlay	2,830.00	-	-	-
Police and Fire				
Personal Services	784,082.62	739,350.43	814,175.00	(74,824.57)
Contractual Services	78,974.18	75,672.35	74,050.00	1,622.35
Commodities	64,280.89	58,749.49	64,500.00	(5,750.51)
Capital Outlay	7,036.70	2,266.79	-	2,266.79
John Brown Cabin				
Personal Services	25,953.85	26,130.23	26,900.00	(769.77)
Contractual Services	14,624.00	12,464.39	16,600.00	(4,135.61)
Commodities	928.72	733.19	1,250.00	(516.81)
Streets and Alleys				
Personal Services	246,754.69	195,541.96	215,000.00	(19,458.04)
Contractual Services	19,849.27	31,194.11	23,450.00	7,744.11
Commodities	17,833.06	8,858.77	22,600.00	(13,741.23)
Swimming Pool				
Personal Services	23,431.49	688.00	22,000.00	(21,312.00)
Contractual Services	9,599.57	25,919.67	8,600.00	17,319.67
Commodities	5,922.77	1,167.56	7,000.00	(5,832.44)
Capital Outlay	-	10,230.36	-	10,230.36

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Cemeteries				
Personal Services	\$ 77,441.59	\$ 83,555.14	\$ 77,289.00	\$ 6,266.14
Contractual Services	28,758.40	29,280.03	31,400.00	(2,119.97)
Commodities	11,128.50	6,690.62	8,550.00	(1,859.38)
Capital Outlay	-	1,523.36	-	1,523.36
Lakes and Parks				
Personal Services	-	-	2,500.00	(2,500.00)
Contractual Services	2,219.79	153.33	2,700.00	(2,546.67)
Commodities	5,890.16	33.00	12,250.00	(12,217.00)
Municipal Court Services				
Personal Services	19,209.71	19,678.95	19,734.00	(55.05)
Contractual Services	101,246.09	103,044.54	81,750.00	21,294.54
Commodities	200.32	852.33	300.00	552.33
Levees and Stormwater				
Contractual Services	119,982.56	26,332.68	25,250.00	1,082.68
Commodities	1,192.28	1,843.00	1,750.00	93.00
Library				
Personal Services	76,133.70	77,330.15	79,630.00	(2,299.85)
Contractual Services	9,807.51	11,607.69	15,450.00	(3,842.31)
Commodities	25,484.42	24,386.47	34,050.00	(9,663.53)
Capital Outlay	986.87	-	-	-
Total Certified Budget			2,291,543.00	(161,647.10)
Adjustments for Qualifying Budget Credits			6,647.84	(6,647.84)
Total Expenditures	2,388,826.61	2,129,895.90	\$ 2,298,190.84	\$ (168,294.94)
Receipts Over(Under) Expenditures	5,096.09	80,560.64		
Unencumbered Cash, Beginning	25,727.95	30,824.04		
Unencumbered Cash, Ending	\$ 30,824.04	\$ 111,384.68		

CITY OF OSAWATOMIE, KANSAS
INDUSTRIAL 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 5.40	\$ (5.54)	\$ -	\$ (5.54)
Delinquent Tax	156.91	131.74	-	131.74
Motor Vehicle Tax	178.77	-	-	-
Recreational Vehicle Tax	1.31	-	-	-
Use of Money and Property				
Rental Income	18,184.00	24,315.00	16,000.00	8,315.00
Total Receipts	18,526.39	24,441.20	\$ 16,000.00	\$ 8,441.20
Expenditures				
General Government				
Contractual Services	14,091.50	11,373.29	\$ 10,500.00	\$ 873.29
Commodities	1,804.94	-	1,500.00	(1,500.00)
Total Expenditures	15,896.44	11,373.29	\$ 12,000.00	\$ (626.71)
Receipts Over(Under) Expenditures	2,629.95	13,067.91		
Unencumbered Cash, Beginning	45,539.51	48,169.46		
Unencumbered Cash, Ending	<u>\$ 48,169.46</u>	<u>\$ 61,237.37</u>		

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 51.99	\$ (37.16)	\$ -	\$ (37.16)
Delinquent Tax	1,197.85	999.75	-	999.75
Motor Vehicle Tax	1,549.51	-	-	-
Recreational Vehicle Tax	11.37	-	-	-
Intergovernmental				
Grant Proceeds	8,262.50	11,596.25	-	11,596.25
Use of Money and Property				
Interest Income	864.28	409.54	-	409.54
Other Revenues				
Donations	9,698.97	16,773.08	-	16,773.08
Reimbursed Expense	-	116.41	-	116.41
Total Receipts	<u>21,636.47</u>	<u>29,857.87</u>	<u>\$ -</u>	<u>\$ 29,857.87</u>
Expenditures				
Culture and Recreation				
Contractual Services	16,730.36	1,767.64	\$ 109,551.00	\$ (107,783.36)
Commodities	-	2,999.67	-	2,999.67
Operating Transfers to:				
General Fund	2,810.72	962.59	-	962.59
Library Project Fund	<u>20,019.90</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>39,560.98</u>	<u>5,729.90</u>	<u>\$ 109,551.00</u>	<u>\$ (103,821.10)</u>
Receipts Over(Under) Expenditures	(17,924.51)	24,127.97		
Unencumbered Cash, Beginning	<u>109,550.06</u>	<u>91,625.55</u>		
Unencumbered Cash, Ending	<u>\$ 91,625.55</u>	<u>\$ 115,753.52</u>		

CITY OF OSAWATOMIE, KANSAS
RECREATION 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 89,447.71	\$ 87,266.14	\$ 92,124.00	\$ (4,857.86)
Delinquent Tax	3,394.96	4,501.08	2,500.00	2,001.08
Motor Vehicle Tax	9,144.36	9,109.65	8,702.00	407.65
Recreational Vehicle Tax	130.68	141.27	147.00	(5.73)
16/20M Vehicle Tax	-	48.13	61.00	(12.87)
Other Revenues				
Reimbursed Expense	40,733.72	-	70,000.00	(70,000.00)
Total Receipts	<u>142,851.43</u>	<u>101,066.27</u>	<u>\$ 173,534.00</u>	<u>\$ (72,467.73)</u>
Expenditures				
General Government				
Personal Services	40,462.79	-	\$ 80,705.00	\$ (80,705.00)
Contractual Services	-	-	2,000.00	(2,000.00)
Culture and Recreation				
Recreation Appropriations	80,117.71	-	92,124.00	(92,124.00)
Operating Transfers to:				
Speical Parks and Recreation	-	101,066.27	-	101,066.27
Electric Utility Fund	22,000.00	-	-	-
Total Expenditures	<u>142,580.50</u>	<u>101,066.27</u>	<u>\$ 174,829.00</u>	<u>\$ (73,762.73)</u>
Receipts Over(Under) Expenditures	270.93	-		
Unencumbered Cash, Beginning	442.94	713.87		
Unencumbered Cash, Ending	<u>\$ 713.87</u>	<u>\$ 713.87</u>		

CITY OF OSAWATOMIE, KANSAS
RECREATION 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 11,181.27	\$ 10,930.15	\$ 11,515.00	\$ (584.85)
Delinquent Tax	424.01	560.50	711.00	(150.50)
Motor Vehicle Tax	1,142.89	1,138.65	1,257.00	(118.35)
Recreational Vehicle Tax	16.33	17.65	17.00	0.65
16/20M Vehicle Tax	-	6.02	-	6.02
Total Receipts	<u>12,764.50</u>	<u>12,652.97</u>	<u>\$ 13,500.00</u>	<u>\$ (847.03)</u>
Expenditures				
Culture and Recreation				
Recreation Appropriations	12,764.50	-	\$ -	\$ -
Operating Transfer to Employee Benefits Fund	-	12,652.97	13,500.00	(847.03)
Total Expenditures	<u>12,764.50</u>	<u>12,652.97</u>	<u>\$ 13,500.00</u>	<u>\$ (847.03)</u>
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 467,468.20	\$ 424,863.38	\$ 458,346.00	\$ (33,482.62)
Delinquent Tax	16,610.66	22,488.54	16,000.00	6,488.54
Motor Vehicle Tax	45,616.85	47,281.19	45,449.00	1,832.19
Recreational Vehicle Tax	657.50	735.63	767.00	(31.37)
16/20M Vehicle Tax	-	244.34	319.00	(74.66)
Other Revenues				
Reimbursed Expense	-	4,400.00	-	4,400.00
Operating Transfers from:				
Electric Utility Fund	45,000.00	70,268.00	-	70,268.00
Sewer Utility Fund	-	6,837.00	-	6,837.00
Water Utility Fund	-	10,478.00	-	10,478.00
Recreation Fund	-	12,652.97	-	12,652.97
Total Receipts	575,353.21	600,249.05	\$ 520,881.00	\$ 79,368.05
Expenditures				
General Government				
Personal Services	547,176.27	576,306.21	\$ 603,244.00	\$ (26,937.79)
Contractual Services	345.17	692.28	6,756.00	(6,063.72)
Total Expenditures	547,521.44	576,998.49	\$ 610,000.00	\$ (33,001.51)
Receipts Over(Under) Expenditures	27,831.77	23,250.56		
Unencumbered Cash, Beginning	1,000.00	28,831.77		
Unencumbered Cash, Ending	<u>\$ 28,831.77</u>	<u>\$ 52,082.33</u>		

CITY OF OSAWATOMIE, KANSAS
SPECIAL PARKS AND RECREATION 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Local Alcoholic Liquor Tax	\$ 3,629.92	\$ 3,573.00	\$ 2,580.00	\$ 993.00
Charges for Services				
Registration Fees	-	44,647.33	37,810.00	6,837.33
Concessions	-	16,959.97	16,244.00	715.97
Sponsorship Income	-	-	2,606.00	(2,606.00)
Other Revenues				
Donations	-	75.00	-	75.00
Miscellaneous	-	50,848.19	51,878.00	(1,029.81)
Reimbursed Expense	-	1,153.63	-	1,153.63
Operating Transfers from:				
Special Parks and Recreation	-	101,066.27	101,176.00	(109.73)
Electric Utility Fund	-	90,000.00	90,000.00	-
Total Receipts	<u>3,629.92</u>	<u>308,323.39</u>	<u>\$ 302,294.00</u>	<u>\$ 6,029.39</u>
Expenditures				
Culture and Recreation				
Facilities				
Personal Services	-	57,525.55	\$ 57,688.00	\$ (162.45)
Contractual Services	-	29,941.15	32,506.00	(2,564.85)
Commodities	-	21,609.90	25,603.00	(3,993.10)
Capital Outlay	-	9,999.00	15,683.00	(5,684.00)
Recreation Programs				
Personal Services	-	43,079.53	42,833.00	246.53
Contractual Services	141.90	37,824.88	40,710.00	(2,885.12)
Commodities	91.50	29,962.99	28,777.00	1,185.99
Capital Outlay	-	-	21,200.00	(21,200.00)
Total Expenditures	<u>233.40</u>	<u>229,943.00</u>	<u>\$ 265,000.00</u>	<u>\$ (35,057.00)</u>
Receipts Over(Under) Expenditures	3,396.52	78,380.39		
Unencumbered Cash, Beginning	<u>9,295.91</u>	<u>12,692.43</u>		
Unencumbered Cash, Ending	<u>\$ 12,692.43</u>	<u>\$ 91,072.82</u>		

CITY OF OSAWATOMIE, KANSAS
TOURISM 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Transient Guest Tax	\$ 4,509.64	\$ 7,102.23	\$ 7,102.00	\$ 0.23
Charges for Services				
Rental Income	250.00	313.10	313.00	0.10
Sponsorship Income	-	12,200.00	12,200.00	-
Other Revenues				
Donations	10,204.96	21,033.81	17,676.00	3,357.81
Reimbursed Expense	63.18	225.00	225.00	-
Operating Transfers from				
Electric Utility Fund	-	12,000.00	12,000.00	-
Total Receipts	<u>15,027.78</u>	<u>52,874.14</u>	<u>\$ 49,516.00</u>	<u>\$ 3,358.14</u>
Expenditures				
General Government				
Contractual Services	11,923.17	35,211.37	\$ 31,302.00	\$ 3,909.37
Commodities	3,385.77	9,781.14	15,765.00	(5,983.86)
Other Expenses	<u>2,221.56</u>	<u>2,181.03</u>	<u>933.00</u>	<u>1,248.03</u>
Total Expenditures	<u>17,530.50</u>	<u>47,173.54</u>	<u>\$ 48,000.00</u>	<u>\$ (826.46)</u>
Receipts Over(Under) Expenditures	(2,502.72)	5,700.60		
Unencumbered Cash, Beginning	<u>6,225.25</u>	<u>3,722.53</u>		
Unencumbered Cash, Ending	<u>\$ 3,722.53</u>	<u>\$ 9,423.13</u>		

CITY OF OSAWATOMIE, KANSAS
911 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Emergency Telephone Tax	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
General Government				
Contractual Services	-	-	\$ 9,897.00	\$ (9,897.00)
Total Expenditures	-	-	\$ 9,897.00	\$ (9,897.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	9,897.41	9,897.41		
Unencumbered Cash, Ending	\$ 9,897.41	\$ 9,897.41		

CITY OF OSAWATOMIE, KANSAS
STREET IMPROVEMENT 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Motor Fuel Tax	\$ 117,273.42	\$ 115,075.99	\$ 122,450.00	\$ (7,374.01)
Intergovernmental				
County Connecting Links	5,100.00	5,100.00	5,100.00	-
Other Revenues				
Reimbursed Expense	-	65,786.16	-	65,786.16
Operating Transfers from				
Electric Utility Fund	17,000.00	-	-	-
Total Receipts	139,373.42	185,962.15	\$ 127,550.00	\$ 58,412.15
Expenditures				
General Government				
Personal Services	-	-	\$ 40,000.00	\$ (40,000.00)
Contractual Services	46,017.30	8,134.15	19,750.00	(11,615.85)
Commodities	72,187.86	83,218.61	60,750.00	22,468.61
Capital Outlay	17,506.00	-	-	-
Total Expenditures	135,711.16	91,352.76	\$ 120,500.00	\$ (29,147.24)
Receipts Over(Under) Expenditures	3,662.26	94,609.39		
Unencumbered Cash, Beginning	1,000.00	4,662.26		
Unencumbered Cash, Ending	<u>\$ 4,662.26</u>	<u>\$ 99,271.65</u>		

CITY OF OSAWATOMIE, KANSAS
GOLF COURSE 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)

	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Charges for Services				
Golf Course Sheds	\$ 3,970.00	\$ 3,327.50	\$ 3,730.00	\$ (402.50)
Membership Fees	83,137.85	70,046.25	83,000.00	(12,953.75)
Green Fees	54,093.01	53,692.03	61,000.00	(7,307.97)
Golf Cart Fees	29,250.34	17,740.75	35,000.00	(17,259.25)
Sales Tax	-	-	-	-
Driving Range	3,560.00	3,440.50	6,000.00	(2,559.50)
Concessions	37,558.42	39,338.07	41,000.00	(1,661.93)
Other Fees	3,188.50	2,420.00	3,500.00	(1,080.00)
Other Revenues				
Miscellaneous	2,683.61	9,679.65	2,600.00	7,079.65
Reimbursed Expense	-	11,508.93	-	11,508.93
Operating Transfers from				
Electric Utility Fund	65,000.00	45,000.00	45,000.00	-
Total Receipts	<u>282,441.73</u>	<u>256,193.68</u>	<u>\$ 280,830.00</u>	<u>\$ (24,636.32)</u>
Expenditures				
Culture and Recreation				
Personal Services	140,264.04	120,679.95	\$ 151,558.00	\$ (30,878.05)
Contractual Services	29,274.68	29,904.87	39,000.00	(9,095.13)
Commodities	60,892.87	75,945.15	61,750.00	14,195.15
Capital Outlay	2,817.41	-	-	-
Debt Service				
Principal	35,527.22	19,962.64	19,595.00	367.64
Interest	10,304.48	8,225.58	10,989.00	(2,763.42)
Total Expenditures	<u>279,080.70</u>	<u>254,718.19</u>	<u>\$ 282,892.00</u>	<u>\$ (28,173.81)</u>
Receipts Over(Under) Expenditures	3,361.03	1,475.49		
Unencumbered Cash, Beginning	<u>(32.69)</u>	<u>3,328.34</u>		
Unencumbered Cash, Ending	<u>\$ 3,328.34</u>	<u>\$ 4,803.83</u>		

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS GENERAL FUND
 Schedule of 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)

	Prior Year Actual	Current Year Actual
Receipts		
Other Revenues		
Reimbursed Expense	\$ -	\$ 12,164.26
Operating Transfers from Electric Utility Fund	27,500.00	380,000.00
Total Receipts	27,500.00	392,164.26
Expenditures		
Capital Projects		
Contractual Services	12,164.26	7,309.50
Commodities	-	4,060.00
Capital Outlay	12,620.00	26,858.15
Total Expenditures	24,784.26	38,227.65
Receipts Over(Under) Expenditures	2,715.74	353,936.61
Unencumbered Cash, Beginning	1,074.55	3,790.29
Unencumbered Cash, Ending	\$ 3,790.29	\$ 357,726.90

CITY OF OSAWATOMIE, KANSAS
PUBLIC SAFETY EQUIPMENT 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 5.60	\$ (1.87)	\$ -	\$ (1.87)
Delinquent Tax	86.37	77.18	-	77.18
Motor Vehicle Tax	158.62	-	-	-
Recreational Vehicle Tax	1.16	-	-	-
Total Receipts	<u>251.75</u>	<u>75.31</u>	<u>\$ -</u>	<u>\$ 75.31</u>
Expenditures				
General Government				
Capital Outlay	-	-	\$ 9,520.00	\$ (9,520.00)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 9,520.00</u>	<u>\$ (9,520.00)</u>
Receipts Over(Under) Expenditures	251.75	75.31		
Unencumbered Cash, Beginning	<u>9,520.05</u>	<u>9,771.80</u>		
Unencumbered Cash, Ending	<u>\$ 9,771.80</u>	<u>\$ 9,847.11</u>		

CITY OF OSAWATOMIE, KANSAS
LIBRARY PROJECT FUND

Schedule of 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)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grant Proceeds	\$ 50,432.00	\$ -
Operating Transfers from Library Fund	20,019.90	-
Total Receipts	70,451.90	-
Expenditures		
General Government		
Capital Outlay	71,632.03	-
Total Expenditures	71,632.03	-
Receipts Over(Under) Expenditures	(1,180.13)	-
Unencumbered Cash, Beginning	1,180.14	0.01
Unencumbered Cash, Ending	<u>\$ 0.01</u>	<u>\$ 0.01</u>

CITY OF OSAWATOMIE, KANSAS
STREET PROJECT FUND

Schedule of 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)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grant Proceeds	\$ 496,945.00	\$ 3,055.00
Use of Money and Property		
Interest Income	-	1,151.12
Bond Proceeds	-	566,558.92
Operating Transfers from		
Electric Utility Fund	<u>452,131.76</u>	<u>-</u>
 Total Receipts	 <u>949,076.76</u>	 <u>570,765.04</u>
Expenditures		
General Government		
Capital Outlay	<u>949,076.76</u>	<u>386,805.26</u>
 Total Expenditures	 <u>949,076.76</u>	 <u>386,805.26</u>
 Receipts Over(Under) Expenditures	 -	 183,959.78
 Unencumbered Cash, Beginning	 <u>0.01</u>	 <u>0.01</u>
 Unencumbered Cash, Ending	 <u>\$ 0.01</u>	 <u>\$ 183,959.79</u>

CITY OF OSAWATOMIE, KANSAS
GENERAL OBLIGATION 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 190,697.74	\$ 233,616.55	\$ 251,791.00	\$ (18,174.45)
Delinquent Tax	5,109.75	8,015.95	5,500.00	2,515.95
Motor Vehicle Tax	13,506.64	17,927.99	18,549.00	(621.01)
Recreational Vehicle Tax	189.68	289.57	313.00	(23.43)
16/20M Vehicle Tax	-	68.57	130.00	(61.43)
Other Revenues				
Reimbursed Expense	-	5,000.00	-	5,000.00
Operating Transfers from:				
Sewer Utility Fund	200,000.00	310,000.00	200,000.00	110,000.00
Water Utility Fund	-	27,235.00	-	27,235.00
Total Receipts	409,503.81	602,153.63	\$ 476,283.00	\$ 125,870.63
Expenditures				
Debt Service				
Bond Principal	136,000.00	282,000.00	\$ 282,000.00	\$ -
Bond Interest	276,877.50	284,263.32	283,000.00	1,263.32
Total Certified Budget			565,000.00	1,263.32
Adjustments for Qualifying				
Budget Credits			5,000.00	(5,000.00)
Total Expenditures	412,877.50	566,263.32	\$ 570,000.00	\$ (3,736.68)
Receipts Over(Under) Expenditures	(3,373.69)	35,890.31		
Unencumbered Cash, Beginning	64,375.37	61,001.68		
Unencumbered Cash, Ending	<u>\$ 61,001.68</u>	<u>\$ 96,891.99</u>		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Utility Revenue	\$ 3,612,738.42	\$ 3,476,986.95	\$ 3,450,000.00	\$ 26,986.95
Sales Tax	113,888.46	109,636.04	100,000.00	9,636.04
Utility Deposits	53,450.00	58,500.00	50,000.00	8,500.00
Late Fees	85,485.46	84,682.79	80,000.00	4,682.79
Other Charges	7,945.00	5,255.00	-	5,255.00
Use of Money and Property				
Interest Income	2,528.09	1,512.00	3,000.00	(1,488.00)
Sale of Property and Materials	2,600.00	9,079.40	-	9,079.40
Other Revenues				
Miscellaneous	46,241.17	8,644.67	18,250.00	(9,605.33)
Reimbursed Expense	1,346.95	328,665.90	-	328,665.90
Operating Transfers from Recreation Fund				
	22,000.00	-	-	-
Total Receipts	3,948,223.55	4,082,962.75	\$ 3,701,250.00	\$ 381,712.75
Expenditures				
Administration				
Personal Services	2,199.00	-	\$ 2,500.00	\$ (2,500.00)
Contractual Services	49,488.96	39,680.12	72,500.00	(32,819.88)
Commodities	10,838.75	1,404.20	4,750.00	(3,345.80)
Capital Outlay	10,843.38	3,468.00	-	3,468.00
Other Expenses	199,436.07	203,008.54	361,500.00	(158,491.46)
Electric Production				
Personal Services	120,066.20	138,731.96	120,256.00	18,475.96
Contractual Services	2,181,093.11	2,015,946.71	2,122,500.00	(106,553.29)
Commodities	12,053.00	7,551.05	52,500.00	(44,948.95)
Electric Distribution				
Personal Services	269,712.34	277,214.69	308,306.00	(31,091.31)
Contractual Services	65,363.62	49,712.15	75,000.00	(25,287.85)
Commodities	107,868.58	75,872.54	81,400.00	(5,527.46)
Capital Outlay	204,332.69	58,332.21	55,000.00	3,332.21

CITY OF OSAWATOMIE, KANSAS
ELECTRIC 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 743,800.00	\$ 388,200.00	\$ 363,800.00	\$ 24,400.00
Golf Course Fund	65,000.00	45,000.00	45,000.00	-
Special Parks and Recreation Fund	-	90,000.00	-	90,000.00
Street Improvement Fund	17,000.00	-	-	-
Street Project Fund	452,131.76	-	-	-
Employee Benefits Fund	45,000.00	70,268.00	-	70,268.00
Tourism Fund	-	12,000.00	-	12,000.00
Capital Improvements Fund	27,500.00	380,000.00	100,000.00	280,000.00
Total Certified Budget			3,765,012.00	91,378.17
Adjustments for Qualifying Budget Credits			328,665.90	(328,665.90)
Total Expenditures	4,583,727.46	3,856,390.17	\$ 4,093,677.90	\$ (237,287.73)
Receipts Over(Under) Expenditures	(635,503.91)	226,572.58		
Unencumbered Cash, Beginning	852,394.53	216,890.62		
Unencumbered Cash, Ending	\$ 216,890.62	\$ 443,463.20		

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Utility Revenues	\$ 759,432.35	\$ 825,928.97	\$ 789,000.00	\$ 36,928.97
Other Charges	3,286.38	4,926.29	5,000.00	(73.71)
Use of Money and Property				
Rental Income	11,592.00	11,592.00	12,000.00	(408.00)
Intergovernmental				
Federal Grant Proceeds	-	7,098.00	-	7,098.00
Other Revenues				
Miscellaneous	75.60	551.12	1,500.00	(948.88)
Reimbursed Expense	4,312.66	1,686.67	1,000.00	686.67
Total Receipts	778,698.99	851,783.05	\$ 808,500.00	\$ 43,283.05
Expenditures				
Administration				
Personal Services	202.00	-	\$ 250.00	\$ (250.00)
Contractual Services	56,616.28	53,407.47	95,400.00	(41,992.53)
Commodities	726.68	40.00	1,300.00	(1,260.00)
Capital Outlay	1,740.00	-	-	-
Water Treatment				
Personal Services	133,482.76	86,780.27	120,389.00	(33,608.73)
Contractual Services	58,023.07	61,344.21	62,250.00	(905.79)
Commodities	154,590.44	153,500.99	194,550.00	(41,049.01)
Capital Outlay	34,812.52	-	-	-
Water Distribution				
Personal Services	111,953.90	86,590.78	110,303.00	(23,712.22)
Contractual Services	67,354.59	66,538.56	67,750.00	(1,211.44)
Commodities	48,591.33	25,459.06	37,450.00	(11,990.94)

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Debt Service				
Principal Payment	\$ 39,009.38	\$ 20,122.69	\$ 39,009.00	\$ (18,886.31)
Interest Payment	25,973.24	12,368.62	25,974.00	(13,605.38)
Operating Transfers to:				
General Fund	-	115,400.00	77,400.00	38,000.00
General Obligation Bond and Interest Fund	-	27,235.00	-	27,235.00
Employee Benefits	-	10,478.00	-	10,478.00
Total Expenditures	<u>733,076.19</u>	<u>719,265.65</u>	<u>\$ 832,025.00</u>	<u>\$ (112,759.35)</u>
Receipts Over(Under) Expenditures	45,622.80	132,517.40		
Unencumbered Cash, Beginning	<u>(2,047.44)</u>	<u>43,575.36</u>		
Unencumbered Cash, Ending	<u>\$ 43,575.36</u>	<u>\$ 176,092.76</u>		

CITY OF OSAWATOMIE, KANSAS
REFUSE 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Utility Revenues	\$ 367,613.39	\$ 374,735.56	\$ 380,000.00	\$ (5,264.44)
Other Revenues				
Miscellaneous	-	180.00	-	180.00
Total Receipts	<u>367,613.39</u>	<u>374,915.56</u>	<u>\$ 380,000.00</u>	<u>\$ (5,084.44)</u>
Expenditures				
Collections				
Contractual Services	368,728.08	373,388.92	\$ 376,400.00	\$ (3,011.08)
Commodities	632.06	-	300.00	(300.00)
Total Expenditures	<u>369,360.14</u>	<u>373,388.92</u>	<u>\$ 376,700.00</u>	<u>\$ (3,311.08)</u>
Receipts Over(Under) Expenditures	(1,746.75)	1,526.64		
Unencumbered Cash, Beginning	<u>6,472.05</u>	<u>4,725.30</u>		
Unencumbered Cash, Ending	<u>\$ 4,725.30</u>	<u>\$ 6,251.94</u>		

CITY OF OSAWATOMIE, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Utility Revenues	\$ 771,764.81	\$ 748,972.29	\$ 780,000.00	\$ (31,027.71)
Other Charges	350.00	-	1,000.00	(1,000.00)
Total Receipts	<u>772,114.81</u>	<u>748,972.29</u>	<u>\$ 781,000.00</u>	<u>\$ (32,027.71)</u>
Expenditures				
Collections				
Personal Services	114,948.76	100,241.24	\$ 109,274.00	\$ (9,032.76)
Contractual Services	63,948.94	76,629.95	74,950.00	1,679.95
Commodities	43,140.39	39,395.92	50,150.00	(10,754.08)
Capital Outlay	88,161.00	-	75,000.00	(75,000.00)
Debt Service				
Principal Payments	196,592.00	100,735.99	196,592.00	(95,856.01)
Interest Payments	54,121.46	24,620.74	54,122.00	(29,501.26)
Operating Transfers to:				
General Fund	77,900.00	116,400.00	77,900.00	38,500.00
Employee Benefits	-	6,837.00	-	6,837.00
General Obligation Bond and Interest Fund	200,000.00	310,000.00	200,000.00	110,000.00
Total Expenditures	<u>838,812.55</u>	<u>774,860.84</u>	<u>\$ 837,988.00</u>	<u>\$ (63,127.16)</u>
Receipts Over(Under) Expenditures	(66,697.74)	(25,888.55)		
Unencumbered Cash, Beginning	<u>428,138.09</u>	<u>361,440.35</u>		
Unencumbered Cash, Ending	<u>\$ 361,440.35</u>	<u>\$ 335,551.80</u>		

CITY OF OSAWATOMIE, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2012

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Cafeteria 125	\$ 137.54	\$ 40,834.21	\$ 36,046.01	\$ 4,925.74
Court ADSAP	5,001.00	1,910.00	-	6,911.00
Court Bonds	5,658.54	3,473.83	2,611.00	6,521.37
Evidence Liability	-	14,361.29	-	14,361.29
Fire Insurance Proceeds	0.84	-	-	0.84
Forfeiture	19.09	338.20	300.00	57.29
Old Stone Church Donations	13.10	-	13.10	-
Payal Donations	-	95.65	-	95.65
Revolving Loan	72,670.12	88.31	-	72,758.43
Rural Fire	3,387.12	34,964.24	37,588.48	762.88
	<u>\$ 86,887.35</u>	<u>\$ 96,065.73</u>	<u>\$ 76,558.59</u>	<u>\$ 106,394.49</u>



Communication of No Material Weaknesses

Honorable Mayor and City Council
City of Osawatomie, Kansas

In planning and performing our audit of the financial statement of the City of Osawatomie, Kansas as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Osawatomie, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Osawatomie, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Osawatomie, Kansas' internal control.

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 a 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 was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, City Council, others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
July 1, 2013

Jarred, Gilmore & Phillips, PA
CERTIFIED PUBLIC ACCOUNTANTS

412 W. MAIN, P.O. BOX 97
NEODESHA, KANSAS 66757
(620) 325-3430

1815 S. SANTA FE, P.O. BOX 779
CHANUTE, KANSAS 66720
(620) 431-6342

16 W. JACKSON
IOLA, KANSAS 66749
(620) 365-3125

www.jgppa.com