

CITY OF PARSONS, KANSAS

Financial Statement and
Independent Auditors' Report with
Supplemental Information and
Federal Audit Compliance Section

For the Year Ended December 31, 2012

CITY OF PARSONS, KANSAS

For the Year Ended December 31, 2012

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Commissioners
City of Parsons, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Parsons, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 Parsons, 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 Parsons, 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 Parsons, 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.

Other 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 expenditures – actual and budget – regulatory basis, the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and the schedule of 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2013, on our consideration of the City of Parsons, Kansas’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Parsons, Kansas’ internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

April 10, 2013
Chanute, Kansas

CITY OF PARSONS, KANSAS
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash
 Regulatory Basis

For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2012
General Fund	\$ 701,124.72	\$ -	\$ 5,496,293.17	\$ 5,754,159.72	\$ 443,258.17	\$ 164,664.68	\$ 607,922.85
Special Purpose Funds:							
Utility Service	34,000.00	-	-	34,000.00	-	-	-
Industrial	343,200.97	-	57,806.19	-	401,007.16	-	401,007.16
Library	9.49	-	262,357.31	262,366.80	-	-	-
Library Employee Benefits	4.56	-	57,238.34	57,242.90	-	-	-
Special Highway	234,933.23	-	275,029.01	332,643.76	177,318.48	29,378.26	206,696.74
Special Parks	106,861.52	-	17,765.51	33,782.19	90,844.84	-	90,844.84
Special Alcohol	18,574.59	-	17,765.51	23,316.48	13,023.62	-	13,023.62
Tourism	126,025.92	-	204,802.85	208,461.81	122,366.96	7,039.95	129,406.91
Drug Seizure	14,436.43	-	2,335.27	7,315.11	9,456.59	79.36	9,535.95
Economic Development Sales Tax	313,867.58	-	520,360.00	569,578.51	264,649.07	2,189.86	266,838.93
Park Facilities Sales Tax	366,485.78	-	214,713.24	134,884.36	446,314.66	191.37	446,506.03
Street Sales Tax	293,948.38	-	309,405.88	91,992.36	511,361.90	-	511,361.90
Union Pacific Proceeds	1,127,992.98	-	25,555.67	-	1,153,548.65	57,994.00	1,211,542.65
Carnegie Building	10,421.08	-	18.17	-	10,439.25	-	10,439.25
Municipal Auditorium Reserve	154,755.05	-	258.86	26,948.37	128,065.54	-	128,065.54
Parsons Museum	4,337.99	-	10,629.08	6,776.43	8,190.64	81.20	8,271.84
Capital Improvements Reserve	90,119.63	-	814,765.27	1,818,778.98	(913,894.08)	580,544.78	(333,349.30)
Municipal Equipment Reserve	17,069.18	-	-	-	17,069.18	-	17,069.18
Community Organizations	5,079.20	-	837.00	-	5,916.20	-	5,916.20
Community Revitalization and Development	71,706.55	-	152,308.51	187,465.70	36,549.36	45.06	36,594.42
FEMA	(129,463.34)	-	-	50,815.66	(180,279.00)	-	(180,279.00)
Bond and Interest Funds:							
Bond and Interest	-	-	10,108,582.44	10,058,182.31	50,400.13	-	50,400.13
Capital Projects Funds:							
FCIP Project	202,873.53	-	580,878.19	661,871.26	121,880.46	-	121,880.46
Business Funds:							
Water Utility	2,218,331.11	-	2,840,281.05	3,103,808.68	1,954,803.48	158,250.62	2,113,054.10
CIP Water Reserve	(65,369.44)	68,150.56	114,378.80	2,781.12	114,378.80	-	114,378.80
Sewer Utility	388,669.49	-	1,925,924.64	1,834,727.36	479,866.77	28,767.84	508,634.61
COPC CIP Sewer Reserve	(42,902.50)	-	135,938.43	72,464.24	20,571.69	-	20,571.69
Sanitation Utility	691,616.35	-	1,074,060.60	1,360,128.47	405,548.48	322,701.52	728,250.00
Stormwater Utility	263,052.80	-	154,502.71	54,807.35	362,748.16	5,100.00	367,848.16

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

Statement 1 (Continued)

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

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add		Cash Balance December 31, 2012
						Encumbrances and Accounts Payable		
Business Funds (Continued)								
EPA Compliance Utility	\$ -	\$ -	\$ 210,884.78	\$ 143,729.00	\$ 67,155.78	\$ 45,729.00	\$ -	\$ 112,884.78
Utility Reserve	17,333.21	-	-	-	17,333.21	-	-	17,333.21
Equipment Maintenance	122.85	-	216,912.59	216,745.30	290.14	6,430.86	-	6,721.00
Health Insurance Reserve	732,769.84	-	783,779.03	823,338.24	693,210.63	110.00	-	693,320.63
Fiduciary Funds:								
D.V. Reed Trust	1,465.65	-	11,044.78	12,436.00	74.43	-	-	74.43
Oakwood Cemetery								
Perpetual Care	89,445.78	-	4,510.00	18,647.43	75,308.35	-	-	75,308.35
Total Reporting Entity (Excluding Agency Funds)	\$ 8,402,900.16	\$ 68,150.56	\$ 26,601,922.88	\$ 27,964,195.90	\$ 7,108,777.70	\$ 1,409,298.36	\$ -	\$ 8,518,076.06

Composition of Cash:

Cash on Hand	\$ 1,300.00
Checking Accounts:	
City Treasurer	448,595.35
Arts and Humanities Account	6,446.15
Tree Advisory Board Account	878.55
Operations Brighter Touch	1,785.75
Senior Center Account	2,912.34
Senior Center Savings Account	25.30
Lake Advisory Board Account	29,144.95
DV Reed Trust Account	74.43
Investments:	
Money Markets and Savings Accounts	7,719,399.55
Money Market Launch Account	269,814.81
Senior Center Certificates of Deposit	82,351.92
Senior Center Money Market	505.23
FCIP COP Issuance Trust Account	121,668.09
Total Cash	8,684,902.42
Agency Funds Per Schedule 3	(166,826.36)
Total Reporting Entity (Excluding Agency Funds)	\$ 8,518,076.06

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

CITY OF PARSONS, KANSAS

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Parsons, Kansas, (the City) is incorporated as a City of the first class, under the provisions of K.S.A. 13-101 *et seq.* The City operates under a Commission-City Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, electric, water and sewer, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The financial statement and schedules of the City of Parsons, Kansas has 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 generally accepted accounting principles.

Financial Reporting Entity

The City of Parsons, Kansas (the City) is a municipal corporation governed by an elected five member commission. This financial statement presents the City of Parsons, Kansas.

Related Municipal Entity. 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:

Parsons Public Library

The City of Parsons Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separate audited financial statements are available at the Library.

Parsons Housing Authority – The Parsons Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. Separate audited financial statements are available at the Library.

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 Parsons, Kansas, for the year of 2012:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis Fund Types (Continued)

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

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Fiduciary fund – funds used to report assets held in a trustee or agency capacity for others and therefore, cannot be used to support the government's own programs (i.e. payroll clearing fund, student organization fund, permanent trust funds etc.)

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, or the State of Kansas Police and Fire Retirement System, both of which are 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.

Reimbursed Expenses

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

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

Special Assessments

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), debt service funds, and business funds. Although directory rather than mandatory, the statutes provide for the following timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2012 the City amended the budget for the Special Highway Fund, Tourism Fund, Special Alcohol Fund, Community Revitalization and Development Fund, Economic Development Sales Tax Fund, Sewer Utility Funds, Sanitation Utility Fund, and the Bond and Interest Fund.

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special purpose funds:

- Parsons Museum Fund
- Capital Improvement Reserve Fund
- Municipal Equipment Reserve Fund

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

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, the City was in apparent violation of K.S.A. 10-1,113. The City has obligated expenditures in excess of available monies in the Capital Improvements and FEMA Fund, however, K.S.A 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of Kansas. The Capital Improvements and FEMA Fund met the criteria under the statutes and therefore, are not deemed to be in violation of the Kansas cash basis laws. As shown in Schedule 1, the City was in apparent violation of 79-2934. The City has obligated expenditures in excess of budgetary limits in the Water Utility Fund.

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 institution has been designated as an official depository, and the bank provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

3. DEPOSITS AND INVESTMENTS (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. All deposits were legally secured at December 31, 2012.

Deposits: At year-end, the City's carrying amount of deposits was \$8,683,602.42 and the bank balance was \$9,090,764.69. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$336,249.92 was covered by FDIC insurance and \$8,632,846.68 was collateralized with pledged securities held by the pledging financial institutions' agents in the City's name and letters of credit with the Federal Home Loan Bank of Topeka, Kansas, and \$121,668.09 was held as a Certificate of Participation with Security Bank Corporation and Trust Services, which was self securing at year end.

4. LONG-TERM DEBT COMMITMENTS

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid With Sales Tax Revenue									
Series 2009-A	0.00%	November 24, 2009	\$ 740,000.00	November 1, 2019	\$ 724,582.00	-	\$ (92,508.00)	\$ 632,074.00	\$ -
Series 2009-B	0.00%	November 24, 2009	300,000.00	November 1, 2019	293,750.00	-	(37,500.00)	256,250.00	-
Paid With Utility Revenues									
Series 2012-A	1.15-2.30%	February 1, 2012	9,175,000.00	August 1, 2025	-	9,175,000.00	(250,000.00)	8,925,000.00	65,987.50
KDHE Loans:									
Kansas Water Pollution Control	3.66%	September 1, 1995	1,023,544.00	March 1, 2015	232,858.86	-	(232,858.86)	-	3,669.45
Kansas Water Pollution Control	2.94%	October 31, 2003	7,100,000.00	September 1, 2025	5,359,280.51	85,045.43	(327,128.61)	5,117,197.33	155,175.99
Kansas Public Water Supply	4.07%	October 8, 1998	9,200,000.00	February 1, 2020	4,554,805.97	-	(4,554,805.97)	-	95,265.03
Kansas Public Water Supply	3.69%	May 17, 2004	5,000,000.00	August 1, 2025	4,687,773.72	-	(4,687,773.72)	-	88,891.91
Capital Leases:									
COP Series A & B	4.25-5.875%	September 1, 2007	6,885,000.00	October 1, 2022	5,500,000.00	-	(395,000.00)	5,105,000.00	266,742.34
Street Sweeper & Crack Sealer	3.714%	October 9, 2009	190,284.10	July 9, 2013	85,887.23	-	(48,242.36)	37,644.87	2,649.64
Vector Truck	3.20%	April 5, 2010	256,685.00	April 5, 2013	131,409.72	-	(86,904.07)	44,505.65	3,177.89
Total Long-Term Debt Commitments					\$ 21,570,348.01	\$ 9,260,045.43	\$ (10,712,721.59)	\$ 20,117,671.85	\$ 681,559.75

4. LONG-TERM DEBT COMMITMENTS (Continued)

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

Issue	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total
Principal								
General Obligation Bonds								
Series 2009-A	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 92,508.00	\$ 169,534.00	\$ -	\$ 632,074.00
Series 2009-B	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	68,750.00	-	256,250.00
Series 2012-A	895,000.00	915,000.00	930,000.00	875,000.00	895,000.00	3,225,000.00	1,190,000.00	8,925,000.00
Revolving Loans								
Kansas Water Pollution Control	328,454.95	338,161.36	348,176.39	358,488.00	369,105.01	2,016,117.29	1,358,694.33	5,117,197.33
Capital Leases								
COP Series A & B	410,000.00	430,000.00	455,000.00	470,000.00	495,000.00	2,845,000.00	-	5,105,000.00
Street Sweeper & Crack Sealer	37,644.87	-	-	-	-	-	-	37,644.87
Vector Truck	44,505.65	-	-	-	-	-	-	44,505.65
Total Principal Payments	1,845,613.47	1,813,169.36	1,863,184.39	1,833,496.00	1,889,113.01	8,324,401.29	2,548,694.33	20,117,671.85
Interest								
General Obligation Bonds								
Series 2012-A	128,850.00	117,662.50	106,225.00	94,600.00	83,662.50	256,075.00	53,562.50	840,637.50
Revolving Loans								
Kansas Water Pollution Control	148,028.09	138,321.68	128,306.65	117,995.04	107,378.03	366,297.91	70,754.79	1,077,082.19
Capital Leases								
COP Series A & B	245,748.76	225,858.76	205,008.76	182,913.76	160,083.76	398,201.28	-	1,417,815.08
Street Sweeper & Crack Sealer	525.13	-	-	-	-	-	-	525.13
Vector Truck	535.27	-	-	-	-	-	-	535.27
Total Interest Payments	394,837.25	364,180.44	333,315.41	300,908.80	267,461.79	764,499.19	70,754.79	2,495,957.67
Total Principal and Interest	\$ 2,240,450.72	\$ 2,177,349.80	\$ 2,196,499.80	\$ 2,134,404.80	\$ 2,156,574.80	\$ 9,088,900.48	\$ 2,619,449.12	\$ 22,613,629.52

5. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to provide for the altering, improving and equipping of certain public buildings and to make certain energy conservation and management improvements to existing city utilities and public infrastructure. Payments are made on April 1 and October 1, including interest ranging from 4.25-5.875%. Final maturity of the lease is October 1, 2022. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2013	\$ 655,748.76
2014	655,858.76
2015	660,008.76
2016	652,913.76
2017	655,083.76
2018-2022	<u>3,243,201.28</u>
	6,522,815.08
Less imputed interest	<u>(1,417,815.08)</u>
Net Present Value of Minimum	
Lease Payments	5,105,000.00
Less: Current Maturities	<u>(410,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$4,695,000.00</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2009 GMC T-7500 Cabover Schwarze Street Sweeper and a Squeegee Street Crack Sealer. Payments are made monthly, including interest at approximately 3.714%. Final maturity of the lease is July 9, 2013. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2013	\$ 38,170.00
Less imputed interest	<u>(525.13)</u>
Net Present Value of Minimum	
Lease Payments	37,644.87
Less: Current Maturities	<u>(37,644.87)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2010 Vactor Sewer Machine. Payments are made monthly, including interest at approximately 3.20%. Final maturity of the lease is April 5, 2013. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2013	\$ 45,040.92
Less imputed interest	<u>(535.27)</u>
Net Present Value of Minimum	
Lease Payments	44,505.65
Less: Current Maturities	<u>(44,505.65)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

6. OPERATING LEASES

As of December 31, 2012 the City has entered into a number of operating leases for the placement of billboard advertisements on a month to month basis, with no future obligations. Rent expense for the year ended December 31, 2012, was \$1,400.04.

7. ECONOMIC DEVELOPMENT BONDS

The City has entered into various agreements to induce businesses to locate or expand operations in Parsons, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2012, there were five industrial revenue bond issues with principal balances due totaling \$3,443,807.80.

The City has entered into an agreement to induce businesses to locate or expand operations in Parsons, Kansas. In connection therewith, the City has issued a multi-family housing revenue bond, which require the business to make lease payments to trust accounts sufficient to pay debt service on the revenue bond. The City is under no obligation to pay the revenue bond debt, which is to be paid from the lease payments made by the related business. At December 31, 2012, there was one multi-family housing revenue bond issue with principal balance due totaling \$1,850,000.00.

8. DEFINED BENEFIT PENSION PLAN

Plan description: The (non-school municipality) participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F 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 and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

9. CAPITAL PROJECTS

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

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/12</u>	<u>ESTIMATED COMPLETION</u>
2007 KLINK Project	\$ 496,240.90	\$ 496,240.90	Complete
Tolen Creek Trail Repair	266,599.30	266,599.30	Complete
Arboretum Trail	42,904.66	42,904.66	Complete
First Ward Sanitary Sewer	465,884.70	465,884.70	Complete
2011/2012 KLINK	353,138.12	353,138.12	Complete
Concrete Street Repair	305,451.24	305,451.24	Complete
Pool House Roof	42,597.87	42,597.87	Complete
Labette Creek Low Head Dam Rehabilitation	324,530.00	311,280.03	2013
Lake Parsons Dam Valve Rehabilitation	513,980.00	0.00	2013
Concrete Municipal Bldg. Main Street Underpass	30,590.70	30,590.70	Complete
Grates	38,900.00	38,900.00	Complete
North 17th Street Const. Concrete Sidewalk and Curb Repair	54,750.00	54,750.00	Complete
Street Repairs	30,590.70	30,590.70	Complete
Airport Taxilane and Drainage Improvements	123,735.70	0.00	2013
	269,388.55	224,218.81	2013

10. NOTES RECEIVABLE AND LOANS RECEIVABLE

The City has established a Sales Tax Economic Development Revolving Loan Fund. The fund is the recipient of money paid back to the City of Parsons by industries which received Community Development Block Grants in earlier years. As repayment is made by these industries, the City makes loans to other qualifying industries. The loans due to the City at December 31, 2012, through the Sales Tax Economic Development Revolving Loan Fund are as follows:

Robert Caldwell	\$ 2,317.40
Home Store	8,274.44
Ron and Judy Salley	66,749.90
ACME Cinema	172,675.63
Timber Creeks	2,759.74
ELC Surplus	9,977.94
Canterbury Inn	21,178.98
SKL Packaging	18,880.43
Burger King	37,642.35
Chinese Chef	19,194.64
The Mix	19,577.72
Parsons Chiropractic	13,779.25
Parsons Bowl	46,940.97
Radius	4,852.09
Ten in the Pit Pro Shop	4,836.20
Sunflower Motel	1,740.73
Radius Salon	1,189.04

10. NOTES RECEIVABLE AND LOANS RECEIVABLE (Continued)

Vintage Heirlooms	\$ 1,357.79
Speaker Hardware	2,280.91
Beachner Grain	86,400.00
Cytocheck	72,000.00
Kolette Smith	26,000.00
H&H Design	<u>30,000.00</u>

TOTAL NOTES RECEIVABLE \$ 670,606.15

These notes receivable are not reflected in these regulatory basis financial statements of the City of Parsons, Kansas.

The City has made Community Development Loans through the Community Development Fund. The fund was the recipient of various HUD Grants in earlier years. Loans made with these monies are repaid and the City makes additional development loans from these repayments. The Community Development loans due to the City at December 31, 2012, are as follows:

Mary Ashcraft	\$ 2,750.75
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These loans are not reflected in these regulatory basis financial statements of the City of Parsons, Kansas.

11. COMPENSATED ABSENCES

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

Years Continuous Employment:	1-7	8-14	15+
Days Granted per Year:	12	15	18
Maximum Days Accrued	17	20	23

Vacation hours for sworn police officers:			
Years Continuous Employment:	1-7	8-14	15+
Days Granted per Year:	12	15	18
Maximum Days Accrued	17	20	23

Vacation hours for firefighters:			
Years Continuous Employment:	1-7	8-14	15+
Shifts Granted per Year:	5	7	9
Maximum Shifts Accrued	7	9	11

11. COMPENSATED ABSENCES (Continued)

In the event of termination, an employee may in the discretion of the City Manager be compensated for unused vacation leave.

Sick leave accrues to all full-time employees at the rate of 3.69 hours per pay period to a maximum of 1,040 hours. Regular full time firefighters will accumulate sick leave at the rate of 4.89 hours per pay period to a maximum of 1,378 hours. Regular full time police officers will accrue sick leave at the rate of 3.81 hours per pay period to a maximum of 1,112 hours. Employees who terminate by other than retirement will not be paid for accumulated sick leave. Upon retirement 20% of any remaining sick leave will be paid if the total accrued is at least 40% of the maximum hours allowed.

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 relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has accrued a liability for annual leave which has been earned, but not taken, by City employees. The estimated liability for accrued annual leave at December 31, 2012, was \$132,756.97. The City has not accrued a liability for sick leave earned, but not taken, by City employees, as the amounts cannot be reasonably estimated.

12. 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 a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

13. 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.

13. RISK MANAGEMENT (Continued)

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

14. INTERFUND TRANSFERS

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Utility Service	General	K.S.A. 79-2934	\$ 34,000.00
Economic Development			
Sales Tax	Tourism	K.S.A. 12-197	50,000.00
General	FCIP Project	K.S.A. 12-1,118	239,330.00
Economic Development			
Sales Tax	FCIP Project	K.S.A. 12-197	51,145.00
Water Utility	Bond and Interest	K.S.A. 12-825d	861,903.06
Water Utility	FCIP Project	K.S.A. 12-825d	190,000.00
Sewer Utility	Bond and Interest	K.S.A. 12-825d	21,679.38
Sewer Utility	FCIP Project	K.S.A. 12-825d	65,000.00

15. SUBSEQUENT EVENTS

Subsequent to year end, the City has issued 2013 general obligation bonds for \$2,500,000.00 and obtained a Kansas water pollution control revolving loan for \$500,000.00 to complete an EPA compliance project. The project is estimated to be completed in the summer of 2013.

SUPPLEMENTAL INFORMATION

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

Funds	Certified		Adjustments for		Total		Expenditures		Variance - Over (Under)
	Budget		Qualifying Budget Credits		Budget for Comparison		Charged to Current Year Budget		
General Fund	\$ 5,920,381.00	\$	94,236.76	\$	6,014,617.76	\$	5,754,159.72	\$	(260,458.04)
Special Purpose Funds:									
Industrial	148,304.00	-	-	-	148,304.00	-	-	(148,304.00)	
Library	279,633.00	-	-	-	279,633.00	262,366.80	262,366.80	(17,266.20)	
Library Employee Benefits	59,030.00	-	-	-	59,030.00	57,242.90	57,242.90	(1,787.10)	
Special Highway	391,000.00	-	-	-	391,000.00	332,643.76	332,643.76	(58,356.24)	
Special Parks	43,000.00	-	-	-	43,000.00	33,782.19	33,782.19	(9,217.81)	
Special Alcohol	24,200.00	-	-	-	24,200.00	23,316.48	23,316.48	(883.52)	
Tourism	211,378.00	-	-	-	211,378.00	208,461.81	208,461.81	(2,916.19)	
Drug Seizure	11,500.00	-	-	-	11,500.00	7,315.11	7,315.11	(4,184.89)	
Economic Development Sales Tax	650,000.00	37,956.45			687,956.45	569,578.51	569,578.51	(118,377.94)	
Park Facilities Sales Tax	157,000.00	500.00			157,500.00	134,884.36	134,884.36	(22,615.64)	
Street Sales Tax	260,000.00	-	-	-	260,000.00	91,992.36	91,992.36	(168,007.64)	
Union Pacific Proceeds	270,000.00	-	-	-	270,000.00	-	-	(270,000.00)	
Community Revitalization and Development	248,956.00	-	-	-	248,956.00	187,465.70	187,465.70	(61,490.30)	
Bond and Interest Funds:									
Bond and Interest	9,225,000.00	9,225,000.00			18,450,000.00	10,058,182.31	10,058,182.31	(8,391,817.69)	
Business Funds:									
Water Utility	2,885,001.00	30,151.03			2,915,152.03	3,103,808.68	3,103,808.68	188,656.65	
Sewer Utility	1,850,275.00	139.86			1,850,414.86	1,834,727.36	1,834,727.36	(15,687.50)	
Sanitation Utility	1,356,392.00	5,450.59			1,361,842.59	1,360,128.47	1,360,128.47	(1,714.12)	
Stormwater Utility	204,700.00	-			204,700.00	54,807.35	54,807.35	(149,892.65)	
EPA Compliance Utility	216,600.00	-			216,600.00	143,729.00	143,729.00	(72,871.00)	

CITY OF PARSONS, 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	\$ 2,032,979.74	\$ 1,990,955.68	\$ 2,116,099.00	\$ (125,143.32)
Delinquent Tax	72,063.22	73,117.06	25,000.00	48,117.06
Motor Vehicle Tax	270,951.05	278,449.47	287,779.00	(9,329.53)
Recreational Vehicle Tax	1,960.39	1,713.19	2,383.00	(669.81)
16-20M Truck Tax	5,848.86	4,264.64	6,065.00	(1,800.36)
Sales Tax	1,785,531.10	1,742,505.57	1,740,000.00	2,505.57
Franchise Taxes	669,009.92	652,123.54	664,000.00	(11,876.46)
In Lieu of Taxes	2,420.09	4,284.99	1,000.00	3,284.99
Special Assessments	17,266.38	8,728.49	10,000.00	(1,271.51)
Intergovernmental				
Local Alcoholic Liquor Tax	17,334.67	17,765.49	17,000.00	765.49
Federal Grant - Step	-	4,000.00	-	4,000.00
State Grant - Hwy Lane Maint.	37,326.01	37,351.71	72,000.00	(34,648.29)
Licenses and Permits				
Licenses, Permits & Fees	29,715.32	34,867.72	40,950.00	(6,082.28)
Charges for Services				
Cemetery Permits/Deeds	15,535.00	17,110.00	-	17,110.00
Fire Contracts	8,025.00	8,650.04	7,500.00	1,150.04
Auditorium Receipts	8,770.72	97,632.10	10,500.00	87,132.10
Vehicle Inspections	8,137.00	9,464.00	-	9,464.00
Fines, Forfeitures and Penalties				
Fines	191,588.31	218,995.86	181,400.00	37,595.86
Use of Money and Property				
Interest	25,053.03	5,479.51	40,000.00	(34,520.49)
Royalties	7,421.12	2,693.13	15,000.00	(12,306.87)
Sale of Assets	70.00	38,850.00	100.00	38,750.00
Rental Income	27,735.00	28,591.67	33,600.00	(5,008.33)
Other Revenues				
Neighborhood Revitalization	-	325.00	100.00	225.00
Reimbursed Expense	126,646.66	94,236.76	85,000.00	9,236.76
Money from Other Entities	62,377.89	25,667.18	21,000.00	4,667.18
Supplemental Insurance	29,507.86	26,761.70	-	26,761.70

CITY OF PARSONS, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts (Continued)				
Other Revenues				
Miscellaneous	\$ 14,194.72	\$ 15,158.67	\$ 4,120.00	\$ 11,038.67
Employee Leasing	-	22,550.00	-	22,550.00
Operating Transfers from:				
Utility Service Fund	62,649.92	-	-	-
Residual Transfers from:				
Tort Liability Fund	72,124.35	-	-	-
Employee Benefit Fund	173,697.01	-	-	-
Utility Service Fund	-	34,000.00	-	34,000.00
Vehicle Identification Fund	5,802.90	-	-	-
Total Receipts	5,781,743.24	5,496,293.17	\$ 5,380,596.00	\$ 115,697.17
Expenditures				
General Administrative Services				
Personal Services	129,285.47	110,281.32	\$ 137,849.00	\$ (27,567.68)
Contractual Services	763,608.77	846,333.53	574,278.00	272,055.53
Commodities	43,045.10	40,047.15	45,550.00	(5,502.85)
Capital Outlay	-	1,116.17	-	1,116.17
City Manager				
Personal Services	213,545.14	166,476.72	156,693.00	9,783.72
Contractual Services	18,192.03	24,259.58	19,703.00	4,556.58
Commodities	12,031.58	11,994.34	11,750.00	244.34
Capital Outlay	-	8,608.00	-	8,608.00
Legal and Court				
Personal Services	60,750.61	62,882.12	110,115.00	(47,232.88)
Contractual Services	40,873.12	54,757.70	41,057.00	13,700.70
Commodities	1,065.95	3,718.91	1,218.00	2,500.91
Engineering				
Personal Services	193,580.70	165,998.32	198,752.00	(32,753.68)
Contractual Services	13,842.72	15,680.20	9,440.00	6,240.20
Commodities	3,393.14	3,150.83	3,750.00	(599.17)
Capital Outlay	-	544.44	-	544.44

CITY OF PARSONS, 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)				
Police				
Personal Services	\$ 1,376,954.06	\$ 1,516,958.95	\$ 1,641,118.00	\$ (124,159.05)
Contractual Services	291,629.37	318,202.38	131,963.00	186,239.38
Commodities	87,466.13	102,488.30	109,510.00	(7,021.70)
Capital Outlay	56,420.10	91,218.66	60,000.00	31,218.66
Fire				
Personal Services	814,546.67	834,326.72	1,121,361.00	(287,034.28)
Contractual Services	181,312.44	214,131.88	38,451.00	175,680.88
Commodities	35,827.61	23,213.29	48,000.00	(24,786.71)
Capital Outlay	32,340.16	60,933.67	42,123.00	18,810.67
Street				
Personal Services	255,768.49	240,909.73	458,430.00	(217,520.27)
Contractual Services	159,529.98	33,790.89	102,500.00	(68,709.11)
Commodities	108,472.33	27,809.10	20,960.00	6,849.10
Capital Outlay	-	13,609.00	-	13,609.00
Parks				
Personal Services	71,434.61	70,655.20	-	70,655.20
Contractual Services	31,257.78	42,231.45	46,000.00	(3,768.55)
Commodities	31,303.16	23,396.57	32,159.00	(8,762.43)
Airport				
Contractual Services	65,870.70	71,883.93	62,499.00	9,384.93
Commodities	14,865.39	4,828.98	19,538.00	(14,709.02)
Capital Outlay	-	78.82	20,000.00	(19,921.18)
Auditorium/Carnegie Arts Center				
Personal Services	172,346.60	156,252.31	196,025.00	(39,772.69)
Contractual Services	17,294.85	19,461.03	27,857.00	(8,395.97)
Commodities	2,889.08	6,245.38	7,917.00	(1,671.62)
Capital Outlay	-	-	-	-
Cemetery				
Personal Services	1,679.33	77,353.48	92,989.00	(15,635.52)
Contractual Services	3,495.86	8,364.34	17,683.00	(9,318.66)
Commodities	1,870.63	11,584.57	22,143.00	(10,558.43)
Capital Outlay	-	29,051.76	26,000.00	3,051.76

CITY OF PARSONS, 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)				
Operating Transfers to				
FCIP Project Fund	\$ 271,483.74	\$ 239,330.00	\$ 265,000.00	\$ (25,670.00)
Total Certified Budget			5,920,381.00	(166,221.28)
Adjustments for Qualifying Budget Credits			94,236.76	(94,236.76)
Total Expenditures	<u>5,579,273.40</u>	<u>5,754,159.72</u>	<u>\$ 6,014,617.76</u>	<u>\$ (260,458.04)</u>
Receipts Over(Under) Expenditures	202,469.84	(257,866.55)		
Unencumbered Cash, Beginning	<u>498,654.88</u>	<u>701,124.72</u>		
Unencumbered Cash, Ending	<u>\$ 701,124.72</u>	<u>\$ 443,258.17</u>		

CITY OF PARSONS, KANSAS
EMPLOYEE BENEFITS 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		
Taxes and Shared Revenue		
Ad Valorem Property Tax	\$ -	\$ -
Delinquent Tax	-	-
Total Receipts	-	-
Expenditures		
Residual Transfers to General Fund	173,697.01	-
Total Expenditures	173,697.01	-
Receipts Over(Under) Expenditures	(173,697.01)	-
Unencumbered Cash, Beginning	173,697.01	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF PARSONS, KANSAS
UTILITY SERVICE 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	Actual
Receipts		
Taxes and Shared Revenue		
Ad Valorem Property Tax	\$ -	\$ -
Total Receipts	-	-
Expenditures		
General Government		
Operating Transfer to:		
General Fund	62,649.92	-
Residual Transfers from:		
General Fund	-	34,000.00
Total Expenditures	62,649.92	34,000.00
Receipts Over(Under) Expenditures	(62,649.92)	(34,000.00)
Unencumbered Cash, Beginning	96,649.92	34,000.00
Unencumbered Cash, Ending	\$ 34,000.00	\$ -

CITY OF PARSONS, KANSAS
TORT LIABILITY 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		
Taxes and Shared Revenue		
Ad Valorem Property Tax	\$ -	\$ -
Delinquent Tax	-	-
Total Receipts	-	-
Expenditures		
Residual Transfers to General Fund	72,124.35	-
Total Expenditures	72,124.35	-
Receipts Over(Under) Expenditures	(72,124.35)	-
Unencumbered Cash, Beginning	72,124.35	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF PARSONS, KANSAS
INDUSTRIAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 50,001.04	\$ 48,892.36	\$ 51,990.00	\$ (3,097.64)
Delinquent Tax	1,810.22	1,814.04	1,800.00	14.04
Motor Vehicle Tax	6,749.78	6,848.73	7,159.00	(310.27)
Recreational Vehicle Tax	48.82	42.11	59.00	(16.89)
16-20M Truck Tax	149.10	106.20	151.00	(44.80)
In Lieu of Taxes	259.98	102.75	-	102.75
Total Receipts	<u>59,018.94</u>	<u>57,806.19</u>	<u>\$ 61,159.00</u>	<u>\$ (3,352.81)</u>
Expenditures				
General Government				
Contractual Services	-	-	\$ 148,304.00	\$ (148,304.00)
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 148,304.00</u>	<u>\$ (148,304.00)</u>
Receipts Over(Under) Expenditures	59,018.94	57,806.19		
Unencumbered Cash, Beginning	134,182.03	343,200.97		
Cancelled Encumbrances	150,000.00	-		
Unencumbered Cash, Ending	<u>\$ 343,200.97</u>	<u>\$ 401,007.16</u>		

CITY OF PARSONS, 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	\$ 223,772.85	\$ 222,267.98	\$ 236,256.00	\$ (13,988.02)
Delinquent Tax	8,455.27	8,321.83	8,500.00	(178.17)
Motor Vehicle Tax	29,594.08	30,648.17	31,674.00	(1,025.83)
Recreational Vehicle Tax	213.46	188.59	262.00	(73.41)
16-20M Truck Tax	745.95	463.64	667.00	(203.36)
In Lieu of Taxes	63.55	467.10	-	467.10
Total Receipts	<u>262,845.16</u>	<u>262,357.31</u>	<u>\$ 277,359.00</u>	<u>\$ (15,001.69)</u>
Expenditures				
Culture and Recreation				
Appropriations	<u>262,840.00</u>	<u>262,366.80</u>	<u>\$ 279,633.00</u>	<u>\$ (17,266.20)</u>
Total Expenditures	<u>262,840.00</u>	<u>262,366.80</u>	<u>\$ 279,633.00</u>	<u>\$ (17,266.20)</u>
Receipts Over(Under) Expenditures	5.16	(9.49)		
Unencumbered Cash, Beginning	<u>4.33</u>	<u>9.49</u>		
Unencumbered Cash, Ending	<u>\$ 9.49</u>	<u>\$ -</u>		

CITY OF PARSONS, KANSAS
LIBRARY EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 54,673.32	\$ 48,007.18	\$ 51,055.00	\$ (3,047.82)
Delinquent Tax	1,188.64	1,559.31	-	1,559.31
Motor Vehicle Tax	8,250.93	7,492.48	7,743.00	(250.52)
Recreational Vehicle Tax	60.85	46.09	64.00	(17.91)
16-20M Truck Tax	-	133.28	163.00	(29.72)
Total Receipts	<u>64,173.74</u>	<u>57,238.34</u>	<u>\$ 59,025.00</u>	<u>\$ (1,786.66)</u>
Expenditures				
General Government				
Personal Services	<u>64,175.00</u>	<u>57,242.90</u>	<u>\$ 59,030.00</u>	<u>\$ (1,787.10)</u>
Total Expenditures	<u>64,175.00</u>	<u>57,242.90</u>	<u>\$ 59,030.00</u>	<u>\$ (1,787.10)</u>
Receipts Over(Under) Expenditures	(1.26)	(4.56)		
Unencumbered Cash, Beginning	<u>5.82</u>	<u>4.56</u>		
Unencumbered Cash, Ending	<u>\$ 4.56</u>	<u>\$ -</u>		

CITY OF PARSONS, 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				
Highway Gas Tax	\$ 280,468.21	\$ 271,417.22	\$ 271,417.00	\$ 0.22
Other Revenues				
Reimbursed Expense	100.43	3,611.79	3,620.00	(8.21)
Total Receipts	280,568.64	275,029.01	\$ 275,037.00	\$ (7.99)
Expenditures				
General Government				
Contractual Services	30,551.78	93,680.14	\$ 75,000.00	\$ 18,680.14
Commodities	62,681.58	103,665.84	122,000.00	(18,334.16)
Capital Outlay	-	101,344.66	194,000.00	(92,655.34)
Debt Service				
Principal	31,137.66	32,187.30	-	32,187.30
Interest	2,815.46	1,765.82	-	1,765.82
Total Expenditures	127,186.48	332,643.76	\$ 391,000.00	\$ (58,356.24)
Receipts Over(Under) Expenditures	153,382.16	(57,614.75)		
Unencumbered Cash, Beginning	81,551.07	234,933.23		
Unencumbered Cash, Ending	\$ 234,933.23	\$ 177,318.48		

CITY OF PARSONS, KANSAS
SPECIAL PARKS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Local Alcoholic Liquor Tax	\$ 17,334.67	\$ 17,765.51	\$ 15,200.00	\$ 2,565.51
Total Receipts	<u>17,334.67</u>	<u>17,765.51</u>	<u>\$ 15,200.00</u>	<u>\$ 2,565.51</u>
Expenditures				
Culture and Recreation				
Contractual Services	8,965.50	33,782.19	\$ 43,000.00	\$ (9,217.81)
Total Expenditures	<u>8,965.50</u>	<u>33,782.19</u>	<u>\$ 43,000.00</u>	<u>\$ (9,217.81)</u>
Receipts Over(Under) Expenditures	8,369.17	(16,016.68)		
Unencumbered Cash, Beginning	<u>98,492.35</u>	<u>106,861.52</u>		
Unencumbered Cash, Ending	<u>\$ 106,861.52</u>	<u>\$ 90,844.84</u>		

CITY OF PARSONS, KANSAS
SPECIAL ALCOHOL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Local Alcoholic Liquor Tax	\$ 17,334.67	\$ 17,765.51	\$ 17,500.00	\$ 265.51
Total Receipts	<u>17,334.67</u>	<u>17,765.51</u>	<u>\$ 17,500.00</u>	<u>\$ 265.51</u>
Expenditures				
Culture and Recreation				
Contractual Services	23,887.13	19,708.02	\$ 20,000.00	\$ (291.98)
Commodities	-	3,608.46	4,200.00	(591.54)
Total Expenditures	<u>23,887.13</u>	<u>23,316.48</u>	<u>\$ 24,200.00</u>	<u>\$ (883.52)</u>
Receipts Over(Under) Expenditures	(6,552.46)	(5,550.97)		
Unencumbered Cash, Beginning	<u>25,127.05</u>	<u>18,574.59</u>		
Unencumbered Cash, Ending	<u>\$ 18,574.59</u>	<u>\$ 13,023.62</u>		

CITY OF PARSONS, KANSAS
TOURISM FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
State Guest Tax	\$ 117,192.23	\$ 148,047.09	\$ 148,047.00	\$ 0.09
Other Revenues				
Miscellaneous	5,799.66	4,797.00	4,500.00	297.00
Reimbursed Expenses	1,587.00	1,958.76	2,000.00	(41.24)
Operating Transfer from Economic Development Sales Tax Fund	50,000.00	50,000.00	50,000.00	-
Total Receipts	<u>174,578.89</u>	<u>204,802.85</u>	<u>\$ 204,547.00</u>	<u>\$ 255.85</u>
Expenditures				
Culture and Recreation				
Personal Services	60,189.83	56,329.89	\$ 59,148.00	\$ (2,818.11)
Contractual Services	98,754.77	126,661.60	125,130.00	1,531.60
Commodities	1,243.49	1,158.36	1,400.00	(241.64)
Capital Outlay	33,350.88	24,311.96	25,700.00	(1,388.04)
Total Expenditures	<u>193,538.97</u>	<u>208,461.81</u>	<u>\$ 211,378.00</u>	<u>\$ (2,916.19)</u>
Receipts Over(Under) Expenditures	(18,960.08)	(3,658.96)		
Unencumbered Cash, Beginning	<u>144,986.00</u>	<u>126,025.92</u>		
Unencumbered Cash, Ending	<u>\$ 126,025.92</u>	<u>\$ 122,366.96</u>		

CITY OF PARSONS, KANSAS
VEHICLE IDENTIFICATION 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	Actual
Receipts		
Charges for Services		
Vehicle Inspections	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Residual Transfer to General Fund	5,802.90	-
Total Expenditures	5,802.90	-
Receipts Over(Under) Expenditures	(5,802.90)	-
Unencumbered Cash, Beginning	5,802.90	-
Unencumbered Cash, Ending	\$ -	\$ -

CITY OF PARSONS, KANSAS
DRUG SEIZURE FUND

Schedule of Receipts and Expenditures - Actual and Budget
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				
Property Seizure	\$ 2,790.34	\$ 1,656.09	\$ 5,000.00	\$ (3,343.91)
Use of Money and Property				
Interest Income	120.26	21.68	150.00	(128.32)
Other Revenues				
Miscellaneous	-	657.50	-	657.50
Total Receipts	<u>2,910.60</u>	<u>2,335.27</u>	<u>\$ 5,150.00</u>	<u>\$ (2,814.73)</u>
Expenditures				
General Government				
Contractual Services	-	5,544.71	\$ 9,000.00	\$ (3,455.29)
Commodities	12,109.24	1,770.40	2,500.00	(729.60)
Total Expenditures	<u>12,109.24</u>	<u>7,315.11</u>	<u>\$ 11,500.00</u>	<u>\$ (4,184.89)</u>
Receipts Over(Under) Expenditures	(9,198.64)	(4,979.84)		
Unencumbered Cash, Beginning	<u>23,635.07</u>	<u>14,436.43</u>		
Unencumbered Cash, Ending	<u>\$ 14,436.43</u>	<u>\$ 9,456.59</u>		

CITY OF PARSONS, KANSAS
ECONOMIC DEVELOPMENT 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				
Taxes and Shared Revenue				
Sales Tax	\$ 382,207.59	\$ 381,983.80	\$ 382,000.00	\$ (16.20)
Intergovernmental				
Federal Grant - USDA	-	26,666.67	-	26,666.67
Use of Money and Property				
Rent	40,800.00	33,450.00	-	33,450.00
Notes Receivable				
Principal Payments - E Cubator	7,982.34	3,012.34	-	3,012.34
Interest Income - E Cubator	94.65	64.58	-	64.58
Principal Payments - Econ Dev.	15,333.23	18,869.55	-	18,869.55
Interest Income - Econ Dev.	5,423.00	3,203.48	-	3,203.48
Principal Payments - Rural Dev.	44,711.76	32,796.47	-	32,796.47
Interest Income - Rural Dev.	6,787.15	6,325.27	-	6,325.27
Principal Payment - FHLB	3,602.40	2,316.81	-	2,316.81
Interest Payment - FHLB	44.62	41.01	-	41.01
Other Revenues				
Miscellaneous	248.27	340.24	-	340.24
Reimbursed Expense	4,900.00	11,289.78	140,840.00	(129,550.22)
Total Receipts	512,135.01	520,360.00	\$ 522,840.00	\$ (2,480.00)
Expenditures				
Capital Improvements				
Personal Services	84,943.37	86,123.89	\$ 86,357.00	\$ (233.11)
Contractual Services	215,296.45	252,200.96	316,740.00	(64,539.04)

CITY OF PARSONS, KANSAS
ECONOMIC DEVELOPMENT 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	
Expenditures				
Commodities	\$ 830.50	\$ 100.66	\$ 750.00	\$ (649.34)
Capital Outlay	47,926.00	-	246,153.00	(246,153.00)
Debt Service				
Principal	21,668.00	130,008.00	-	130,008.00
Operating Transfers to:				
Tourism Fund	50,000.00	50,000.00	-	50,000.00
FCIP Project Fund	51,978.83	51,145.00	-	51,145.00
Total Certified Budget			650,000.00	(80,421.49)
Adjustments for Qualifying Budget Credits			37,956.45	(37,956.45)
Total Expenditures	472,643.15	569,578.51	\$ 687,956.45	\$ (118,377.94)
Receipts Over(Under) Expenditures	39,491.86	(49,218.51)		
Unencumbered Cash, Beginning	274,375.72	313,867.58		
Unencumbered Cash, Ending	\$ 313,867.58	\$ 264,649.07		

CITY OF PARSONS, KANSAS
PARK FACILITIES 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				
Taxes and Shared Revenue				
Sales Tax	\$ 212,337.57	\$ 212,213.24	\$ 195,000.00	\$ 17,213.24
Intergovernmental				
KDOT Grant - Frisco Trail	236,367.90	500.00	-	500.00
Other Revenues				
Donations	-	2,000.00	-	2,000.00
Reimbursed Expense	600.00	-	-	-
Total Receipts	<u>449,305.47</u>	<u>214,713.24</u>	<u>\$ 195,000.00</u>	<u>\$ 19,713.24</u>
Expenditures				
Capital Improvements				
Contractual Services	214,401.65	25,129.27	\$ -	\$ 25,129.27
Capital Outlay	39,106.94	109,755.09	157,000.00	(47,244.91)
Total Certified Budget			157,000.00	(22,115.64)
Adjustments for Qualifying Budget Credits			500.00	(500.00)
Total Expenditures	<u>253,508.59</u>	<u>134,884.36</u>	<u>\$ 157,500.00</u>	<u>\$ (22,615.64)</u>
Receipts Over(Under) Expenditures	195,796.88	79,828.88		
Unencumbered Cash, Beginning	<u>170,688.90</u>	<u>366,485.78</u>		
Unencumbered Cash, Ending	<u>\$ 366,485.78</u>	<u>\$ 446,314.66</u>		

CITY OF PARSONS, KANSAS
STREET 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				
Taxes and Shared Revenue				
Sales Tax	\$ 254,805.08	\$ 254,655.88	\$ 245,000.00	\$ 9,655.88
Other Revenues				
Reimbursed Expense	-	54,750.00	-	54,750.00
Total Receipts	<u>254,805.08</u>	<u>309,405.88</u>	<u>\$ 245,000.00</u>	<u>\$ 64,405.88</u>
Expenditures				
Capital Improvements				
Capital Outlay	<u>209,658.37</u>	<u>91,992.36</u>	<u>\$ 260,000.00</u>	<u>\$ (168,007.64)</u>
Total Expenditures	<u>209,658.37</u>	<u>91,992.36</u>	<u>\$ 260,000.00</u>	<u>\$ (168,007.64)</u>
Receipts Over(Under) Expenditures	45,146.71	217,413.52		
Unencumbered Cash, Beginning	<u>248,801.67</u>	<u>293,948.38</u>		
Unencumbered Cash, Ending	<u>\$ 293,948.38</u>	<u>\$ 511,361.90</u>		

CITY OF PARSONS, KANSAS
UNION PACIFIC PROCEEDS 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	\$ 7,883.92	\$ 2,083.87	\$ 15,500.00	\$ (13,416.13)
Notes Receivable				
Principal Payments	7,219.89	20,104.48	21,950.00	(1,845.52)
Interest Payments	3,981.95	3,367.32	3,350.00	17.32
Total Receipts	<u>19,085.76</u>	<u>25,555.67</u>	<u>\$ 40,800.00</u>	<u>\$ (15,244.33)</u>
Expenditures				
Capital Improvements				
Contractual Services	67,994.00	-	\$ 270,000.00	\$ (270,000.00)
Total Expenditures	<u>67,994.00</u>	<u>-</u>	<u>\$ 270,000.00</u>	<u>\$ (270,000.00)</u>
Receipts Over(Under) Expenditures	(48,908.24)	25,555.67		
Unencumbered Cash, Beginning	<u>1,176,901.22</u>	<u>1,127,992.98</u>		
Unencumbered Cash, Ending	<u>\$ 1,127,992.98</u>	<u>\$ 1,153,548.65</u>		

CITY OF PARSONS, KANSAS
CARNEGIE BUILDING 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	\$ 67.31	\$ 18.17
Total Receipts	<u>67.31</u>	<u>18.17</u>
Expenditures		
Capital Improvements		
Contractual Services	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over(Under) Expenditures	67.31	18.17
Unencumbered Cash, Beginning	<u>10,353.77</u>	<u>10,421.08</u>
Unencumbered Cash, Ending	<u>\$ 10,421.08</u>	<u>\$ 10,439.25</u>

CITY OF PARSONS, KANSAS
MUNICIPAL AUDITORIUM 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</u> <u>Year</u> <u>Actual</u>	<u>Current</u> <u>Year</u> <u>Actual</u>
Receipts		
Use of Money and Property		
Interest Income	\$ 1,069.16	\$ 258.86
Total Receipts	<u>1,069.16</u>	<u>258.86</u>
Expenditures		
Capital Improvements		
Capital Outlay	<u>6,381.00</u>	<u>26,948.37</u>
Total Expenditures	<u>6,381.00</u>	<u>26,948.37</u>
Receipts Over(Under) Expenditures	(5,311.84)	(26,689.51)
Unencumbered Cash, Beginning	<u>160,066.89</u>	<u>154,755.05</u>
Unencumbered Cash, Ending	<u>\$ 154,755.05</u>	<u>\$ 128,065.54</u>

CITY OF PARSONS, KANSAS
PARSONS MUSEUM 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	\$ 80.27	\$ 12.93
Other Revenues		
Donations	13,701.81	10,616.15
Total Receipts	13,782.08	10,629.08
Expenditures		
Culture and Recreation		
Personal Services	5,510.46	-
Contractual Services	12,285.39	6,066.09
Commodities	2,282.60	710.34
Total Expenditures	20,078.45	6,776.43
Receipts Over(Under) Expenditures	(6,296.37)	3,852.65
Unencumbered Cash, Beginning	10,634.36	4,337.99
Unencumbered Cash, Ending	\$ 4,337.99	\$ 8,190.64

CITY OF PARSONS, KANSAS
CAPITAL IMPROVEMENTS 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		
Intergovernmental		
Federal Grants - FAA Grant	\$ 28,319.00	\$ 281,918.00
Federal Grants - FEMA Grant	-	484,390.00
Foundation Grant - Carnegie	53,458.88	-
Other Revenues		
Reimbursed Expense	1,000.00	48,457.27
Total Receipts	<u>82,777.88</u>	<u>814,765.27</u>
Expenditures		
General Government		
Capital Outlay	<u>189,536.52</u>	<u>1,818,778.98</u>
Total Expenditures	<u>189,536.52</u>	<u>1,818,778.98</u>
Receipts Over(Under) Expenditures	(106,758.64)	(1,004,013.71)
Unencumbered Cash, Beginning	<u>196,878.27</u>	<u>90,119.63</u>
Unencumbered Cash, Ending	<u>\$ 90,119.63</u>	<u>\$ (913,894.08)</u>

CITY OF PARSONS, KANSAS
MUNICIPAL EQUIPMENT 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		
Other Revenues		
Reimbursed Expense	\$ 16,042.81	\$ -
Total Receipts	16,042.81	-
Expenditures		
Capital Projects		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	16,042.81	-
Unencumbered Cash, Beginning	1,026.37	17,069.18
Unencumbered Cash, Ending	<u>\$ 17,069.18</u>	<u>\$ 17,069.18</u>

CITY OF PARSONS, KANSAS
COMMUNITY ORGANIZATIONS 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</u> <u>Year</u> <u>Actual</u>	<u>Current</u> <u>Year</u> <u>Actual</u>
Receipts		
Other Revenues		
Donations	\$ 1,111.00	\$ 837.00
Total Receipts	<u>1,111.00</u>	<u>837.00</u>
Expenditures		
Culture and Recreation		
Contractual Services	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over(Under) Expenditures	1,111.00	837.00
Unencumbered Cash, Beginning	<u>3,968.20</u>	<u>5,079.20</u>
Unencumbered Cash, Ending	<u>\$ 5,079.20</u>	<u>\$ 5,916.20</u>

CITY OF PARSONS, KANSAS
COMMUNITY REVITALIZATION AND DEVELOPMENT 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				
Neighborhood Tax Distribution	\$ 4,148.28	\$ 3,883.31	\$ -	\$ 3,883.31
Federal Grants - Ks Housing	-	106,795.00	225,000.00	(118,205.00)
Local Grants	-	350.00	-	350.00
Use of Money and Property				
Interest Income	1,533.00	217.81	1,200.00	(982.19)
Notes Receivable				
Principal Payments	889.59	506.84	-	506.84
Interest Income	130.41	93.34	-	93.34
Sale of Fixed Assets	500.00	250.00	-	250.00
Other Revenues				
Miscellaneous	3,000.00	3,650.00	-	3,650.00
Reimbursed Expense	3,773.55	36,562.21	13,475.00	23,087.21
Total Receipts	13,974.83	152,308.51	\$ 239,675.00	\$ (87,366.49)
Expenditures				
Community Development				
Personal Services	43,757.56	45,503.66	\$ 41,525.00	\$ 3,978.66
Contractual Services	37,640.92	8,500.00	207,431.00	(198,931.00)
Capital Outlay	116,437.72	133,462.04	-	133,462.04
Total Expenditures	197,836.20	187,465.70	\$ 248,956.00	\$ (61,490.30)
Receipts Over(Under) Expenditures	(183,861.37)	(35,157.19)		
Unencumbered Cash, Beginning	255,567.92	71,706.55		
Unencumbered Cash, Ending	\$ 71,706.55	\$ 36,549.36		

CITY OF PARSONS, KANSAS
FEMA FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Federal Grant - FEMA	\$ 117,462.98	\$ -
State Grant - FEMA	15,661.73	-
Total Receipts	<u>133,124.71</u>	<u>-</u>
Expenditures		
Community Development		
Contractual Services	582.54	45,775.66
Capital Outlay	254,253.46	5,040.00
Total Expenditures	<u>254,836.00</u>	<u>50,815.66</u>
Receipts Over(Under) Expenditures	(121,711.29)	(50,815.66)
Unencumbered Cash, Beginning	<u>(7,752.05)</u>	<u>(129,463.34)</u>
Unencumbered Cash, Ending	<u>\$ (129,463.34)</u>	<u>\$ (180,279.00)</u>

CITY OF PARSONS, KANSAS
BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Bond Proceeds - 2013	\$ -	\$ 50,000.00	\$ 50,000.00	\$ -
Bond Proceeds - 2012	-	9,175,000.00	9,175,000.00	-
Operating Transfers From:				
Water Utility Fund	-	861,903.06	-	861,903.06
Sewer Utility Fund	-	21,679.38	-	21,679.38
Total Receipts	<u>-</u>	<u>10,108,582.44</u>	<u>\$ 9,225,000.00</u>	<u>\$ 883,582.44</u>
Expenditures				
Debt Service				
Principal - 2012A	-	250,000.00	\$ 9,175,000.00	\$ (8,925,000.00)
Principal - Sewer 1995	-	232,858.86	-	232,858.86
Principal - Water 2000	-	4,554,805.97	-	4,554,805.97
Principal - Water 2004	-	4,687,773.72	-	4,687,773.72
Interest	-	253,813.89	-	253,813.89
Bond Issuance Costs	-	78,929.87	50,000.00	28,929.87
Total Certified Budget			<u>9,225,000.00</u>	<u>(9,225,000.00)</u>
Adjustments for Qualifying Budget Credits			<u>9,225,000.00</u>	<u>(9,225,000.00)</u>
Total Expenditures	<u>-</u>	<u>10,058,182.31</u>	<u>\$ 18,450,000.00</u>	<u>\$ 833,182.31</u>
Receipts Over(Under) Expenditures	-	50,400.13		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 50,400.13</u>		

CITY OF PARSONS, KANSAS
FCIP PROJECT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	\$ 35.33	\$ 24.19
Other Revenue		
Reimbursed Expense	-	35,379.00
Operating Transfers From:		
General Fund	271,483.74	239,330.00
Economic Development		
Sales Tax Fund	51,978.83	51,145.00
Water Utility Fund	168,412.30	190,000.00
Sewer Utility Fund	57,649.59	65,000.00
Total Receipts	549,559.79	580,878.19
Expenditures		
Debt Service		
Principal	375,000.00	395,000.00
Interest	284,361.26	266,742.34
Commissions and Fees	-	128.92
Total Expenditures	659,361.26	661,871.26
Receipts Over(Under) Expenditures	(109,801.47)	(80,993.07)
Unencumbered Cash, Beginning	312,675.00	202,873.53
Unencumbered Cash, Ending	\$ 202,873.53	\$ 121,880.46

CITY OF PARSONS, 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 Receipts	\$ 2,633,106.20	\$ 2,654,265.18	\$ 2,570,500.00	\$ 83,765.18
Connection Fees	48,700.00	36,952.89	28,800.00	8,152.89
Use of Money and Property				
Rental and Farm Income	17,077.60	25,719.46	4,000.00	21,719.46
Interest Income	12,974.53	3,822.38	24,000.00	(20,177.62)
Sale of Assets	-	14,375.00	-	14,375.00
Other Revenues				
Miscellaneous	30,474.18	20,562.48	8,000.00	12,562.48
Reimbursed Expenses	9,422.42	30,151.03	12,000.00	18,151.03
Permits and Fees	10,179.50	12,632.00	15,000.00	(2,368.00)
State Sales Tax	40,960.10	41,800.63	33,000.00	8,800.63
Total Receipts	2,802,894.53	2,840,281.05	\$ 2,695,300.00	\$ 144,981.05
Expenditures				
Treatment				
Personal Services	231,662.16	227,176.74	\$ 244,112.00	\$ (16,935.26)
Contractual Services	179,157.44	163,239.39	192,398.00	(29,158.61)
Commodities	197,282.00	182,511.28	242,669.00	(60,157.72)
Capital Outlay	61,681.00	394,549.82	40,000.00	354,549.82
Distribution				
Personal Services	176,674.74	185,906.94	188,326.00	(2,419.06)
Contractual Services	38,783.79	104,976.35	41,629.00	63,347.35
Commodities	157,623.78	152,753.74	140,957.00	11,796.74
Capital Outlay	64,886.03	40,742.75	154,500.00	(113,757.25)
Administration				
Personal Services	201,218.99	241,201.30	213,101.00	28,100.30
Contractual Services	129,727.74	126,865.88	131,598.00	(4,732.12)
Commodities	17,019.97	19,483.97	14,600.00	4,883.97
Capital Outlay	4,099.40	60,362.63	70,000.00	(9,637.37)

CITY OF PARSONS, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
Lake				
Personal Services	\$ 87,339.84	\$ 92,559.88	\$ 93,660.00	\$ (1,100.12)
Contractual Services	63,834.25	24,340.14	28,541.00	(4,200.86)
Commodities	20,594.40	35,234.81	15,795.00	19,439.81
Capital Outlay	-	-	45,000.00	(45,000.00)
Debt Service				
Principal	465,568.11	-	1,028,115.00	(1,028,115.00)
Interest	372,546.43	-	-	-
Operating Transfers to				
Bond and Interest Fund	-	861,903.06	-	861,903.06
FCIP Project Fund	168,412.30	190,000.00	-	190,000.00
Total Certified Budget			2,885,001.00	218,807.68
Adjustments for Qualifying Budget Credits			30,151.03	(30,151.03)
Total Expenditures	<u>2,638,112.37</u>	<u>3,103,808.68</u>	<u>\$ 2,915,152.03</u>	<u>\$ 188,656.65</u>
Receipts Over(Under) Expenditures	164,782.16	(263,527.63)		
Unencumbered Cash, Beginning	<u>2,053,548.95</u>	<u>2,218,331.11</u>		
Unencumbered Cash, Ending	<u>\$ 2,218,331.11</u>	<u>\$ 1,954,803.48</u>		

CITY OF PARSONS, KANSAS
CIP WATER 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		
Other Revenues		
Reimbursed Expense	\$ -	\$ 114,378.80
Total Receipts	-	114,378.80
Expenditures		
Capital Improvements		
Capital Outlay	21,345.00	2,781.12
Total Expenditures	21,345.00	2,781.12
Receipts Over(Under) Expenditures	(21,345.00)	111,597.68
Unencumbered Cash, Beginning	(44,024.44)	(65,369.44)
Prior Year Cancelled Encumbrances	-	68,150.56
Unencumbered Cash, Ending	<u>\$ (65,369.44)</u>	<u>\$ 114,378.80</u>

CITY OF PARSONS, 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				
Wastewater Receipts	\$ 1,648,523.84	\$ 1,864,312.96	\$ 1,925,600.00	\$ (61,287.04)
Use of Money and Property				
Interest Income	2,526.92	788.68	-	788.68
Other Revenues				
Miscellaneous	11,548.79	60,683.14	-	60,683.14
Reimbursed Expenses	15,525.50	139.86	-	139.86
Total Receipts	<u>1,678,125.05</u>	<u>1,925,924.64</u>	<u>\$ 1,925,600.00</u>	<u>\$ 324.64</u>
Expenditures				
Treatment				
Personal Services	222,066.10	255,854.26	\$ 255,613.00	\$ 241.26
Contractual Services	220,823.45	281,083.14	276,876.00	4,207.14
Commodities	34,268.09	35,444.28	35,116.00	328.28
Capital Outlay	32,781.02	34,578.49	27,719.00	6,859.49
Collections				
Personal Services	120,434.83	168,526.66	169,740.00	(1,213.34)
Contractual Services	21,239.17	23,959.74	29,900.00	(5,940.26)
Commodities	83,619.98	83,464.70	92,392.00	(8,927.30)
Capital Outlay	26,853.51	51,328.67	153,000.00	(101,671.33)
Administration				
Personal Services	154,100.94	191,987.46	191,504.00	483.46
Contractual Services	41,207.30	46,865.39	46,668.00	197.39
Commodities	777.83	2,568.64	2,763.00	(194.36)

CITY OF PARSONS, 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	
Expenditures				
Debt Service				
Principal	\$ 463,160.78	\$ 414,032.67	\$ 503,984.00	\$ (89,951.33)
Interest	180,715.24	158,353.88	-	158,353.88
Operating Transfers to:				
FCIP Project Fund	57,649.59	65,000.00	65,000.00	-
Bond and Interest Fund	-	21,679.38	-	21,679.38
Total Certified Budget			1,850,275.00	(15,547.64)
Adjustments for Qualifying Budget Credits			139.86	(139.86)
Total Expenditures	<u>1,659,697.83</u>	<u>1,834,727.36</u>	<u>\$ 1,850,414.86</u>	<u>\$ (15,687.50)</u>
Receipts Over(Under) Expenditures	18,427.22	91,197.28		
Unencumbered Cash, Beginning	<u>370,242.27</u>	<u>388,669.49</u>		
Unencumbered Cash, Ending	<u>\$ 388,669.49</u>	<u>\$ 479,866.77</u>		

CITY OF PARSONS, KANSAS
COPC CIP SEWER 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		
Intergovernmental		
Federal Grants - CDBG	\$ 304,194.00	\$ 50,893.00
Use of Money and Property		
Revolving Loan Proceeds	-	85,045.43
Total Receipts	<u>304,194.00</u>	<u>135,938.43</u>
Expenditures		
Capital Improvements		
Capital Outlay	<u>366,694.34</u>	<u>72,464.24</u>
Total Expenditures	<u>366,694.34</u>	<u>72,464.24</u>
Receipts Over(Under) Expenditures	(62,500.34)	63,474.19
Unencumbered Cash, Beginning	<u>19,597.84</u>	<u>(42,902.50)</u>
Unencumbered Cash, Ending	<u>\$ (42,902.50)</u>	<u>\$ 20,571.69</u>

CITY OF PARSONS, 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 Fees	\$ 998,628.06	\$ 1,003,416.87	\$ 1,076,911.00	\$ (73,494.13)
Polycart Rentals	51,975.90	53,536.00	-	53,536.00
Use of Money and Property				
Interest Income	4,291.01	1,293.66	1,300.00	(6.34)
Royalties	6,766.80	-	-	-
Other Revenues				
Donations	3,193.26	-	-	-
Miscellaneous	5,539.25	5,557.50	-	5,557.50
State Sales Tax	4,575.71	4,805.98	-	4,805.98
Reimbursed Expenses	4,926.09	5,450.59	-	5,450.59
Total Receipts	<u>1,079,896.08</u>	<u>1,074,060.60</u>	<u>\$ 1,078,211.00</u>	<u>\$ (4,150.40)</u>
Expenditures				
General Utility Services				
Personal Services	453,188.30	501,165.74	\$ 491,392.00	\$ 9,773.74
Contractual Services	359,271.24	426,983.62	414,700.00	12,283.62
Commodities	119,428.77	95,864.35	93,300.00	2,564.35
Capital Outlay	5,540.07	336,114.76	357,000.00	(20,885.24)
Total Certified Budget			<u>1,356,392.00</u>	<u>3,736.47</u>
Adjustments for Qualifying				
Budget Credits			5,450.59	(5,450.59)
Total Expenditures	<u>937,428.38</u>	<u>1,360,128.47</u>	<u>\$ 1,361,842.59</u>	<u>\$ (1,714.12)</u>
Receipts Over(Under) Expenditures	142,467.70	(286,067.87)		
Unencumbered Cash, Beginning	<u>549,148.65</u>	<u>691,616.35</u>		
Unencumbered Cash, Ending	<u>\$ 691,616.35</u>	<u>\$ 405,548.48</u>		

CITY OF PARSONS, KANSAS
STORMWATER 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				
Stormwater Receipts	\$ 155,009.66	\$ 153,961.40	\$ 156,000.00	\$ (2,038.60)
Use of Money and Property				
Interest Income	1,629.63	541.31	1,000.00	(458.69)
Total Receipts	156,639.29	154,502.71	\$ 157,000.00	\$ (2,497.29)
Expenditures				
General Utility Services				
Personal Services	-	-	\$ 30,000.00	\$ (30,000.00)
Contractual Services	300.00	1,332.34	5,000.00	(3,667.66)
Commodities	21,437.20	26,845.13	13,000.00	13,845.13
Capital Outlay	42,339.07	9,691.00	140,000.00	(130,309.00)
Debt Service				
Principal	15,534.87	16,055.06	16,700.00	(644.94)
Interest	1,404.01	883.82	-	883.82
Total Expenditures	81,015.15	54,807.35	\$ 204,700.00	\$ (149,892.65)
Receipts Over(Under) Expenditures	75,624.14	99,695.36		
Unencumbered Cash, Beginning	187,428.66	263,052.80		
Unencumbered Cash, Ending	\$ 263,052.80	\$ 362,748.16		

CITY OF PARSONS, KANSAS
EPA COMPLIANCE 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				
EPA Compliance Receipts	\$ -	\$ 210,849.05	\$ 255,470.00	\$ (44,620.95)
Use of Money and Property				
Interest Income	-	35.73	-	35.73
Total Receipts	-	210,884.78	\$ 255,470.00	\$ (44,585.22)
Expenditures				
General Utility Services				
Capital Outlay	-	143,729.00	\$ 216,600.00	\$ (72,871.00)
Total Expenditures	-	143,729.00	\$ 216,600.00	\$ (72,871.00)
Receipts Over(Under) Expenditures	-	67,155.78		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 67,155.78		

CITY OF PARSONS, KANSAS
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		
Sale of Equipment and Property	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Capital Improvements		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	17,333.21	17,333.21
Unencumbered Cash, Ending	\$ 17,333.21	\$ 17,333.21

CITY OF PARSONS, KANSAS
EQUIPMENT MAINTENANCE 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		
Charges for Services		
Maintenance Internal Charges	\$ 122,261.20	\$ 216,912.59
Total Receipts	<u>122,261.20</u>	<u>216,912.59</u>
Expenditures		
General Government		
Personal Services	73,792.35	110,958.54
Contractual Services	35,354.52	80,903.01
Commodities	<u>13,734.09</u>	<u>24,883.75</u>
Total Expenditures	<u>122,880.96</u>	<u>216,745.30</u>
Receipts Over(Under) Expenditures	(619.76)	167.29
Unencumbered Cash, Beginning	<u>742.61</u>	<u>122.85</u>
Unencumbered Cash, Ending	<u>\$ 122.85</u>	<u>\$ 290.14</u>

CITY OF PARSONS, KANSAS
HEALTH INSURANCE 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		
Charges for Services		
Employer Internal Charges	\$ 795,304.34	\$ 744,320.77
Use of Money and Property		
Interest Income	4,622.51	1,191.03
Other Revenues		
Flexible Spending	12,586.50	14,567.00
Miscellaneous	7,679.06	-
Reimbursed Expense	23,172.41	23,700.23
Total Receipts	843,364.82	783,779.03
Expenditures		
General Government		
Personal Services	35,732.60	-
Contractual Services	933,707.42	823,338.24
Total Expenditures	969,440.02	823,338.24
Receipts Over(Under) Expenditures	(126,075.20)	(39,559.21)
Unencumbered Cash, Beginning	858,845.04	732,769.84
Unencumbered Cash, Ending	\$ 732,769.84	\$ 693,210.63

CITY OF PARSONS, KANSAS
D.V. REED TRUST 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	\$ 13.00	\$ 12.26
Other Revenues		
Donations	9,373.64	11,032.52
Total Receipts	9,386.64	11,044.78
Expenditures		
Culture and Recreation		
Contractual Services	8,554.00	12,436.00
Total Expenditures	8,554.00	12,436.00
Receipts Over(Under) Expenditures	832.64	(1,391.22)
Unencumbered Cash, Beginning	633.01	1,465.65
Unencumbered Cash, Ending	\$ 1,465.65	\$ 74.43

CITY OF PARSONS, KANSAS
OAKWOOD CEMETERY PERPETUAL CARE FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year Actual
Receipts		
Other Revenues		
Donations	\$ 4,560.00	\$ 4,510.00
Total Receipts	<u>4,560.00</u>	<u>4,510.00</u>
Expenditures		
Perpetual Care		
Capital Outlay	<u>30,530.00</u>	<u>18,647.43</u>
Total Expenditures	<u>30,530.00</u>	<u>18,647.43</u>
Receipts Over(Under) Expenditures	(25,970.00)	(14,137.43)
Unencumbered Cash, Beginning	<u>115,415.78</u>	<u>89,445.78</u>
Unencumbered Cash, Ending	<u>\$ 89,445.78</u>	<u>\$ 75,308.35</u>

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

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Fire Insurance Proceeds	\$ 7,620.00	\$ 38,172.55	\$ 7,370.82	\$ 38,421.73
Farm History Center	25,979.29	12,222.00	9,725.49	28,475.80
Arts and Humanities Board	5,765.94	2,760.98	2,080.77	6,446.15
Tree Board	928.55	-	50.00	878.55
Senior Center Board	78,489.98	13,621.47	6,316.66	85,794.79
Operations Bright Touch	2,747.42	1,062.00	2,023.67	1,785.75
Memorials/Donations	3,932.64	-	-	3,932.64
Grants	(1,917.51)	60,801.83	57,793.37	1,090.95
	<u>\$ 123,546.31</u>	<u>\$ 128,640.83</u>	<u>\$ 85,360.78</u>	<u>\$ 166,826.36</u>

FEDERAL COMPLIANCE SECTION

CITY OF PARSONS, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Cash Receipts	Federal Expenditures
<u>U.S. Department of Justice</u>				
Direct Programs:				
Edward Byrne Memorial Formula Grant Program 2010	N/A	16.579	\$ 8,959.68	\$ 8,959.68
Edward Byrne Memorial Formula Grant Program 2011	N/A	16.579	6,941.40	6,941.40
Edward Byrne Memorial Formula Grant Program 2012	N/A	16.579	11,802.00	11,802.00
		Total 16.579	<u>27,703.08</u>	<u>27,703.08</u>
Community Oriented Policing Services - ARRA	N/A	16.710	-	29,595.21
Total U.S. Department of Justice			<u>27,703.08</u>	<u>57,298.29</u>
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Rural Business Enterprise Grant - Revolving Loan Funds	N/A	10.769	26,666.67	26,666.67
Total U.S. Department of Agriculture			<u>26,666.67</u>	<u>26,666.67</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through the Kansas Housing Resources Corporation				
Home Investment Partnership Program	HR09-0153	14.239	106,795.00	115,613.70
Passed through the Kansas Department of Commerce				
Community Development Block Grant	10-PF-048	14.218	50,893.00	-
Total U.S. Department of Housing and Urban Development			<u>157,688.00</u>	<u>115,613.70</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Airport Improvement Program 3-20-0067-06	N/A	20.106	8,557.00	-
Airport Improvement Program 3-20-0067-07	N/A	20.106	28,436.00	-
Airport Improvement Program 3-20-0067-08	N/A	20.106	11,181.00	9,918.00
Airport Improvement Program 3-20-0067-09	N/A	20.106	233,744.00	238,873.00
		Total 20.106	<u>281,918.00</u>	<u>248,791.00</u>

CITY OF PARSONS, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Identifying Number	CFDA #	Cash Receipts	Federal Expenditures
<u>U.S. Department of Transportation (Continued)</u>				
Passed through the Kansas Department of Transportation				
Click Step Special Program	SP-1300-12	20.600	\$ 4,002.27	\$ 4,002.27
Occupant Protection Incentive Grants	OP-1463-13	20.602	472.88	472.88
Surface Transportation Project - ARRA	TE-0279-01	20.605	500.00	-
Total U.S. Department of Transportation			286,893.15	253,266.15
<u>U.S. Department of Homeland Security</u>				
Direct Grant				
Assistance to Firefighters Grant - Radios	N/A	97.044	484,390.00	483,300.55
Assistance to Firefighters Grant - Fit Test	N/A	97.044	10,923.00	10,923.00
		Total 97.044 (M)	495,313.00	494,223.55
Passed through Southeast Regional Homeland Security Council				
State Homeland Security Program - Noncash	NONE	97.067	41,394.94	41,394.94
Passed through the Kansas Division of Emergency Management				
Public Disaster Assistance	FEMA-1849-DR-KS	97.036	-	62,877.70
Total U.S. Department of Homeland Security			536,707.94	598,496.19
Total Expenditures of Federal Awards			\$ 1,035,658.84	\$ 1,051,341.00

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Parsons, Kansas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(M) = Major Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

Honorable Mayor and City Commissioners
City of Parsons, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Parsons, Kansas, as of and for the year ended December 31, 2012, and the related notes to the financial statement, which collectively comprise the City of Parsons, Kansas' basic financial statement, and have issued our report thereon dated April 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Parsons, Kansas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Parsons, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Parsons, Kansas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Parsons, Kansas' financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

April 10, 2013
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133**

Independent Auditors' Report

Honorable Mayor and City Commissioners
City of Parsons, Kansas

Report on Compliance for Each Major Federal Program

We have audited the City of Parsons, Kansas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Parsons, Kansas' major federal programs for the year ended December 31, 2012. The City of Parsons, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Parsons, Kansas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Parsons, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Parsons, Kansas' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Parsons complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the City of Parsons, Kansas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Parsons, Kansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Parsons, Kansas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

April 10, 2013
Chanute, Kansas

CITY OF PARSONS, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

The auditors' report expresses a qualified opinion on the financial statements of City of Parsons, Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	___X___	No
Significant deficiencies identified that are not considered to be a material weakness?	_____	Yes	___X___	No
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	___X___	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	___X___	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	___X___	No

The auditors' report on compliance for the major federal award programs for City of Parsons, Kansas expresses an unqualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	Yes	___X___	No
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Identification of major programs:

U.S. Department of Homeland Security

Assistance to Firefighters Grant – CFDA No. 97.044

The threshold for distinguishing Types A and B programs was \$300,000.00.

Auditee qualified as a low risk auditee?	___X___	Yes	_____	No
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II. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

CITY OF PARSONS, KANSAS

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2012

December 31, 2011:

No Findings in the Prior Year Audit