

CITY OF ALTAMONT, KANSAS

Financial Statement and
Independent Auditors' Report with
Supplemental Information

For the Year Ended December 31, 2012

CITY OF ALTAMONT, KANSAS

December 31, 2012

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENTS AUDITORS' REPORT

Honorable Mayor and City Council
City of Altamont, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Altamont, 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 Altamont, 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 Altamont, 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 Altamont, 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 Regulatory Required 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

April 29, 2013
Chanute, Kansas

CITY OF ALTAMONT, KANSAS

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2012
Governmental Type Funds:						
General	\$ 16,482.26	\$ 380,366.81	\$ 358,883.10	\$ 37,965.97	\$ 6,445.50	\$ 44,411.47
Special Purpose Funds:						
Special Highway	54,678.08	29,231.60	32,397.75	51,511.93	226.00	51,737.93
Recreation	-	4,872.73	4,871.61	1.12	-	1.12
Utility Service	6,386.06	28,614.59	22,781.81	12,218.84	1,791.64	14,010.48
Library	3,486.26	21,669.12	21,724.59	3,430.79	15.90	3,446.69
Insurance and Equipment Reserve	38,509.52	15,977.71	18,904.96	35,582.27	-	35,582.27
Police Vehicles	4,132.95	15,747.43	4,000.00	15,880.38	-	15,880.38
Fire Department Grant	160.00	-	-	160.00	-	160.00
City Sales Tax	129,869.47	82,056.43	98,906.73	113,019.17	4,238.60	117,257.77
Bond and Interest Funds:						
Fire Truck and Siren G.O. Bond and Interest	468.90	43,096.06	35,555.00	8,009.96	-	8,009.96
Capital Project Funds:						
Utility Truck Lease Purchase	12,390.08	26,144.71	22,819.57	15,715.22	-	15,715.22
Sewer Grant	-	5,000.00	5,000.00	-	-	-
Business Funds:						
Electric Utility	80,251.27	855,572.59	916,071.01	19,752.85	41,995.57	61,748.42
Electric Bond and Interest	144,462.71	72,530.23	74,962.50	142,030.44	-	142,030.44
Electric Utility Reserve	23,619.98	60,293.27	15,754.50	68,158.75	-	68,158.75
Electric Utility Bond Reserve	105,283.86	455.35	-	105,739.21	-	105,739.21
Water Utility	18,090.59	268,598.65	272,254.59	14,434.65	12,943.14	27,377.79
Water Utility Reserve	21,976.61	6,194.48	18,674.12	9,496.97	-	9,496.97
Sewer Utility	19,215.39	150,991.49	139,059.64	31,147.24	1,328.22	32,475.46
Sewer Utility Reserve	27,738.99	50,100.37	9,863.00	67,976.36	-	67,976.36
Gas Utility	25,658.15	355,455.24	342,750.98	38,362.41	30,900.40	69,262.81
Gas Utility Reserve	17,776.12	35,757.85	2,423.18	51,110.79	-	51,110.79
Sanitation Utility	4,963.90	114,304.92	116,012.76	3,256.06	3,053.25	6,309.31

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

Statement 1 (Continued)

CITY OF ALTAMONT, KANSAS

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

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Ending Cash Balance December 31, 2012
Business Funds: (Continued)						
Swimming Pool	\$ 1,929.65	\$ 40,626.55	\$ 41,629.21	\$ 926.99	\$ -	\$ 926.99
Total Reporting Entity (Excluding Agency Funds)	\$ 757,530.80	\$ 2,663,658.18	\$ 2,575,300.61	\$ 845,888.37	\$ 102,938.22	\$ 948,826.59
Composition of Cash:						
Petty Cash.....						\$ 300.00
Operating Checking Account.....						281,192.24
Municipal Court Checking Account.....						886.00
Certificates of Deposit.....						700,000.00
Total Cash.....						982,378.24
Less: Agency Funds Per Schedule 3.....						(33,551.65)
Total Reporting Entity.....						\$ 948,826.59

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

CITY OF ALTAMONT, KANSAS

Notes to the Financial Statement
For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and the schedules of the City of Altamont, 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 Altamont, Kansas, is a municipal corporation governed by an elected five-member council. This financial statement presents the City of Altamont.

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:

Altamont Public Library – The City of Altamont, Kansas, Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library Board and significantly influences the Library's operations. Separate internal financial statements are available at the Library.

Altamont Recreation Commission

The Altamont Recreation Commission oversees recreational activities. The City levies taxes for the Recreation Commission. Bond issuance or acquisition of real property must be approved by the City. Separate internal financial statements are available at the Recreation Commission.

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 Altamont, 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.

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.

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 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.

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 amounts 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 commensurate 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 revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. 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.

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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. There were no such budget amendments.

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

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

Fire Department Grant Fund

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

Revenue Bond Requirements

The City is required, under ordinances of the Electric Revenue Bonds, to maintain in its Enterprise Fund certain restricted accounts. The ordinances provide that the following reserve accounts be set up in amounts as described below:

<u>RESERVE ACCOUNT</u>	<u>REQUIRED AMOUNT</u>	<u>ACTUAL AMOUNT</u>
2004 Electric Utility Bonds – requires transfers monthly of 1/6 of next maturing interest, beginning November 1, 2004, and 1/12 of next maturing principal, beginning November 1, 2004 into the Electric Utility Bond and Interest Fund.	\$ 12,103.75	\$ 142,030.44
2004 Electric Utility Bonds – requires reserves beginning November 15, 2004 in the amount of ten percent of the bond principal in the Electric Bond Reserve Fund.	<u>73,500.00</u>	<u>105,739.21</u>
Total Reserves at December 31, 2012	<u>\$ 85,603.75</u>	<u>\$ 247,769.65</u>

The City agrees to fix, establish, maintain and collect such rates, fees or charges for electric service furnished by or through the electric system which will be sufficient to enable the City to have, in each fiscal year, a net income in an amount that will be not less than 125% of the amount required to be paid by the City in the next succeeding fiscal year on account of both principal and interest of all electric utility revenue bonds of the City at the time outstanding. Net income is defined as gross income less operating expenses but before any transfers, depreciation and capital expense.

For the year ended December 31, 2012, the Electric Utility Fund had a net income, as defined by the bond agreement, of \$161,682.48 which is 222.63% of the principal and interest requirements for 2013 of \$72,622.50.

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

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 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.

3. DEPOSITS AND INVESTMENTS (Continued)

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.

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

At year-end, the City's carrying amount of deposits was \$982,078.24 and the bank balance was \$1,059,893.16. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance and \$809,893.16 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

4. 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 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. 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.

5. COMPENSATED ABSENCES

All full-time employees of the City after one year of employment are eligible for 10 days of vacation benefits. All full-time employees of the City after ten years of employment are eligible for 15 days of vacation benefits. All full-time employees of the City after twenty years of employment are eligible for 20 days of vacation benefits. Vacation is not earned for partial years worked. Vacation must be used by each anniversary date. In the event of termination, unused accrued vacation time is paid.

Sick leave accrues to all full-time employees at the rate of one day per month until a maximum of 60 days has been accrued. An employee shall be paid for accumulated sick leave up to 25% up to 60 days.

The City determines a liability for compensated absences 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 related to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees of \$27,026.09. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated at this time.

6. 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	Amount of issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds Paid with Tax Levies Series 2005	5.10-5.70%	June 1, 2005	\$ 330,000.00	September 1, 2017	\$ 185,000.00	\$ -	\$ 30,000.00	\$ 155,000.00	\$ 7,555.00
Revenue Bonds Paid with Utility Revenues Series 2004 - Electric	2.00-4.30%	November 15, 2004	735,000.00	November 1, 2016	360,000.00	-	60,000.00	300,000.00	14,962.50
Capital Leases Tractor	3.995 %	June 30, 2011	26,810.00	November 30, 2013	21,299.89	-	21,299.89	-	1,519.68
Total Long-Term Debt Commitments					\$ 566,299.89	\$ -	\$ 111,299.89	\$ 455,000.00	\$ 24,037.18

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	Total
Principal						
General Obligation Bonds Paid with Tax Levies Series 2005	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00	\$ 155,000.00
Revenue Bonds Paid with Utility Revenues Series 2004	60,000.00	65,000.00	70,000.00	105,000.00	-	300,000.00
Total Principal Payments	90,000.00	95,000.00	100,000.00	135,000.00	35,000.00	455,000.00
Interest						
General Obligation Bonds Paid with Tax Levies Series 2005	6,430.00	5,275.00	4,075.00	2,830.00	1,540.00	20,150.00
Revenue Bonds Paid with Utility Revenues Series 2004	12,622.50	10,222.50	7,525.00	4,515.00	-	34,885.00
Total Interest Payments	19,052.50	15,497.50	11,600.00	7,345.00	1,540.00	55,035.00
Total Principal and Interest	\$ 109,052.50	\$ 110,497.50	\$ 111,600.00	\$ 142,345.00	\$ 36,540.00	\$ 510,035.00

7. 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 City is subsidizing the retirees because each participant is charged the level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under 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.

8. 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 that what has been anticipated by KMIT management.

9. OTHER COMMITMENTS

In May 1980, the City entered into a forty year purchase agreement with Public Wholesale Water Supply District #4 for the purchase of water. The City has agreed to purchase 35 million gallons of water annually at the rate set annually by the District. 100% of the water is purchased from Public Wholesale Water Supply District #4.

10. CAPITAL PROJECTS

At year end, capital projects authorizations, with approved change orders, compared with expenditures from inception are as follows:

<u>PROJECT NAME</u>	<u>EXPENDITURES TO DATE</u>	<u>PROJECT AUTHORIZATION</u>	<u>EXPECTED COMPLETION DATE</u>
Sewer Improvement Project	\$ 417,259.30	\$ 417,259.30	Complete

11. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From:</u>	<u>To:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Police Vehicles Fund	K.S.A. 12-1,117	\$ 14,000.00
Electric Utility Fund	General Fund	K.S.A. 12-825d	30,000.00
Electric Utility Fund	Swimming Pool Fund	K.S.A. 12-825d	11,000.00
Electric Utility Fund	Utility Truck Lease Purchase Fund	K.S.A. 12-825d	26,000.00
Electric Utility Fund	Electric Utility Bond and Interest Fund	K.S.A. 12-825d	72,000.00
Electric Utility Fund	Fire Truck and Siren G.O. Bond and Interest Fund	K.S.A. 12-825d	6,000.00
Electric Utility Fund	Electric Utility Reserve Fund	K.S.A. 12-825d	60,000.00
Electric Utility Fund	Insurance and Equipment Reserve Fund	K.S.A. 12-825d	5,000.00
Water Utility Fund	Swimming Pool Fund	K.S.A. 12-825d	10,000.00
Water Utility Fund	Library Fund	K.S.A. 12-825d	3,000.00
Water Utility Fund	Water Utility Reserve Fund	K.S.A. 12-825d	6,000.00
Water Utility Fund	General Fund	K.S.A. 12-825d	5,000.00
Gas Utility Fund	Swimming Pool Fund	K.S.A. 12-825d	10,000.00
Gas Utility Fund	General Fund	K.S.A. 12-825d	20,000.00
Gas Utility Fund	Gas Utility Reserve Fund	K.S.A. 12-825d	35,500.00
Sewer Utility Fund	Sewer Utility Reserve Fund	K.S.A. 12-825d	49,800.00
Sanitation Utility Fund	Fire Truck and Siren G.O. Bond and Interest Fund	K.S.A. 12-825d	15,125.00
City Sales Tax Fund	General Fund	K.S.A. 12-197	5,000.00

12. SUBSEQUENT EVENTS

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

SUPPLEMENTAL INFORMATION

CITY OF ALTAMONT, KANSAS

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

Funds	Total Certified Budget	Qualifying Adjustments for Budget Credits		Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
		\$	\$			
General	\$ 424,930.00	\$ 4,912.10	\$ -	\$ 429,842.10	\$ 358,883.10	\$ (70,959.00)
Special Purpose Funds:						
Special Highway	127,000.00	716.22	-	127,716.22	32,397.75	(95,318.47)
Recreation	4,988.00	-	-	4,988.00	4,871.61	(116.39)
Utility Service	29,900.00	-	-	29,900.00	22,781.81	(7,118.19)
Library	22,775.00	-	-	22,775.00	21,724.59	(1,050.41)
Insurance Reserve	167,181.00	10,704.19	-	177,885.19	18,904.96	(158,980.23)
Police Vehicles	26,880.00	-	-	26,880.00	4,000.00	(22,880.00)
City Sales Tax	184,270.00	-	-	184,270.00	98,906.73	(85,363.27)
Bond and Interest Funds:						
Fire Truck and Siren G.O.						
Bond and Interest	37,800.00	-	-	37,800.00	35,555.00	(2,245.00)
Business Funds:						
Electric Utility	995,000.00	787.30	-	995,787.30	916,071.01	(79,716.29)
Electric Utility Bond and Interest	76,000.00	-	-	76,000.00	74,962.50	(1,037.50)
Water Utility	320,000.00	-	-	320,000.00	272,254.59	(47,745.41)
Sewer Utility	157,800.00	-	-	157,800.00	139,059.64	(18,740.36)
Gas Utility	827,500.00	211.86	-	827,711.86	342,750.98	(484,960.88)
Sanitation Utility	152,900.00	14.00	-	152,914.00	116,012.76	(36,901.24)
Swimming Pool	49,000.00	-	-	49,000.00	41,629.21	(7,370.79)

CITY OF ALTAMONT, 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	\$ 116,701.01	\$ 118,338.41	\$ 122,461.00	\$ (4,122.59)
Delinquent Tax	3,908.30	3,839.14	2,700.00	1,139.14
Motor Vehicle Tax	33,639.31	32,161.76	24,578.00	7,583.76
Recreational Vehicle Tax	401.83	213.62	311.00	(97.38)
16 & 20M Truck Tax	492.73	437.11	437.00	0.11
Alcohol Liquor Tax	-	1,250.00	-	1,250.00
Intergovernmental				
Sales Tax	83,333.72	83,098.49	80,000.00	3,098.49
Special Assessments	1,680.00	-	1,000.00	(1,000.00)
Federal Grants - Click It	1,107.44	-	-	-
State Grants - Lake	772.50	-	1,030.00	(1,030.00)
Charges for Services				
Copies	203.34	156.96	400.00	(243.04)
Advertising	-	328.83	700.00	(371.17)
Permits/ Dog Tags	1,134.50	1,470.00	1,700.00	(230.00)
Cereal Malt Beverage Licenses	575.00	275.00	425.00	(150.00)
Utility Penalties	9,103.67	8,515.55	10,000.00	(1,484.45)
Court Fines	27,290.83	25,144.67	31,200.00	(6,055.33)
Gate Receipts	24,906.95	27,100.00	26,320.00	780.00
Fire Runs	3,713.92	3,035.73	-	3,035.73
Use of Money and Property				
Interest Income	931.83	852.39	1,950.00	(1,097.61)
Park Building Rent	1,005.00	525.00	1,000.00	(475.00)
Other Receipts				
Donations	1,745.91	4,731.32	-	4,731.32
Reimbursed Expense	5,514.80	4,912.10	8,000.00	(3,087.90)
Miscellaneous	1,117.92	3,980.73	5,000.00	(1,019.27)
Operating Transfers from:				
City Sales Tax Fund	-	5,000.00	-	5,000.00
Electric Utility Fund	36,000.00	30,000.00	45,000.00	(15,000.00)
Gas Utility Fund	25,000.00	20,000.00	45,000.00	(25,000.00)
Water Utility Fund	-	5,000.00	5,000.00	-
Total Receipts	380,280.51	380,366.81	\$ 414,212.00	\$ (33,845.19)

**CITY OF ALTAMONT, 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				
General Government				
Personal Services	\$ 49,646.82	\$ 50,759.49	\$ 51,000.00	\$ (240.51)
Contractual Services	9,230.34	15,459.84	9,000.00	6,459.84
Commodities	615.24	258.70	1,200.00	(941.30)
Capital Outlay	100.00	-	1,000.00	(1,000.00)
Police Department				
Personal Services	135,245.76	144,671.57	147,000.00	(2,328.43)
Contractual Services	11,771.66	24,630.79	21,000.00	3,630.79
Commodities	23,872.91	21,642.30	7,000.00	14,642.30
Capital Outlay	1,868.54	5,891.70	27,000.00	(21,108.30)
Court				
Personal Services	4,001.67	3,952.92	4,200.00	(247.08)
Contractual Services	1,474.37	2,062.55	1,750.00	312.55
Commodities	241.00	164.75	250.00	(85.25)
Fire Department				
Personal Services	12,907.54	12,416.42	21,000.00	(8,583.58)
Contractual Services	4,669.26	6,586.31	6,400.00	186.31
Commodities	4,112.59	8,975.84	4,000.00	4,975.84
Capital Outlay	2,328.25	2,241.22	11,000.00	(8,758.78)
Park				
Personal Services	263.96	241.14	500.00	(258.86)
Contractual Services	624.00	1,751.60	600.00	1,151.60
Commodities	3,172.36	3,618.29	3,250.00	368.29
Capital Outlay	6,000.00	-	6,000.00	(6,000.00)
Building Maintenance				
Personal Services	8,000.00	3,032.47	4,000.00	(967.53)
Contractual Services	456.46	311.08	600.00	(288.92)
Commodities	25.00	-	180.00	(180.00)
Capital Improvement				
Capital Outlay	4,909.57	5,358.24	9,000.00	(3,641.76)
Special Projects				
Capital Outlay	-	7,500.00	-	7,500.00

CITY OF ALTAMONT, 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)				
Lake				
Personal Services	\$ 187.30	\$ 569.71	\$ -	\$ 569.71
Contractual Services	7,640.29	14,669.84	3,000.00	11,669.84
Commodities	24,465.04	6,116.33	17,000.00	(10,883.67)
Street				
Capital Outlay	55,048.83	-	54,000.00	(54,000.00)
Debt Service				
Principal	3,251.35	1,597.66	-	1,597.66
Interest	17.17	402.34	-	402.34
Operating Transfers to				
Police Vehicles Fund	14,000.00	14,000.00	14,000.00	-
Total Certified Budget			424,930.00	(66,046.90)
Adjustments for Qualifying				
Budget Credits			4,912.10	(4,912.10)
Total Expenditures	390,147.28	358,883.10	\$ 429,842.10	\$ (70,959.00)
Receipts Over(Under) Expenditures	(9,866.77)	21,483.71		
Unencumbered Cash, Beginning	26,349.03	16,482.26		
Unencumbered Cash, Ending	\$ 16,482.26	\$ 37,965.97		

CITY OF ALTAMONT, KANSAS
SPECIAL HIGHWAY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Special Highway Tax	\$ 27,793.08	\$ 27,926.79	\$ 28,570.00	\$ (643.21)
Use of Money and Property				
Interest Income	807.89	588.59	1,000.00	(411.41)
Other Receipts				
Reimbursed Expense	782.14	716.22	20,000.00	(19,283.78)
Total Receipts	<u>29,383.11</u>	<u>29,231.60</u>	<u>\$ 49,570.00</u>	<u>\$ (20,338.40)</u>
Expenditures				
Street Maintenance				
Personal Services	26,652.76	13,977.89	\$ -	\$ 13,977.89
Contractual Services	2,115.00	2,659.02	-	2,659.02
Commodities	17,728.97	11,680.64	-	11,680.64
Capital Outlay	16,588.40	4,080.20	127,000.00	(122,919.80)
Total Certified Budget			<u>127,000.00</u>	<u>(94,602.25)</u>
Adjustments for Qualifying				
Budget Credits			716.22	(716.22)
Total Expenditures	<u>63,085.13</u>	<u>32,397.75</u>	<u>\$ 127,716.22</u>	<u>\$ (95,318.47)</u>
Receipts Over(Under) Expenditures	(33,702.02)	(3,166.15)		
Unencumbered Cash, Beginning	<u>88,380.10</u>	<u>54,678.08</u>		
Unencumbered Cash, Ending	<u>\$ 54,678.08</u>	<u>\$ 51,511.93</u>		

CITY OF ALTAMONT, 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	\$ 3,675.53	\$ 3,709.47	\$ 3,840.00	\$ (130.53)
Delinquent Tax	142.79	127.78	90.00	37.78
Motor Vehicle Tax	1,221.55	1,012.89	774.00	238.89
Recreational Vehicle Tax	14.52	6.73	10.00	(3.27)
16 & 20m Truck Tax	16.91	15.86	14.00	1.86
Total Receipts	<u>5,071.30</u>	<u>4,872.73</u>	<u>\$ 4,728.00</u>	<u>\$ 144.73</u>
Expenditures				
Culture and Recreation				
Appropriations to the Recreation Commission	4,720.47	4,871.61	\$ 4,988.00	\$ (116.39)
Contractual Services	356.15	-	-	-
Total Expenditures	<u>5,076.62</u>	<u>4,871.61</u>	<u>\$ 4,988.00</u>	<u>\$ (116.39)</u>
Receipts Over(Under) Expenditures	(5.32)	1.12		
Unencumbered Cash, Beginning	<u>5.32</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1.12</u>		

CITY OF ALTAMONT, KANSAS
UTILITY SERVICE 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	\$ 22,535.17	\$ 21,507.62	\$ 22,258.00	\$ (750.38)
Delinquent tax	611.18	662.07	450.00	212.07
Motor Vehicle Tax	4,880.63	6,210.52	4,746.00	1,464.52
Recreational Vehicle Tax	58.48	41.24	60.00	(18.76)
16 & 20m Truck Tax	74.13	63.43	84.00	(20.57)
Use of Money or Property				
Interest Income	51.85	129.71	150.00	(20.29)
Total Receipts	<u>28,211.44</u>	<u>28,614.59</u>	<u>\$ 27,748.00</u>	<u>\$ 866.59</u>
Expenditures				
General Government				
Contractual Services	23,577.20	22,781.81	\$ 29,900.00	\$ (7,118.19)
Total Expenditures	<u>23,577.20</u>	<u>22,781.81</u>	<u>\$ 29,900.00</u>	<u>\$ (7,118.19)</u>
Receipts Over(Under) Expenditures	4,634.24	5,832.78		
Unencumbered Cash, Beginning	<u>1,751.82</u>	<u>6,386.06</u>		
Unencumbered Cash, Ending	<u>\$ 6,386.06</u>	<u>\$ 12,218.84</u>		

CITY OF ALTAMONT, 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	\$ 14,161.25	\$ 14,192.95	\$ 14,689.00	\$ (496.05)
Delinquent Tax	438.64	448.19	-	448.19
Motor Vehicle Tax	3,786.50	3,902.76	2,983.00	919.76
Recreational Vehicle Tax	44.82	25.93	38.00	(12.07)
16 & 20m Truck Tax	48.68	49.33	53.00	(3.67)
Use of Money and Property				
Interest Income	30.41	49.96	-	49.96
Other Receipts				
Reimbursed Expense	7.08	-	-	-
Operating Transfers from Water Utility Fund	3,000.00	3,000.00	3,000.00	-
Total Receipts	<u>21,517.38</u>	<u>21,669.12</u>	<u>\$ 20,763.00</u>	<u>\$ 906.12</u>
Expenditures				
General Government				
Personal Services	19,517.51	20,707.88	\$ 21,600.00	\$ (892.12)
Contractual Services	654.20	1,016.71	1,175.00	(158.29)
Total Expenditures	<u>20,171.71</u>	<u>21,724.59</u>	<u>\$ 22,775.00</u>	<u>\$ (1,050.41)</u>
Receipts Over(Under) Expenditures	1,345.67	(55.47)		
Unencumbered Cash, Beginning	<u>2,140.59</u>	<u>3,486.26</u>		
Unencumbered Cash, Ending	<u>\$ 3,486.26</u>	<u>\$ 3,430.79</u>		

CITY OF ALTAMONT, KANSAS
INSURANCE AND EQUIPMENT RESERVE 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				
Use of Money and Property				
Lease Proceeds	\$ 26,800.00	\$ -	\$ -	\$ -
Interest Income	342.76	273.52	200.00	73.52
Other Receipts				
Reimbursed Expense	17,827.79	10,704.19	49,000.00	(38,295.81)
Operating Transfers from:				
Water Utility Fund	-	-	9,000.00	(9,000.00)
Gas Utility Fund	-	-	8,000.00	(8,000.00)
Sanitation Utility Fund	-	-	8,000.00	(8,000.00)
Electric Utility Fund	20,000.00	5,000.00	30,000.00	(25,000.00)
Total Receipts	<u>64,970.55</u>	<u>15,977.71</u>	<u>\$ 104,200.00</u>	<u>\$ (88,222.29)</u>
Expenditures				
General Government				
Contractual Services	28,629.93	18,904.96	\$ 42,000.00	\$ (23,095.04)
Capital Outlay	32,612.06	-	125,181.00	(125,181.00)
Total Certified Budget			167,181.00	(148,276.04)
Adjustments for Qualifying Budget Credits			10,704.19	(10,704.19)
Total Expenditures	<u>61,241.99</u>	<u>18,904.96</u>	<u>\$ 177,885.19</u>	<u>\$ (158,980.23)</u>
Receipts Over(Under) Expenditures	3,728.56	(2,927.25)		
Unencumbered Cash, Beginning	<u>34,780.96</u>	<u>38,509.52</u>		
Unencumbered Cash, Ending	<u>\$ 38,509.52</u>	<u>\$ 35,582.27</u>		

CITY OF ALTAMONT, KANSAS
POLICE VEHICLES 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				
Use of Money and Property				
Interest Income	\$ 205.90	\$ 76.43	\$ 100.00	\$ (23.57)
Other Receipts				
Miscellaneous	1,917.20	1,671.00	500.00	1,171.00
Operating Transfers from General Fund	14,000.00	14,000.00	14,000.00	-
Total Receipts	<u>16,123.10</u>	<u>15,747.43</u>	<u>\$ 14,600.00</u>	<u>\$ 1,147.43</u>
Expenditures				
General Government				
Contractual Services	1,386.38	4,000.00	\$ -	\$ 4,000.00
Capital Outlay	36,733.52	-	26,880.00	(26,880.00)
Total Expenditures	<u>38,119.90</u>	<u>4,000.00</u>	<u>\$ 26,880.00</u>	<u>\$ (22,880.00)</u>
Receipts Over(Under) Expenditures	(21,996.80)	11,747.43		
Unencumbered Cash, Beginning	<u>26,129.75</u>	<u>4,132.95</u>		
Unencumbered Cash, Ending	<u>\$ 4,132.95</u>	<u>\$ 15,880.38</u>		

CITY OF ALTAMONT, KANSAS
FIRE DEPARTMENT GRANT 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 Receipts		
Donations	\$ 100.00	\$ -
Total Receipts	100.00	-
Expenditures		
General Government		
Contractual Services	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	100.00	-
Unencumbered Cash, Beginning	60.00	160.00
Unencumbered Cash, Ending	<u>\$ 160.00</u>	<u>\$ 160.00</u>

CITY OF ALTAMONT, KANSAS
CITY SALES TAX 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				
Intergovernmental				
Sales Tax	\$ 88,006.59	\$ 81,425.04	\$ 85,000.00	\$ (3,574.96)
Use of Money or Property				
Interest Income	485.06	631.39	500.00	131.39
Total Receipts	<u>88,491.65</u>	<u>82,056.43</u>	<u>\$ 85,500.00</u>	<u>\$ (3,443.57)</u>
Expenditures				
General Government				
Contractual Services	51,906.44	93,906.73	\$ 179,270.00	\$ (85,363.27)
Operating Transfers to:				
General Fund	-	5,000.00	-	5,000.00
Gas Utility Reserve Fund	-	-	5,000.00	(5,000.00)
Total Expenditures	<u>51,906.44</u>	<u>98,906.73</u>	<u>\$ 184,270.00</u>	<u>\$ (85,363.27)</u>
Receipts Over(Under) Expenditures	36,585.21	(16,850.30)		
Unencumbered Cash, Beginning	<u>93,284.26</u>	<u>129,869.47</u>		
Unencumbered Cash, Ending	<u>\$ 129,869.47</u>	<u>\$ 113,019.17</u>		

CITY OF ALTAMONT, KANSAS
FIRE TRUCK AND SIREN G.O. 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	\$ 14,808.81	\$ 17,380.47	\$ 17,986.00	\$ (605.53)
Delinquent Tax	104.01	342.84	-	342.84
Motor Vehicle Tax	1,038.36	4,081.18	3,119.00	962.18
Recreational Vehicle Tax	11.44	27.12	40.00	(12.88)
16 & 20m Truck Tax	-	13.72	55.00	(41.28)
Use of Money and Property				
Interest Income	42.85	125.73	100.00	25.73
Operating Transfers from:				
Sanitation Utility Fund	15,000.00	15,125.00	16,500.00	(1,375.00)
Electric Utility Fund	-	6,000.00	-	6,000.00
Total Receipts	<u>31,005.47</u>	<u>43,096.06</u>	<u>\$ 37,800.00</u>	<u>\$ 5,296.06</u>
Expenditures				
Debt Service				
Bond Principal	23,000.00	28,402.34	\$ 37,800.00	\$ (9,397.66)
Bond Interest	8,455.00	7,152.66	-	7,152.66
Total Expenditures	<u>31,455.00</u>	<u>35,555.00</u>	<u>\$ 37,800.00</u>	<u>\$ (2,245.00)</u>
Receipts Over(Under) Expenditures	(449.53)	7,541.06		
Unencumbered Cash, Beginning	<u>918.43</u>	<u>468.90</u>		
Unencumbered Cash, Ending	<u>\$ 468.90</u>	<u>\$ 8,009.96</u>		

CITY OF ALTAMONT, KANSAS
UTILITY TRUCK LEASE PURCHASE 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		
Use of Money and Property		
Interest Income	\$ 165.14	\$ 144.71
Operating Transfers from Electric Utility Fund	24,000.00	26,000.00
Total Receipts	<u>24,165.14</u>	<u>26,144.71</u>
Expenditures		
Capital Projects		
Contractual Services	1,410.66	-
Capital Outlay	19,177.17	-
Debt Service		
Principal	5,510.11	21,299.89
Interest	489.89	1,519.68
Total Expenditures	<u>26,587.83</u>	<u>22,819.57</u>
Receipts Over(Under) Expenditures	(2,422.69)	3,325.14
Unencumbered Cash, Beginning	<u>14,812.77</u>	<u>12,390.08</u>
Unencumbered Cash, Ending	<u>\$ 12,390.08</u>	<u>\$ 15,715.22</u>

CITY OF ALTAMONT, KANSAS
BROADBAND & CABLE TV CAPITAL 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		
Use of Money and Property		
Interest Income	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Operating Transfers to Broadband Internet Utility Fund	14,982.68	-
Total Expenditures	14,982.68	-
Receipts Over(Under) Expenditures	(14,982.68)	-
Unencumbered Cash, Beginning	14,982.68	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF ALTAMONT, KANSAS
SEWER GRANT 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 Grants - CDBG	\$ 328,330.00	\$ 5,000.00
Operating Transfers from Sewer Utility Fund	41,421.00	-
Total Receipts	<u>369,751.00</u>	<u>5,000.00</u>
Expenditures		
General Government		
Contractual	-	5,000.00
Capital Outlay	349,046.12	-
Total Expenditures	<u>349,046.12</u>	<u>5,000.00</u>
Receipts Over(Under) Expenditures	20,704.88	-
Unencumbered Cash, Beginning	<u>(20,704.88)</u>	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

CITY OF ALTAMONT, 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				
Electricity Sales	\$ 860,358.70	\$ 853,435.34	\$ 950,000.00	\$ (96,564.66)
Service Fees	280.00	477.49	-	477.49
Use of Money and Property				
Interest Income	738.07	872.46	-	872.46
Other Receipts				
Reimbursed Expense	966.14	787.30	-	787.30
Total Receipts	<u>862,342.91</u>	<u>855,572.59</u>	<u>\$ 950,000.00</u>	<u>\$ (94,427.41)</u>
Expenditures				
Generation and Distribution				
Personal Services	100,316.44	112,462.40	\$ 115,000.00	\$ (2,537.60)
Contractual Services	536,776.96	553,157.55	638,500.00	(85,342.45)
Commodities	29,365.67	28,270.16	32,000.00	(3,729.84)
Capital Outlay	20,199.20	12,180.90	15,000.00	(2,819.10)
Operating Transfers to:				
General Fund	36,000.00	30,000.00	45,000.00	(15,000.00)
Swimming Pool Fund	6,000.00	11,000.00	16,000.00	(5,000.00)
Insurance and Equipment				
Reserve Fund	20,000.00	5,000.00	30,000.00	(25,000.00)
Electric Utility Reserve Fund	10,000.00	60,000.00	7,500.00	52,500.00
Utility Truck Lease Purchase Fund	24,000.00	26,000.00	24,000.00	2,000.00
Electric Utility Bond and Interest Fund	70,500.00	72,000.00	72,000.00	-
Fire Truck and Siren G.O. Bond and Interest Fund	-	6,000.00	-	6,000.00
Total Certified Budget			<u>995,000.00</u>	<u>(78,928.99)</u>
Adjustments for Qualifying Budget Credits			<u>787.30</u>	<u>(787.30)</u>
Total Expenditures	<u>853,158.27</u>	<u>916,071.01</u>	<u>\$ 995,787.30</u>	<u>\$ (79,716.29)</u>
Receipts Over(Under) Expenditures	9,184.64	(60,498.42)		
Unencumbered Cash, Beginning	<u>71,066.63</u>	<u>80,251.27</u>		
Unencumbered Cash, Ending	<u>\$ 80,251.27</u>	<u>\$ 19,752.85</u>		

CITY OF ALTAMONT, KANSAS
ELECTRIC UTILITY 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				
Use of Money and Property				
Interest Income	\$ 1,362.60	\$ 530.23	\$ -	\$ 530.23
Operating Transfers from Electric Utility Fund	70,500.00	72,000.00	72,000.00	-
Total Receipts	<u>71,862.60</u>	<u>72,530.23</u>	<u>\$ 72,000.00</u>	<u>\$ 530.23</u>
Expenditures				
Debt Service				
Bond Principal	60,000.00	60,000.00	\$ 76,000.00	\$ (16,000.00)
Bond Interest	17,122.50	14,962.50	-	14,962.50
Total Expenditures	<u>77,122.50</u>	<u>74,962.50</u>	<u>\$ 76,000.00</u>	<u>\$ (1,037.50)</u>
Receipts Over(Under) Expenditures	(5,259.90)	(2,432.27)		
Unencumbered Cash, Beginning	<u>149,722.61</u>	<u>144,462.71</u>		
Unencumbered Cash, Ending	<u>\$ 144,462.71</u>	<u>\$ 142,030.44</u>		

CITY OF ALTAMONT, KANSAS
ELECTRIC UTILITY RESERVE 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)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Use of Money and Property		
Interest Income	\$ 182.26	\$ 293.27
Operating Transfers from Electric Utility Fund	<u>10,000.00</u>	<u>60,000.00</u>
Total Receipts	<u>10,182.26</u>	<u>60,293.27</u>
Expenditures		
General Government Capital Outlay	<u>7,780.00</u>	<u>15,754.50</u>
Total Expenditures	<u>7,780.00</u>	<u>15,754.50</u>
Receipts Over(Under) Expenditures	2,402.26	44,538.77
Unencumbered Cash, Beginning	<u>21,217.72</u>	<u>23,619.98</u>
Unencumbered Cash, Ending	<u>\$ 23,619.98</u>	<u>\$ 68,158.75</u>

CITY OF ALTAMONT, KANSAS
ELECTRIC UTILITY BOND RESERVE 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		
Use of Money and Property		
Interest Income	\$ 730.46	\$ 455.35
Total Receipts	730.46	455.35
Expenditures		
General Government		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	730.46	455.35
Unencumbered Cash, Beginning	104,553.40	105,283.86
Unencumbered Cash, Ending	<u>\$ 105,283.86</u>	<u>\$ 105,739.21</u>

CITY OF ALTAMONT, 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				
Water Sales	\$ 234,281.53	\$ 266,498.94	\$ 320,000.00	\$ (53,501.06)
Service Fees	365.00	1,631.70	-	1,632.00
Use of Money and Property				
Interest Income	74.57	197.61	-	198.00
Other Receipts				
Miscellaneous	2,309.50	60.00	-	60.00
Reimbursed Expense	66.31	210.40	-	210.00
Total Receipts	<u>237,096.91</u>	<u>268,598.65</u>	<u>\$ 320,000.00</u>	<u>\$ (51,401.06)</u>
Expenditures				
Treatment and Distribution				
Personal Services	48,305.50	70,403.67	\$ 67,000.00	\$ 3,403.67
Contractual Services	146,762.06	161,871.22	211,000.00	(49,128.78)
Commodities	5,997.47	8,617.44	9,000.00	(382.56)
Capital Outlay	1,112.81	7,362.26	6,000.00	1,362.26
Operating Transfers to:				
General Fund	-	5,000.00	5,000.00	-
Library Fund	3,000.00	3,000.00	3,000.00	-
Swimming Pool Fund	6,000.00	10,000.00	10,000.00	-
Insurance and Equipment				
Reserve Fund	-	-	9,000.00	(9,000.00)
Water Reserve Fund	-	6,000.00	-	6,000.00
Total Expenditures	<u>211,177.84</u>	<u>272,254.59</u>	<u>\$ 320,000.00</u>	<u>\$ (47,745.41)</u>
Receipts Over(Under) Expenditures	25,919.07	(3,655.94)		
Unencumbered Cash, Beginning	<u>(7,828.48)</u>	<u>18,090.59</u>		
Unencumbered Cash, Ending	<u>\$ 18,090.59</u>	<u>\$ 14,434.65</u>		

**CITY OF ALTAMONT, KANSAS
WATER UTILITY RESERVE 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		
Use of Money and Property		
Interest Income	\$ 257.33	\$ 194.48
Operating Transfers from Water Utility Fund	-	6,000.00
Total Receipts	<u>257.33</u>	<u>6,194.48</u>
Expenditures		
General Government Capital Outlay	<u>12,994.20</u>	<u>18,674.12</u>
Total Expenditures	<u>12,994.20</u>	<u>18,674.12</u>
Receipts Over(Under) Expenditures	(12,736.87)	(12,479.64)
Unencumbered Cash, Beginning	<u>34,713.48</u>	<u>21,976.61</u>
Unencumbered Cash, Ending	<u>\$ 21,976.61</u>	<u>\$ 9,496.97</u>

**CITY OF ALTAMONT, 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				
Sewer Collections	\$ 125,967.57	\$ 149,959.87	\$ 150,000.00	\$ (40.13)
Service Fees	100.00	-	-	-
Use of Money and Property				
Interest Income	163.47	315.84	-	315.84
Other Receipts				
Reimbursed Expense	-	715.78	-	715.78
Total Receipts	<u>126,231.04</u>	<u>150,991.49</u>	<u>\$ 150,000.00</u>	<u>\$ 991.49</u>
Expenditures				
General Government				
Personal Services	38,340.96	47,987.25	\$ 52,000.00	\$ (4,012.75)
Contractual Services	20,872.47	24,023.64	21,000.00	3,023.64
Commodities	13,814.74	13,759.36	18,000.00	(4,240.64)
Capital Outlay	2,412.36	3,489.39	17,000.00	(13,510.61)
Operating Transfers to:				
Sewer Grant Fund	41,421.00	-	-	-
Sewer Utility Reserve Fund	3,000.00	49,800.00	49,800.00	-
Total Expenditures	<u>119,861.53</u>	<u>139,059.64</u>	<u>\$ 157,800.00</u>	<u>\$ (18,740.36)</u>
Receipts Over(Under) Expenditures	6,369.51	11,931.85		
Unencumbered Cash, Beginning	<u>12,845.88</u>	<u>19,215.39</u>		
Unencumbered Cash, Ending	<u>\$ 19,215.39</u>	<u>\$ 31,147.24</u>		

CITY OF ALTAMONT, KANSAS
SEWER UTILITY RESERVE 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		
Use of Money and Property		
Interest Income	\$ 214.66	\$ 300.37
Operating Transfers from Sewer Utility Fund	<u>3,000.00</u>	<u>49,800.00</u>
Total Receipts	<u>3,214.66</u>	<u>50,100.37</u>
Expenditures		
General Government Capital Outlay	<u>3,219.00</u>	<u>9,863.00</u>
Total Expenditures	<u>3,219.00</u>	<u>9,863.00</u>
Receipts Over(Under) Expenditures	(4.34)	40,237.37
Unencumbered Cash, Beginning	<u>27,743.33</u>	<u>27,738.99</u>
Unencumbered Cash, Ending	<u>\$ 27,738.99</u>	<u>\$ 67,976.36</u>

CITY OF ALTAMONT, KANSAS
GAS 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				
Gas Sales	\$ 494,887.88	\$ 353,885.55	\$ 800,000.00	\$ (446,114.45)
Service Fees	365.00	360.00	-	360.00
Use of Money and Property				
Interest Income	480.60	997.83	-	997.83
Other Receipts				
Reimbursed Expense	303.27	211.86	-	211.86
Total Receipts	<u>496,036.75</u>	<u>355,455.24</u>	<u>\$ 800,000.00</u>	<u>\$ (444,544.76)</u>
Expenditures				
General Government				
Personal Services	56,139.74	75,619.93	\$ 80,000.00	\$ (4,380.07)
Contractual Services	329,976.76	187,458.03	620,000.00	(432,541.97)
Commodities	13,324.54	12,119.93	19,000.00	(6,880.07)
Capital Outlay	10,724.38	2,053.09	15,000.00	(12,946.91)
Operating Transfers to:				
General Fund	25,000.00	20,000.00	45,000.00	(25,000.00)
Swimming Pool Fund	6,000.00	10,000.00	5,000.00	5,000.00
Gas Utility Reserve Fund	34,000.00	35,500.00	35,500.00	-
Insurance and Equipment Reserve Fund	-	-	8,000.00	(8,000.00)
Total Certified Budget			<u>827,500.00</u>	<u>(484,749.02)</u>
Adjustments for Qualifying Budget Credits			<u>211.86</u>	<u>(211.86)</u>
Total Expenditures	<u>475,165.42</u>	<u>342,750.98</u>	<u>\$ 827,711.86</u>	<u>\$ (484,960.88)</u>
Receipts Over(Under) Expenditures	20,871.33	12,704.26		
Unencumbered Cash, Beginning	<u>4,786.82</u>	<u>25,658.15</u>		
Unencumbered Cash, Ending	<u>\$ 25,658.15</u>	<u>\$ 38,362.41</u>		

CITY OF ALTAMONT, KANSAS
GAS UTILITY RESERVE 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		
Use of Money and Property		
Interest Income	\$ 30.02	\$ 257.85
Other Receipts		
Miscellaneous Income	1,048.50	-
Operating Transfers from Gas Utility Fund	<u>34,000.00</u>	<u>35,500.00</u>
Total Receipts	<u>35,078.52</u>	<u>35,757.85</u>
Expenditures		
General Government		
Capital Outlay	<u>17,348.06</u>	<u>2,423.18</u>
Total Expenditures	<u>17,348.06</u>	<u>2,423.18</u>
Receipts Over(Under) Expenditures	17,730.46	33,334.67
Unencumbered Cash, Beginning	<u>45.66</u>	<u>17,776.12</u>
Unencumbered Cash, Ending	<u>\$ 17,776.12</u>	<u>\$ 51,110.79</u>

**CITY OF ALTAMONT, KANSAS
SANITATION 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				
Sanitation Sales	\$ 111,998.86	\$ 114,202.29	\$ 150,000.00	\$ (35,797.71)
Use of Money and Property				
Interest Income	88.21	49.58	-	49.58
Other Receipts				
Miscellaneous	63.65	39.05	-	39.05
Reimbursed Expense	573.08	14.00	-	14.00
Total Receipts	<u>112,723.80</u>	<u>114,304.92</u>	<u>\$ 150,000.00</u>	<u>\$ (35,695.08)</u>
Expenditures				
General Government				
Personal Services	44,531.81	40,283.66	\$ 59,500.00	\$ (19,216.34)
Contractual Services	49,298.55	52,836.98	55,500.00	(2,663.02)
Commodities	8,172.09	6,882.42	10,000.00	(3,117.58)
Capital Outlay	154.85	884.70	3,400.00	(2,515.30)
Debt Service				
Principal	1,000.00	-	-	-
Operating Transfers to:				
Equipment Reserve Fund	-	-	8,000.00	(8,000.00)
Fire Truck and Siren G.O. Bond and Interest Fund	15,000.00	15,125.00	16,500.00	(1,375.00)
Total Certified Budget			<u>152,900.00</u>	<u>(36,887.24)</u>
Adjustments for Qualifying Budget Credits			14.00	(14.00)
Total Expenditures	<u>118,157.30</u>	<u>116,012.76</u>	<u>\$ 152,914.00</u>	<u>\$ (36,901.24)</u>
Receipts Over(Under) Expenditures	(5,433.50)	(1,707.84)		
Unencumbered Cash, Beginning	<u>10,397.40</u>	<u>4,963.90</u>		
Unencumbered Cash, Ending	<u>\$ 4,963.90</u>	<u>\$ 3,256.06</u>		

**CITY OF ALTAMONT, KANSAS
BROADBAND INTERNET 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				
Internet Charges	\$ 95.25	\$ -	\$ -	\$ -
Use of Money and Property				
Interest Income	27.75	-	-	-
Operating Transfers from Broadband & Cable TV Capital Fund	14,982.68	-	-	-
Total Receipts	<u>15,105.68</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
General Government				
Personal Services	29,866.20	-	\$ -	\$ -
Contractual Services	5,560.81	-	-	-
Total Expenditures	<u>35,427.01</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	(20,321.33)	-		
Unencumbered Cash, Beginning	<u>20,321.33</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**CITY OF ALTAMONT, KANSAS
SWIMMING POOL 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				
Gate Receipts, Swimming Lessons, and Season Tickets	\$ 10,096.00	\$ 9,567.14	\$ 12,000.00	\$ (2,432.86)
Use of Money and Property				
Interest Income	28.64	7.41	50.00	(42.59)
Other Receipts				
Miscellaneous	-	52.00	450.00	(398.00)
Reimbursed Expense	5,034.44	-	-	-
Operating Transfers from:				
Electric Utility Fund	6,000.00	11,000.00	16,000.00	(5,000.00)
Gas Utility Fund	6,000.00	10,000.00	5,000.00	5,000.00
Water Utility Fund	6,000.00	10,000.00	10,000.00	-
Total Receipts	<u>33,159.08</u>	<u>40,626.55</u>	<u>\$ 43,500.00</u>	<u>\$ (2,873.45)</u>
Expenditures				
Culture and Recreation				
Personal Services	17,596.34	17,650.10	\$ 21,000.00	\$ (3,349.90)
Contractual Services	2,620.26	2,813.02	5,000.00	(2,186.98)
Commodities	12,981.18	14,404.03	13,000.00	1,404.03
Capital Outlay	-	6,762.06	10,000.00	(3,237.94)
Total Expenditures	<u>33,197.78</u>	<u>41,629.21</u>	<u>\$ 49,000.00</u>	<u>\$ (7,370.79)</u>
Receipts Over(Under) Expenditures	(38.70)	(1,002.66)		
Unencumbered Cash, Beginning	<u>1,968.35</u>	<u>1,929.65</u>		
Unencumbered Cash, Ending	<u>\$ 1,929.65</u>	<u>\$ 926.99</u>		

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

Funds	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Sales Tax Fund	\$ -	\$ 26,780.13	\$ 21,021.51	\$ 5,758.62
Utility Deposits Fund	13,179.42	2,640.00	9,032.05	6,787.37
Unapplied Utility Credit Fund	16,819.20	6,440.09	2,505.63	20,753.66
Heatshare Donations Fund	20.36	1,626.64	1,490.00	157.00
Al's Fitness Center	220.00	1,540.00	1,665.00	95.00
Flexible Medical Spending Account	-	5,392.99	5,392.99	-
Total Agency Funds	\$ 30,238.98	\$ 44,419.85	\$ 41,107.18	\$ 33,551.65



Communication of Material Weaknesses

Honorable Mayor and City Council
City of Altamont, Kansas

In planning and performing our audit of the financial statement of City of Altamont, 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 City of Altamont, 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 opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Altamont, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Altamont, Kansas' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in City of Altamont, Kansas' internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the City staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a City your size, it is important that you be aware of this condition for financial reporting purposes. Management and the Council should continually be aware of the financial reporting of the City and changes in reporting requirements.

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Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the City's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the City. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports.

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



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

April 29, 2013
Chanute, Kansas