

CITY OF LOUISBURG, KANSAS

Financial Statements

For the Year Ended December 31, 2012

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CITY OF LOUISBURG, KANSAS
 Financial Statements
 For the Year Ended December 31, 2012
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MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Louisburg, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Louisburg, Kansas (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statement. The prior year partial comparative information has been derived from the City's financial statements for the year ended December 31, 2011. In our report dated April 2, 2012, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas prescribed basis of accounting.

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 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 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.

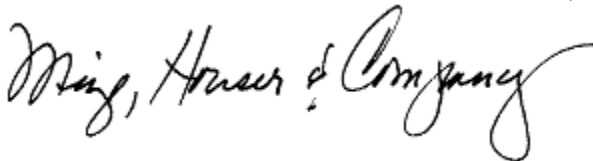
Opinion on Regulatory Basis of Accounting

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.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2011, from which such partial information was derived.

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 expenditures-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.



March 11, 2013

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds:							
General Fund	\$ 2,144,986	\$ -	\$ 1,928,319	\$ 1,427,456	\$ 2,645,849	\$ 32,758	\$ 2,678,607
Special Purpose Funds:							
Special Street Fund	1,365,077	-	434,655	419,466	1,380,266	81,088	1,461,354
Excise Tax Fund	203,460	-	1,019	-	204,479	-	204,479
Cops for Kids Fund	4,776	-	2,899	2,324	5,351	-	5,351
Aquatic Center Operations Fund	152,590	-	494,671	314,381	332,880	317	333,197
Lewis Young Park Donations Fund	53,867	-	14,354	-	68,221	-	68,221
Lewis Young Park Lighting Fund	41,117	-	6,017	-	47,134	-	47,134
Infrastructure Improvement Fund	185,471	-	193,689	-	379,160	-	379,160
Stormwater Fund	371,257	-	85,467	-	456,724	-	456,724
Cemetery Commission Fund	72,804	-	12,631	26,024	59,411	-	59,411
Fox Hall Commission Fund	30,263	-	9,247	7,494	32,016	-	32,016
Bond and Interest Funds:							
Bond and Interest Fund	770,481	-	1,942,254	1,572,715	1,140,020	-	1,140,020
Business Funds:							
Natural Gas Fund	1,610,638	-	1,040,976	675,739	1,975,875	102,683	2,078,558
Natural Gas Capital Improvement Fund	13,184	-	66	-	13,250	-	13,250
Water Fund	-	-	1,494,410	1,494,410	-	23,868	23,868
Water Capital Improvement Fund	463,723	-	2,324	-	466,047	-	466,047
Water Utility Surplus Fund	1,070,477	-	31,228	150,614	951,091	-	951,091
Wastewater Fund	1,128,481	-	423,474	462,262	1,089,693	7,313	1,097,006
Wastewater Capital Improvement Fund	59,787	-	300	-	60,087	-	60,087
State Revolving Loan Fund	58,010	-	1,009	59,019	-	-	-
Water/Sewer Bond Reserve Fund	280,000	-	-	-	280,000	-	280,000
Water/Sewer Depreciation Reserve Fund	243,281	-	61,355	-	304,636	-	304,636
Total	\$ 10,323,730	\$ -	\$ 8,180,364	\$ 6,611,904	\$ 11,892,190	\$ 248,027	\$12,140,217

COMPOSITION OF CASH:

Peoples Bank	
Checking	\$ 136,355
Fox Hall	6,722
Petty Cash	1,638
Municipal Court	3,675
Freedom Fund	5,268
First National Bank	
Checking	1,638
Cemetery	19,411
Savings	18,500
Certificates of Deposit	40,000
Landmark	
Fox Hall Checking	6,794
First Option Bank	
Checking	<u>11,909,159</u>
Total Cash	12,149,160
Agency Funds per Schedule 3	<u>[8,943]</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$12,140,217</u>

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

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Louisburg (the City) is a municipal corporation governed by an elected council. These financial statements present the City (the primary government) and any related municipal entities of which the City is considered to be financially accountable. Blended municipal entities, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these entities are combined with data of the primary government.

The Louisburg Cemetery Commission serves all the citizens of the government and is governed by a board appointed by the City Council. The Commission's annual budget is approved by the City Council. The Commission has a December 31 year end, and is reported as a special purpose fund.

The Fox Hall Commission is charged with the operation and management of the Fox Hall Community Building. It is comprised of five members appointed by the City Council. The Commission has a December 31 year end, and is reported as a special purpose fund.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and 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.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording cash 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 for the year ended June 30, 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.

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.

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.)

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 accounts, etc.).

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), principal 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 budget was amended for the Water Fund.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

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 certain special purpose, capital project, business, and trust funds.

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.

Actual expenditures exceeded budgeted expenditures in the State Revolving Loan Fund which is a violation of K.S.A. 79-2935.

Ad Valorem Tax Revenues

The determination of assessed valuations and collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the City, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 – Deposits

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks 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.

Investments. 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 held no such investments.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 2 – Deposits (Continued)

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 no designated "peak periods." All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$12,149,160 and the bank balance was \$12,290,479. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$494,133 was covered by federal depository insurance, \$500,000 was covered by an irrevocable letter of credit, and the balance of \$11,296,346 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 or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Retirement Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS). KPERS is a part of 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 issue a publicly available financial report 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. 74-419 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The employer contributions to KPERS for years ending December 31, 2012. The City employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were \$77,070, \$69,013, and \$67,744, respectively, equal to the required contributions for each year.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 4 – Long-Term Debt

Following is a detailed listing of the City’s outstanding general obligation debt:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Final Maturity</u>
Series 2001A	4.30 - 5.75%	\$ 330,000	\$ 995,000	09/01/01	09/01/16
Series 2003A	2.00 - 4.20%	805,000	7,085,000	06/05/03	09/01/18
Series 2003B	3.50 - 4.35%	645,000	1,200,000	12/12/03	09/01/19
Series 2006A	4.00 - 5.00%	2,885,000	3,590,000	01/15/06	09/01/26
Series 2006B	3.70 - 4.50%	2,110,000	2,990,000	11/01/06	09/01/22
Series 2008A	3.80 - 4.30%	<u>1,025,000</u>	1,600,000	11/04/08	9/1/2018
 Total		 <u>\$ 7,800,000</u>			

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year Ending December 31,</u>	
2013	\$ 1,364,363
2014	1,124,753
2015	1,075,555
2016	1,050,645
2017	966,438
2018-2022	2,895,438
2023-2026	<u>1,104,070</u>
 Total Principal and Interest	 9,581,260
 Less: Interest	 <u>1,781,260</u>
 Total	 <u>\$ 7,800,000</u>

Following is a summary of changes in long-term debt for the year ended December 31, 2012:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
General Obligation Bonds	\$ 9,010,000	\$ -	\$ 1,210,000	\$ 7,800,000
Kansas Revolving Loan	<u>58,028</u>	<u>-</u>	<u>58,028</u>	<u>-</u>
 Total	 <u>\$ 9,068,028</u>	 <u>\$ -</u>	 <u>\$ 1,268,028</u>	 <u>\$ 7,800,000</u>

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 5 – Customer Deposits

Customer deposits payable, in the amount of \$27,000 and \$17,120, are reported as outstanding encumbrances in the Natural Gas and Water Funds, respectively.

NOTE 6 – Interfund Transfers

A reconciliation of transfers by fund type for 2012 follows:

<u>Fund</u>	<u>To</u>	<u>From</u>
Aquatic Center Operations	\$ -	\$ 158,835
Bond and Interest	391,811	-
Natural Gas	-	80,330
Water	150,614	86,217
Water Utility Surplus	26,217	150,614
Wastewater	-	153,546
State Revolving Loan	900	-
Water/Sewer Depreciation Reserve	<u>60,000</u>	<u>-</u>
 Total	 <u>\$ 629,542</u>	 <u>\$ 629,542</u>

NOTE 7 – Compensated Absences

Full-time employees earn one working day of sick leave each full month of service. Upon termination, an employee in good standing shall be compensated for sick leave as follows:

- 5 years of service - 15% of accumulated leave
- 10 years of service - 25% of accumulated leave
- 15 years of service - 50% of accumulated leave
- 20 years of service - 75% of accumulated leave
- 25 years of service - 100% of accumulated leave

Accumulated sick leave benefits are to be paid at a rate equal to the pay rate at the time of termination. Total accrued sick leave was \$72,753 at December 31, 2012.

Full-time employees accrue vacation at the rate of four hours per each full calendar month of employment, provided that the total accrued days shall not exceed twenty hours each six months. The employee shall not accumulate more than one hundred sixty hours of vacation beyond the last day of the calendar year. Upon termination, an employee shall be compensated for all earned but unused vacation leave at their final rate of pay. Total accrued vacation leave was \$44,929 at December 31, 2012.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 8 – Commitments

In June 2005, the Marais Des Cygnes Public Utility Authority (the Authority) was created by an interlocal agreement between the Cities of Louisburg and Paola, Kansas. The Authority was established to construct and operate a public water supply utility to serve each of the cities. In November 2007, the Authority issued \$33,000,000 of water facilities revenue bonds to provide funds to acquire, construct, and equip a water supply system. The Authority's estimated debt service requirements with respect to the Series 2007 Bonds are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 195,000	\$ 1,473,413	\$ 1,668,413
2014	270,000	1,465,613	1,735,613
2015	345,000	1,454,813	1,799,813
2016	430,000	1,441,013	1,871,013
2017	520,000	1,423,813	1,943,813
2018-2022	3,415,000	6,763,938	10,178,938
2023-2027	5,090,000	5,899,213	10,989,213
2028-2032	7,295,000	4,565,638	11,860,638
2033-2037	10,160,000	2,646,194	12,806,194
2038	<u>5,085,000</u>	<u>235,181</u>	<u>5,320,181</u>
Total	<u>\$ 32,805,000</u>	<u>\$ 27,368,825</u>	<u>\$ 60,173,825</u>

On September 1, 2007, the City of Louisburg (the City) entered into a water supply service agreement with the Authority. The payments required under the agreement are payable solely from the revenues of the City's water utility system, which are pledged to pay the obligations under the agreement. The City's obligations under the agreement are payable whether or not water service is actually received from the Authority. Under the agreement, the City has covenanted to charge rates sufficient to allow revenues of its water utility system, net of operating and maintenance expenses of such water utility system, to cover its respective share of debt service due on the Series 2007 Bonds (the "Water Base Charge" specified in the agreement) by 125%.

The agreement will remain in force until the last day of the year in which all bonds and the interest have been paid in full.

NOTE 9 – Commitments and Contingencies

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the City as of December 31, 2012.

NOTE 10 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the City carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF LOUISBURG, KANSAS
Notes to the Financial Statements
For the Year Ended December 31, 2012

NOTE 11 – 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, conceptually, the local government 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

NOTE 12 – Related Party Transactions

The City paid \$601 during the year ended December 31, 2012 for plumbing services to a company owned by the spouse of a City Councilmember.

NOTE 13 – Subsequent Events

On January 10, 2013, the City issued \$5,560,000 in general obligation refunding bonds. The interest rate on the bonds ranges from 2.00% to 2.25%. The final bond maturity is September 1, 2026.

CITY OF LOUISBURG, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

Funds	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:					
General Funds:					
General Fund	\$ 2,520,000	\$ -	\$ 2,520,000	\$ 1,427,456	\$ 1,092,544
Special Purpose Funds:					
Special Street Fund	500,000	-	500,000	419,466	80,534
Cops for Kids Fund	6,000	-	6,000	2,324	3,676
Aquatic Center Operations Fund	408,835	-	408,835	314,381	94,454
Lewis Young Park Donations Fund	25,000	-	25,000	-	25,000
Lewis Young Park Lighting Fund	15,000	-	15,000	-	15,000
Cemetery Commission Fund	70,000	-	70,000	26,024	43,976
Fox Hall Commission Fund	15,000	-	15,000	7,494	7,506
Bond and Interest Funds:					
Bond and Interest Fund	1,722,715	-	1,722,715	1,572,715	150,000
Business Funds:					
Natural Gas Fund	1,640,329	-	1,640,329	675,739	964,590
Water Fund	2,284,773	-	2,284,773	1,494,410	790,363
Wastewater Fund	855,546	-	855,546	462,262	393,284
State Revolving Loan Fund	58,670	-	58,670	59,019	[349]

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, 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)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Cash Receipts				
Taxes	\$ 643,683	\$ 736,124	\$ 754,862	\$ [18,738]
Intergovernmental	795,673	841,896	662,047	179,849
Licenses and permits	95,125	90,375	85,000	5,375
Fines and fees	87,611	86,692	90,000	[3,308]
Use of money and property	89,520	109,183	85,000	24,183
Miscellaneous	28,216	64,049	16,030	48,019
Transfer in	-	-	20,000	[20,000]
Total Cash Receipts	<u>1,739,828</u>	<u>1,928,319</u>	<u>\$ 1,712,939</u>	<u>\$ 215,380</u>
Expenditures				
General government	288,672	139,490	\$ 400,000	\$ 260,510
Public safety	736,441	760,786	800,000	39,214
Building and zoning	42,446	67,522	75,000	7,478
Parks and recreation	136,552	164,158	175,000	10,842
Public works	313,435	191,147	275,000	83,853
Municipal court	43,752	46,141	60,000	13,859
Building inspection	39,369	58,212	65,000	6,788
Civic center	-	-	200,000	200,000
Miscellaneous	-	-	20,000	20,000
Transfer out	700,000	-	450,000	450,000
Total Expenditures	<u>2,300,667</u>	<u>1,427,456</u>	<u>\$ 2,520,000</u>	<u>\$ 1,092,544</u>
Cash Receipts Over [Under] Expenditures	[560,839]	500,863		
Unencumbered Cash, Beginning	<u>2,705,825</u>	<u>2,144,986</u>		
Unencumbered Cash, Ending	<u>\$ 2,144,986</u>	<u>\$ 2,645,849</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Special Street 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Intergovernmental	\$ 145,266	\$ 427,193	\$ 110,000	\$ 317,193
Use of money and property	6,426	7,462	3,000	4,462
Reimbursed expense	26,575	-	-	-
Transfer in	700,000	-	450,000	[450,000]
Total Cash Receipts	<u>878,267</u>	<u>434,655</u>	<u>\$ 563,000</u>	<u>\$ [128,345]</u>
Expenditures				
Highways and streets	<u>187,136</u>	<u>419,466</u>	<u>\$ 500,000</u>	<u>\$ 80,534</u>
Total Expenditures	<u>187,136</u>	<u>419,466</u>	<u>\$ 500,000</u>	<u>\$ 80,534</u>
Cash Receipts Over [Under] Expenditures	691,131	15,189		
Unencumbered Cash, Beginning	<u>673,946</u>	<u>1,365,077</u>		
Unencumbered Cash, Ending	<u>\$ 1,365,077</u>	<u>\$ 1,380,266</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Excise Tax Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Use of money and property	\$ 1,520	\$ 1,019
Total Cash Receipts	<u>1,520</u>	<u>1,019</u>
 Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
 Cash Receipts Over [Under] Expenditures	1,520	1,019
 Unencumbered Cash, Beginning	<u>201,940</u>	<u>203,460</u>
 Unencumbered Cash, Ending	<u>\$ 203,460</u>	<u>\$ 204,479</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
Cops for Kids 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Donations	\$ 2,041	\$ 1,864	\$ 5,000	\$ [3,136]
Intergovernmental	1,283	1,009	-	1,009
Use of money and property	27	26	50	[24]
Miscellaneous	<u>1,051</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>4,402</u>	<u>2,899</u>	<u>\$ 5,050</u>	<u>\$ [2,151]</u>
Expenditures				
Public safety	<u>1,116</u>	<u>2,324</u>	<u>\$ 6,000</u>	<u>\$ 3,676</u>
Total Expenditures	<u>1,116</u>	<u>2,324</u>	<u>\$ 6,000</u>	<u>\$ 3,676</u>
Cash Receipts Over [Under] Expenditures	3,286	575		
Unencumbered Cash, Beginning	<u>1,490</u>	<u>4,776</u>		
Unencumbered Cash, Ending	<u>\$ 4,776</u>	<u>\$ 5,351</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Aquatic Center Operations 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 101,254	\$ 108,788	\$ 120,100	\$ [11,312]
Intergovernmental	355,726	384,668	340,000	44,668
Miscellaneous	20	-	-	-
Use of money and property	<u>1,287</u>	<u>1,215</u>	<u>1,500</u>	<u>[285]</u>
Total Cash Receipts	<u>458,287</u>	<u>494,671</u>	<u>\$ 461,600</u>	<u>\$ 33,071</u>
Expenditures				
Culture and recreation	159,106	155,546	\$ 250,000	\$ 94,454
Transfer out	<u>237,528</u>	<u>158,835</u>	<u>158,835</u>	<u>-</u>
Total Expenditures	<u>396,634</u>	<u>314,381</u>	<u>\$ 408,835</u>	<u>\$ 94,454</u>
Cash Receipts Over [Under] Expenditures	61,653	180,290		
Unencumbered Cash, Beginning	<u>90,937</u>	<u>152,590</u>		
Unencumbered Cash, Ending	<u>\$ 152,590</u>	<u>\$ 332,880</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Lewis Young Park Donations 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Donations	\$ 6,083	\$ 1,010	\$ 1,000	\$ 10
Intergovernmental	13,766	13,049	-	13,049
Use of money and property	388	295	300	[5]
Miscellaneous	-	-	12,047	[12,047]
Total Cash Receipts	<u>20,237</u>	<u>14,354</u>	<u>\$ 13,347</u>	<u>\$ 1,007</u>
Expenditures				
Culture and recreation	<u>20,380</u>	-	<u>\$ 25,000</u>	<u>\$ 25,000</u>
Total Expenditures	<u>20,380</u>	-	<u>\$ 25,000</u>	<u>\$ 25,000</u>
Cash Receipts Over [Under] Expenditures	[143]	14,354		
Unencumbered Cash, Beginning	<u>54,010</u>	<u>53,867</u>		
Unencumbered Cash, Ending	<u>\$ 53,867</u>	<u>\$ 68,221</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Lewis Young Park Lighting 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Donations	\$ 5,340	\$ 2,810	\$ 1,000	\$ 1,810
Fines and fees	3,635	2,985	12,000	[9,015]
Use of money and property	<u>272</u>	<u>222</u>	<u>300</u>	<u>[78]</u>
Total Cash Receipts	<u>9,247</u>	<u>6,017</u>	<u>\$ 13,300</u>	<u>\$ [7,283]</u>
Expenditures				
Culture and recreation	<u>-</u>	<u>-</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
Cash Receipts Over [Under] Expenditures	9,247	6,017		
Unencumbered Cash, Beginning	<u>31,870</u>	<u>41,117</u>		
Unencumbered Cash, Ending	<u>\$ 41,117</u>	<u>\$ 47,134</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Infrastructure Improvement Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Intergovernmental	\$ 177,863	\$ 192,334
Use of money and property	<u>867</u>	<u>1,355</u>
Total Cash Receipts	<u>178,730</u>	<u>193,689</u>
 Expenditures		
Capital outlay	<u>53,049</u>	<u>-</u>
Total Expenditures	<u>53,049</u>	<u>-</u>
 Cash Receipts Over [Under] Expenditures	125,681	193,689
 Unencumbered Cash, Beginning	<u>59,790</u>	<u>185,471</u>
 Unencumbered Cash, Ending	<u>\$ 185,471</u>	<u>\$ 379,160</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Stormwater Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Charges for services	\$ 83,141	\$ 83,418
Use of money and property	<u>2,436</u>	<u>2,049</u>
Total Cash Receipts	<u>85,577</u>	<u>85,467</u>
 Expenditures		
Operations	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
 Cash Receipts Over [Under] Expenditures	 85,577	 85,467
 Unencumbered Cash, Beginning	 <u>285,680</u>	 <u>371,257</u>
 Unencumbered Cash, Ending	 <u>\$ 371,257</u>	 <u>\$ 456,724</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Cemetery Commission 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 19,225	\$ 11,325	\$ 30,000	\$ [18,675]
Donations	1,200	1,200	5,000	[3,800]
Use of money and property	637	106	1,500	[1,394]
Total Cash Receipts	<u>21,062</u>	<u>12,631</u>	<u>\$ 36,500</u>	<u>\$ [23,869]</u>
Expenditures				
General government	<u>29,939</u>	<u>26,024</u>	<u>\$ 70,000</u>	<u>\$ 43,976</u>
Total Expenditures	<u>29,939</u>	<u>26,024</u>	<u>\$ 70,000</u>	<u>\$ 43,976</u>
Cash Receipts Over [Under] Expenditures	[8,877]	[13,393]		
Unencumbered Cash, Beginning	<u>81,681</u>	<u>72,804</u>		
Unencumbered Cash, Ending	<u>\$ 72,804</u>	<u>\$ 59,411</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Fox Hall Commission 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Rents	\$ 7,730	\$ 8,739	\$ 9,000	\$ [261]
Use of money and property	143	108	200	[92]
Donations	<u>1,550</u>	<u>400</u>	<u>2,000</u>	<u>[1,600]</u>
Total Cash Receipts	<u>9,423</u>	<u>9,247</u>	<u>\$ 11,200</u>	<u>\$ [1,953]</u>
Expenditures				
Culture and recreation	<u>5,381</u>	<u>7,494</u>	<u>\$ 15,000</u>	<u>\$ 7,506</u>
Total Expenditures	<u>5,381</u>	<u>7,494</u>	<u>\$ 15,000</u>	<u>\$ 7,506</u>
Cash Receipts Over [Under] Expenditures	4,042	1,753		
Unencumbered Cash, Beginning	<u>26,221</u>	<u>30,263</u>		
Unencumbered Cash, Ending	<u>\$ 30,263</u>	<u>\$ 32,016</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes	\$ 1,040,853	\$ 1,106,661	\$ 635,857	\$ 470,804
Use of money and property	7,566	6,282	5,000	1,282
Miscellaneous	437,500	437,500	-	437,500
Bond proceeds	-	-	437,500	[437,500]
Transfer in	467,440	391,811	391,810	1
Total Cash Receipts	<u>1,953,359</u>	<u>1,942,254</u>	<u>\$ 1,470,167</u>	<u>\$ 472,087</u>
Expenditures				
Principal	1,493,063	1,257,480	\$ 1,210,000	\$ [47,480]
Interest	362,513	315,235	362,715	47,480
Cash basis reserve	-	-	150,000	150,000
Total Expenditures	<u>1,855,576</u>	<u>1,572,715</u>	<u>\$ 1,722,715</u>	<u>\$ 150,000</u>
Cash Receipts Over [Under] Expenditures	97,783	369,539		
Unencumbered Cash, Beginning	<u>672,698</u>	<u>770,481</u>		
Unencumbered Cash, Ending	<u>\$ 770,481</u>	<u>\$ 1,140,020</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Natural Gas 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges to customers	\$ 1,307,673	\$ 1,031,321	\$ 1,601,000	\$ [569,679]
Use of money and property	11,749	9,655	9,000	655
Miscellaneous	-	-	1,500	[1,500]
Total Cash Receipts	<u>1,319,422</u>	<u>1,040,976</u>	<u>\$ 1,611,500</u>	<u>\$ [570,524]</u>
Expenditures				
Operations	782,168	595,409	\$ 1,500,000	\$ 904,591
Transfer out	78,758	80,330	140,329	59,999
Total Expenditures	<u>860,926</u>	<u>675,739</u>	<u>\$ 1,640,329</u>	<u>\$ 964,590</u>
Cash Receipts Over [Under] Expenditures	458,496	365,237		
Unencumbered Cash, Beginning	<u>1,152,142</u>	<u>1,610,638</u>		
Unencumbered Cash, Ending	<u>\$ 1,610,638</u>	<u>\$ 1,975,875</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Natural Gas Capital Improvement Fund
 Schedule of Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Use of money and property	\$ 98	\$ 66
Total Cash Receipts	<u>98</u>	<u>66</u>
Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Cash Receipts Over [Under] Expenditures	98	66
Unencumbered Cash, Beginning	<u>13,086</u>	<u>13,184</u>
Unencumbered Cash, Ending	<u>\$ 13,184</u>	<u>\$ 13,250</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Water 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges to customers	\$ 1,186,063	\$ 1,343,777	\$ 1,740,000	\$ [396,223]
Transfer in	247,941	150,614	-	150,614
Miscellaneous	-	-	2,000	[2,000]
Use of money and property	2,515	19	1,200	[1,181]
Total Cash Receipts	<u>1,436,519</u>	<u>1,494,410</u>	<u>\$ 1,743,200</u>	<u>\$ [248,790]</u>
Expenditures				
Administration	86,745	149,843	\$ 270,000	\$ 120,157
Operations	1,016,032	1,219,670	1,275,000	55,330
Production	36,702	33,666	50,000	16,334
Rebate	-	750	5,000	4,250
Capital outlay	2,391	4,264	10,000	5,736
Transfer out	294,649	86,217	674,773	588,556
Total Expenditures	<u>1,436,519</u>	<u>1,494,410</u>	<u>\$ 2,284,773</u>	<u>\$ 790,363</u>
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Water Capital Improvement Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Use of money and property	\$ 3,464	\$ 2,324
Total Cash Receipts	<u>3,464</u>	<u>2,324</u>
Expenditures		
Capital outlay	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Cash Receipts Over [Under] Expenditures	3,464	2,324
Unencumbered Cash, Beginning	<u>460,259</u>	<u>463,723</u>
Unencumbered Cash, Ending	<u>\$ 463,723</u>	<u>\$ 466,047</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 Water Utility Surplus Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Use of money and property	\$ 7,094	\$ 5,011
Transfer in	<u>234,649</u>	<u>26,217</u>
Total Cash Receipts	<u>241,743</u>	<u>31,228</u>
 Expenditures		
Transfers out	<u>247,941</u>	<u>150,614</u>
Total Expenditures	<u>247,941</u>	<u>150,614</u>
 Cash Receipts Over [Under] Expenditures	 [6,198]	 [119,386]
 Unencumbered Cash, Beginning	 <u>1,076,675</u>	 <u>1,070,477</u>
 Unencumbered Cash, Ending	 <u>\$ 1,070,477</u>	 <u>\$ 951,091</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
Wastewater 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges to customers	\$ 415,018	\$ 418,084	\$ 415,000	\$ 3,084
Use of money and property	-	-	10,000	[10,000]
Miscellaneous	8,686	5,390	-	5,390
Total Cash Receipts	<u>423,704</u>	<u>423,474</u>	<u>\$ 425,000</u>	<u>\$ [1,526]</u>
Expenditures				
Operations	273,641	304,507	\$ 450,000	\$ 145,493
Capital outlay	12,501	4,209	202,000	197,791
Transfer out	211,021	153,546	203,546	50,000
Total Expenditures	<u>497,163</u>	<u>462,262</u>	<u>\$ 855,546</u>	<u>\$ 393,284</u>
Cash Receipts Over [Under] Expenditures	[73,459]	[38,788]		
Unencumbered Cash, Beginning	<u>1,201,940</u>	<u>1,128,481</u>		
Unencumbered Cash, Ending	<u>\$ 1,128,481</u>	<u>\$ 1,089,693</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
Wastewater Capital Improvement Fund
Schedule of Cash Receipts and Expenditures - Actual*
Regulatory Basis
For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Miscellaneous	\$ 476	\$ 300
Total Cash Receipts	<u>476</u>	<u>300</u>
 Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
 Cash Receipts Over [Under] Expenditures	476	300
 Unencumbered Cash, Beginning	<u>59,311</u>	<u>59,787</u>
 Unencumbered Cash, Ending	<u>\$ 59,787</u>	<u>\$ 60,087</u>

* - This fund is not required to be budgeted.

CITY OF LOUISBURG, KANSAS
 State Revolving Loan 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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Use of money and property	\$ 471	\$ 109	\$ 120	\$ [11]
Transfer in	<u>59,867</u>	<u>900</u>	<u>900</u>	<u>-</u>
Total Cash Receipts	<u>60,338</u>	<u>1,009</u>	<u>\$ 1,020</u>	<u>\$ [11]</u>
Expenditures				
Principal	55,660	57,798	\$ 56,832	\$ [966]
Interest	4,207	1,221	1,729	508
Miscellaneous	-	-	109	109
Total Expenditures	<u>59,867</u>	<u>59,019</u>	<u>\$ 58,670</u>	<u>\$ [349]</u>
Cash Receipts Over [Under] Expenditures	471	[58,010]		
Unencumbered Cash, Beginning	<u>57,539</u>	<u>58,010</u>		
Unencumbered Cash, Ending	<u>\$ 58,010</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

CITY OF LOUISBURG, KANSAS
 Water/Sewer Bond Reserve Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Miscellaneous	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Miscellaneous	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Cash Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>280,000</u>	<u>280,000</u>
Unencumbered Cash, Ending	<u>\$ 280,000</u>	<u>\$ 280,000</u>

* This fund is not required to be budgeted

CITY OF LOUISBURG, KANSAS
 Water/Sewer Depreciation Reserve Fund
 Schedule of Cash Receipts and Expenditures - Actual*
 Regulatory Basis
 For the Year Ended December 31, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Use of money and property	\$ 1,574	\$ 1,355
Transfer in	<u>60,000</u>	<u>60,000</u>
Total Cash Receipts	<u>61,574</u>	<u>61,355</u>
 Expenditures		
Miscellaneous	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
 Cash Receipts Over [Under] Expenditures	61,574	61,355
 Unencumbered Cash, Beginning	<u>181,707</u>	<u>243,281</u>
 Unencumbered Cash, Ending	<u>\$ 243,281</u>	<u>\$ 304,636</u>

* This fund is not required to be budgeted

Schedule 3

CITY OF LOUISBURG, KANSAS
 Agency Funds
 Schedule of Cash Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court	\$ 7,118	\$ 8,600	\$ 12,043	\$ 3,675
Freedom Fund	<u>5,042</u>	<u>4,475</u>	<u>4,249</u>	<u>5,268</u>
 Total Agency Funds	 <u>\$ 12,160</u>	 <u>\$ 13,075</u>	 <u>\$ 16,292</u>	 <u>\$ 8,943</u>

See independent auditor's report on the financial statements.