

CITY OF WALTON, KANSAS

Financial Statement

For the Year Ended December 31, 2012

City of Walton, Kansas
City of the Third Class
For the Year Ended December 31, 2012

Evan Johnson, Mayor

CITY COUNCIL

Al Heine

Chris Deschner

Vicky Schroeder

Tony Wheeler

Barry Wentz

CITY OFFICERS

Stephanie Ashby, Clerk

Jim Gilmore, Attorney

City of Walton, Kansas

CONTENTS

For the Year Ended December 31, 2012

	<u>Page</u>
Independent Auditor's Report	1-2
<u>FINANCIAL SECTION</u>	
Statement 1 Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
Notes to Financial Statement	4-8
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule 1 Summary of Expenditures - Actual and Budget	9
Schedule 2 Schedule of Cash Receipts and Expenditures - Actual and Budget	
2-1 General Fund	10-11
<u>Special Purpose Funds</u>	
2-2 Library Fund	12
2-3 Special Street and Highway Fund	13
<u>Bond and Interest Fund</u>	
2-4 Bond and Interest Fund	14
<u>Capital Project Funds</u>	
2-5 Capital Improvement Fund	15
2-6 Orphan Dump Fund	15
<u>Business Funds</u>	
2-7 Water Operating Fund	16
2-8 Gas Operating Fund	17
2-9 Gas Depreciation Fund	18
2-10 Sewer Operating Fund	19
2-11 Storm Water Operating Fund	20
<u>Related Municipal Entity</u>	
Schedule 3 Library Board	21

Knudsen Monroe & Company LLC

INDEPENDENT AUDITOR'S REPORT

City Council
City of Walton
Walton, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Walton, 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 Statements

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.

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 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 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 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

Also, 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 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, and the schedule of regulatory basis receipts and expenditures-related municipal entity 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.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget and related municipal entity (Schedules 2 and 3 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated August 31, 2012. 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 Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

Knudsen, Manwe & Company LLC

Certified Public Accountants

June 27, 2013

STATEMENT 1

City of Walton, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 13,303	176,029	133,573	55,759	3,962	59,721
Special Purpose Funds						
Library	6,227	548	360	6,415	-	6,415
Special street and highway	6,898	6,088	12,493	493	-	493
Total special purpose funds	13,125	6,636	12,853	6,908	-	6,908
Bond and Interest Fund						
Bond and interest	2,190	15,490	16,732	948	-	948
Capital Project Funds						
Capital improvement	4,847	-	-	4,847	-	4,847
Orphan dump project	36	-	-	36	-	36
Total capital project funds	4,883	-	-	4,883	-	4,883
Business Funds						
Water operating	(14,754)	102,956	76,671	11,531	-	11,531
Gas						
Operating	45,504	70,493	88,594	27,403	3,658	31,061
Depreciation	3,200	-	-	3,200	-	3,200
Sewer operating	12,689	32,400	39,930	5,159	-	5,159
Storm water operating	13,382	5,286	2,309	16,359	-	16,359
Total business funds	60,021	211,135	207,504	63,652	3,658	67,310
Total primary government	93,522	409,290	370,662	132,150	7,620	139,770
Related Municipal Entity						
Walton Community Library	3,102	6,811	4,563	5,350	-	5,350
Total Reporting Entity	\$ 96,624	416,101	375,225	137,500	7,620	145,120
Composition of Cash						
Cash on hand						\$ 100
Cash in bank, Walton State Bank, Checking						117,238
Cash in bank, Walton State Bank, Savings						22,432
Related Municipal Entity						5,350
Total reporting entity						\$ 145,120

See notes to financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Walton is a municipal corporation governed by an elected five-member council. The financial statement presents the City of Walton (the primary government) and its related municipal entity. The related municipal entity is included in the City's reporting entity because of the significance of its operational and financial relationship with the City.

Walton Community Library –The City of Walton Community Library board operates the City's public library. The City makes appropriations to the library to assist in funding capital expenditures and operating expenses. The governing body of the component unit is appointed by the Walton City council.

KMAAG Regulatory Basis of Presentation Fund Definitions

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

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

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 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 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 budget amendments for the year 2012.

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 City 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 and business fund reserve accounts.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The City was not in compliance in its Sewer and Storm Water Operating Funds with K.S.A. 79-2935 which limits fund expenditures to the adopted budget of expenditures for the year ended December 31, 2012.

City of Walton, Kansas

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such institution has been designated as an official depository, and the banks 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. As of December 31, 2012, the City's investments included only bank deposits with a fair value of \$22,432, which are not subject to investment rating.

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.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City has not designated peak periods. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the carrying amount of the City's deposits, including related municipal entities, was \$145,020. The bank balance totaled \$142,254. The balance was held by one bank resulting in a concentration of credit risk. All bank deposits were covered by FDIC insurance at December 31, 2012.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Maturity Date	Balance 12/31/11	Additions	Retired	Balance 12/31/12	Interest Paid
General Obligation Bonds									
Series 1998 Sewer	4.75%	10/05/98	299,000	10/05/38	\$ 251,220	-	4,800	246,420	11,932
Capital Lease Obligations									
Equipment	5.00%	11/15/11	17,373	11/15/16	17,117	-	3,148	13,969	786
Equipment	4.50%	06/07/12	8,761	12/07/15	-	8,761	1,168	7,593	187
Total long-term debt					\$ 268,337	8,761	9,116	267,982	12,905

City of Walton, Kansas

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

4. LONG-TERM DEBT (Continued)

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

	Year ending December 31									
	2013	2014	2015	2016	2017	2018-22	2023-27	2028-32	2033 and thereafter	Total
Principal										
General Obligation Bonds	\$ 5,000	5,300	5,500	5,800	6,100	35,100	44,000	55,600	84,020	246,420
Capital lease obligations	<u>5,730</u>	<u>6,010</u>	<u>6,304</u>	<u>3,518</u>	-	-	-	-	-	<u>21,562</u>
Total principal	<u>\$ 10,730</u>	<u>11,310</u>	<u>11,804</u>	<u>9,318</u>	<u>6,100</u>	<u>35,100</u>	<u>44,000</u>	<u>55,600</u>	<u>84,020</u>	<u>267,982</u>
Interest										
General Obligation Bonds	\$ 11,799	11,561	11,310	11,049	10,773	49,234	40,090	28,595	14,856	189,267
Capital lease obligations	<u>915</u>	<u>635</u>	<u>340</u>	<u>89</u>	-	-	-	-	-	<u>1,979</u>
Total interest	<u>\$ 12,714</u>	<u>12,196</u>	<u>11,650</u>	<u>11,138</u>	<u>10,773</u>	<u>49,234</u>	<u>40,090</u>	<u>28,595</u>	<u>14,856</u>	<u>191,246</u>

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	Transfer To			
	General	Water	Bond & Interest	Total
General	\$ -	10,000	-	10,000
Sewer	-	-	14,500	14,500
Gas	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 10,000</u>	<u>10,000</u>	<u>14,500</u>	<u>34,500</u>

6. DEFINED BENEFIT PENSION PLAN

Defined Benefit Pension Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by 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. Those reports may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 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 employees and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions

NOTES TO FINANCIAL STATEMENT

For the Year ended December 31, 2012

6. DEFINED BENEFIT PENSION PLAN (Continued)

according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that the 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 contribution rates. The employer rate established by statute for calendar year 2012 was 8.34%. The City employer contributions to KPERS for the years ending December 31, 2012, 2011 and 2010 were \$4,369, \$7,037 and \$7,923 equal to the regulatory required contributions for each year as set forth by the legislature.

7. COMPENSATED ABSENCES

Other Employee Benefits

Full-time employees earn paid time off according to the following schedule:

<u>Years of Continuous Employment</u>	<u>0-3 years</u>	<u>3-10 years</u>	<u>10+ years</u>
Hours earned per month	16.6	26.6	40.0
Days earned per year	25	40	60
Maximum days of accumulation	30	60	120
Maximum days paid at termination	9	18	36

Upon termination, unused paid time off is paid at 30%, or the maximum days per the above schedule. No provision for the liability which has accrued on the compensated absences described above has been included in the accompanying financial statements.

8. CLAIMS AND JUDGMENTS

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 has purchased commercial insurance for these potential risks. There has been no significant reduction in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

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

9. SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to December 31, 2012, to determine the need for any adjustments to and/or disclosures within the audited financial statements. Management has performed their analysis through June 27, 2013, which is the date at which the financial statements were available to be issued.

CITY OF WALTON
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

City of Walton, Kansas

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis
(Budgeted Funds Only)

For the Year ended December 31, 2012

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
General	\$ 191,160	2,020	193,180	133,573	59,607
Special Purpose Funds					
Library	2,000	-	2,000	360	1,640
Special street and highway	13,800	-	13,800	12,493	1,307
Total Special Purpose Funds	15,800	-	15,800	12,853	2,947
Debt Service					
Bond and interest	16,827	-	16,827	16,732	95
Business Funds					
Water operating	82,500	-	82,500	76,671	5,829
Gas operating	176,450	-	176,450	88,594	87,856
Sewer operating	31,314	-	31,314	39,930	(8,616)
Storm water operating	-	-	-	2,309	(2,309)
Total Business Funds	290,264	-	290,264	207,504	82,760
Expenditures subject to budget	<u>\$ 514,051</u>	<u>2,020</u>	<u>516,071</u>	<u>370,662</u>	<u>145,409</u>

City of Walton, Kansas

General Fund**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

Regulatory Basis

For the Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		
	2011			Variance -
	Actual	Actual	Budget	Favorable (Unfavorable)
CASH RECEIPTS				
Taxes				
Ad valorem property tax	\$ 49,077	60,325	57,138	3,187
Vehicle tax	7,894	8,048	8,987	(939)
Local sales tax	44,354	40,577	45,000	(4,423)
Fines and fees	10,488	6,922	14,000	(7,078)
Franchise tax	20,828	20,845	19,000	1,845
Charges for Services				
Refuse	17,292	18,382	17,000	1,382
Permits	1,750	400	250	150
Late fees	6,353	5,243	-	5,243
Utility payments	848	1,177	-	1,177
Transfer from Gas	-	10,000	10,000	-
Use of Money and Property				
Interest	320	255	495	(240)
Reimbursements	2,349	2,020	3,000	(980)
Other Income	698	1,835	7,000	(5,165)
Total cash receipts	162,251	176,029	181,870	(5,841)
EXPENDITURES, Page 11	149,308	133,573		
Receipts over (under) expenditures	12,943	42,456		
UNENCUMBERED CASH, beginning	360	13,303		
UNENCUMBERED CASH, ending	\$ 13,303	55,759		

City of Walton, Kansas

General Fund**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

Regulatory Basis

For the Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		Variance -
	2011	Actual	Budget	Favorable
	Actual			(Unfavorable)
EXPENDITURES				
Personal services	\$ 43,183	40,549	39,600	(949)
Contractual	31,301	31,149	40,000	8,851
Commodities	3,359	4,546	7,860	3,314
Capital outlay	462	1,800	2,000	200
Street lights	1,805	2,146	3,000	854
Refuse	14,780	16,015	23,000	6,985
Streets	916	-	10,000	10,000
Animal control/parks	856	519	1,600	1,081
Continuing education and dues	1,697	2,345	1,600	(745)
Library	500	2,963	500	(2,463)
Law enforcement	48,710	20,701	60,000	39,299
Municipal Court	1,295	460	1,300	840
Other	444	380	700	320
Transfer to other funds	-	10,000	-	(10,000)
	149,308	133,573	191,160	57,587
Adjustment for budget credits	-	-	2,020	2,020
Total expenditures	<u>\$ 149,308</u>	<u>133,573</u>	<u>193,180</u>	<u>59,607</u>

City of Walton, Kansas

Special Purpose Funds

Library Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		
	2011			Variance -
	Actual	Actual	Budget	Favorable
				(Unfavorable)
CASH RECEIPTS				
Ad valorem property tax	\$ 2,245	153	-	153
Delinquent tax	95	-	100	(100)
Vehicle tax	415	395	440	(45)
Total cash receipts	2,755	548	540	8
EXPENDITURES				
Appropriations to Library Board	1,141	360	2,000	1,640
Receipts over (under) expenditures	1,614	188		
UNENCUMBERED CASH, beginning	4,613	6,227		
UNENCUMBERED CASH, ending	\$ 6,227	6,415		

City of Walton, Kansas

Special Purpose Funds**Special Street and Highway Fund**

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

For the Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		
	2011			Variance -
	Actual	Actual	Budget	Favorable
				(Unfavorable)
CASH RECEIPTS				
State payments	\$ 6,888	6,088	7,780	(1,692)
Local sales tax	-	-	3,800	(3,800)
Total cash receipts	<u>6,888</u>	<u>6,088</u>	<u>11,580</u>	<u>(5,492)</u>
EXPENDITURES				
Personnel services	1,399	2,924	1,500	(1,424)
Contractual services	8,739	9,569	7,800	(1,769)
Commodities	-	-	4,500	4,500
Total expenditures	<u>10,138</u>	<u>12,493</u>	<u>13,800</u>	<u>1,307</u>
Receipts over (under) expenditures	(3,250)	(6,405)		
UNENCUMBERED CASH, beginning	<u>10,148</u>	<u>6,898</u>		
UNENCUMBERED CASH, ending	<u>\$ 6,898</u>	<u>493</u>		

City of Walton, Kansas

Bond and Interest Fund**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

Regulatory Basis

For the Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		
	2011			Variance -
	Actual	Actual	Budget	Favorable (Unfavorable)
RECEIPTS				
Ad valorem property tax	\$ 3,836	273	300	(27)
Delinquent tax	427	-	-	-
Vehicle tax	668	717	802	(85)
Transfer from Sewer fund	13,800	14,500	14,500	-
Total cash receipts	<u>18,731</u>	<u>15,490</u>	<u>15,602</u>	<u>(112)</u>
EXPENDITURES				
Bond principal	4,600	4,800	4,800	-
Interest	<u>12,151</u>	<u>11,932</u>	<u>12,027</u>	<u>95</u>
Total expenditures	<u>16,751</u>	<u>16,732</u>	<u>16,827</u>	<u>95</u>
Receipts over (under) expenditures	1,980	(1,242)		
UNENCUMBERED CASH, beginning	<u>210</u>	<u>2,190</u>		
UNENCUMBERED CASH, ending	<u>\$ 2,190</u>	<u>948</u>		

City of Walton, Kansas

Capital Project Funds
Capital Improvement Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
 Regulatory Basis
 For the Year ended December 31, 2012
 (With comparative actual amounts for the year ended December 31, 2011)

		<u>2012</u>		
	2011	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
	<u>Actual</u>			
RECEIPTS	\$ -	-		
EXPENDITURES	-	-	NOT APPLICABLE	
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	4,847	4,847		
UNENCUMBERED CASH, ending	\$ 4,847	4,847		

SCHEDULE 2-6

Orphan Dump Project Fund

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
 Regulatory Basis
 For the Year ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	2011	<u>Actual</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
	<u>Actual</u>			
RECEIPTS	\$ -	-		
EXPENDITURES				
Contracted services	-	-	NOT APPLICABLE	
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	36	36		
UNENCUMBERED CASH, ending	\$ 36	36		

City of Walton, Kansas

Business Funds**Water Operating Fund**

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		Variance -
	2011			Favorable
	Actual	Actual	Budget	(Unfavorable)
CASH RECEIPTS				
Sales to consumers	\$ 92,521	92,956	93,000	(44)
Transfer from General fund	-	10,000	10,000	-
Total cash receipts	<u>92,521</u>	<u>102,956</u>	<u>103,000</u>	<u>(44)</u>
EXPENDITURES				
Personnel services	13,486	15,053	15,000	(53)
Contractual services	12,272	8,929	10,000	1,071
Commodities and other	2,213	1,599	2,500	901
Capital outlay	899	2,000	5,000	3,000
Water purchases	<u>50,781</u>	<u>49,090</u>	<u>50,000</u>	<u>910</u>
Total expenditures	<u>79,651</u>	<u>76,671</u>	<u>82,500</u>	<u>5,829</u>
Receipts over (under) expenditures	12,870	26,285		
UNENCUMBERED CASH, beginning	<u>(27,624)</u>	<u>(14,754)</u>		
UNENCUMBERED CASH, ending	<u>\$ (14,754)</u>	<u>11,531</u>		

City of Walton, Kansas

Business Funds**Gas Operating Fund**

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		Variance -
	2011			Favorable
	Actual	Actual	Budget	(Unfavorable)
CASH RECEIPTS				
Sales to consumers	\$ 108,439	70,493	200,000	(129,507)
EXPENDITURES				
Personnel services	16,895	19,043	15,000	(4,043)
Contractual services	13,215	9,429	7,500	(1,929)
Commodities and other	1,142	2,422	350	(2,072)
Capital outlay	2,841	1,909	600	(1,309)
Gas purchases	61,853	37,791	120,000	82,209
Contingency	-	-	15,000	15,000
Franchise fee to city	8,000	8,000	8,000	-
Transfer to General Fund	-	10,000	10,000	-
Total expenditures	103,946	88,594	176,450	87,856
Receipts over (under) expenditures	4,493	(18,101)		
UNENCUMBERED CASH, beginning	41,011	45,504		
UNENCUMBERED CASH, ending	\$ 45,504	27,403		

City of Walton, Kansas

Business Funds**Gas Depreciation Fund**

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		Variance -
	2011			Favorable
	Actual	Actual	Budget	(Unfavorable)
CASH RECEIPTS	\$ -	-		
EXPENDITURES	-	-		
Receipts over (under) expenditures	-	-	NOT APPLICABLE	
UNENCUMBERED CASH, beginning	3,200	3,200		
UNENCUMBERED CASH, ending	\$ 3,200	3,200		

City of Walton, Kansas

Business Funds**Sewer Operating Fund**

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		2012		Variance -
	2011			Favorable
	Actual	Actual	Budget	(Unfavorable)
CASH RECEIPTS				
Sales to consumers	\$ 32,766	32,400	34,000	(1,600)
EXPENDITURES				
Personnel services	9,088	14,535	7,855	(6,680)
Contractual services	9,801	3,370	7,834	4,464
Commodities and other	1,035	1,586	225	(1,361)
Capital outlay	350	5,939	900	(5,039)
Transfer to Bond and Interest fund	13,800	14,500	14,500	-
Total expenditures	34,074	39,930	31,314	(8,616)
Receipts over (under) expenditures	(1,308)	(7,530)		
UNENCUMBERED CASH, beginning	13,997	12,689		
UNENCUMBERED CASH, ending	\$ 12,689	5,159		

City of Walton, Kansas

Business Funds**Storm Water Operating Fund**

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Regulatory Basis

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance -
	<u>Actual</u>			<u>Favorable</u>
				<u>(Unfavorable)</u>
CASH RECEIPTS				
Fees	\$ 5,289	5,286	<u>-</u>	<u>5,286</u>
EXPENDITURES				
Drainage maintenance	<u>397</u>	<u>2,309</u>	<u>-</u>	<u>(2,309)</u>
Receipts over (under) expenditures	4,892	2,977	<u>-</u>	<u>2,977</u>
UNENCUMBERED CASH, beginning	<u>8,490</u>	<u>13,382</u>		
UNENCUMBERED CASH, ending	<u>\$ 13,382</u>	<u>16,359</u>		

City of Walton, Kansas

Related Municipal Entity**Library Board**

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET

Year ended December 31, 2012

(With comparative actual amounts for the year ended December 31, 2011)

<u>WALTON COMMUNITY LIBRARY</u>	<u>2012</u>	<u>2011</u>
CASH RECEIPTS		
Appropriations from city		
General fund	\$ 2,963	500
Library fund	360	1,141
SCKLS and State	3,388	3,436
Other	100	144
Total cash receipts	<u>6,811</u>	<u>5,221</u>
EXPENDITURES		
Salaries and employee benefits	1,120	1,594
Books, periodicals, materials	2,383	1,740
Other	1,060	1,521
Total expenditures	<u>4,563</u>	<u>4,855</u>
Receipts over (under) expenditures	2,248	366
UNENCUMBERED CASH, beginning	<u>3,102</u>	<u>2,736</u>
UNENCUMBERED CASH, ending	<u>\$ 5,350</u>	<u>3,102</u>