

CITY OF PAOLA
Paola, Kansas

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2013

CITY OF PAOLA, KANSAS

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Paola, Kansas
Paola, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Paola, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 C of the financial statement, the financial statement is prepared by the City of Paola, 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 C 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 of 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 City of Paola, Kansas as of December 31, 2013, or changes in financial position and cash flows therefor 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 Paola, Kansas as of December 31, 2013, 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 C.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Agler & Gaeddert, Chartered

Agler & Gaeddert, Chartered
May20, 2014

City of Paola, Kansas

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2013**

	<u>Beginning Unencumbered Cash Balances</u>	<u>Receipts</u>
General Fund	\$ <u>737,328</u>	\$ <u>3,701,284</u>
Special Purpose Funds		
Library	31,921	266,480
Employee Benefit	470,242	1,081,914
Family Aquatics Center	198,223	234,887
Community Center	34,165	113,740
Storm Water Management	193,408	82,224
Special Park and Recreation	12,189	11,041
Street Repair/Special Highway	65,616	140,719
Transient Guest Tax	94,967	34,206
Special Law Enforcement Account	12,532	1,436
Family Aquatics Center Equipment Reserve	1,339,977	5,172
Escrow Proceeds	23,010	29,830
Mennenoah Cemetery	36,923	145
Special Grants Fund	2,503	12,519
Drug Enforcement Account	609	1,680
Library Genealogy	<u>2,261</u>	<u>1</u>
	<u>2,518,546</u>	<u>2,014,313</u>
Debt Service Funds		
Bond and Interest	<u>277,960</u>	<u>1,842,269</u>
Capital Projects Funds		
Waste Water Treatment Plant Construction	769,709	3,020
Equipment Replacement	47,037	66,300
Capital Projects Fund	2,559,495	1,424,494
General Obligation Bond	<u>7,718</u>	<u>0</u>
	<u>3,383,959</u>	<u>1,493,814</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 3,668,688	\$ 769,924	\$ 0	\$ 769,924
249,715	48,686	0	48,686
1,009,709	542,447	11,992	554,437
219,473	213,637	0	213,637
116,899	31,006	0	31,006
73,087	202,545	0	202,545
3,514	19,716	0	19,716
156,710	49,625	0	49,625
40,816	88,357	0	88,357
12,104	1,864	0	1,864
150,000	1,195,149	0	1,195,149
52,840	0	0	0
0	37,068	0	37,068
2,341	12,681	0	12,681
1,340	949	0	949
0	2,262	0	2,262
<u>2,087,208</u>	<u>2,442,781</u>	<u>11,992</u>	<u>2,457,982</u>
<u>1,967,139</u>	<u>153,090</u>	<u>0</u>	<u>153,090</u>
0	772,729	0	772,729
72,939	40,398	0	40,398
1,551,974	2,432,015	0	2,432,015
7,718	0	0	0
<u>1,632,631</u>	<u>3,245,142</u>	<u>0</u>	<u>3,245,142</u>

City of Paola, Kansas

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2013**

	<u>Beginning Unencumbered Cash Balances</u>	<u>Receipts</u>
Business Funds		
Water Utility		
Operating	\$ 228,468	\$ 1,840,215
Water Treatment Plant	266,817	1,047
Sewer Service		
Operating	121,879	716,595
Sewer Line Replacement	153,019	7,609
Wastewater Treatment Plant	719,670	427,314
Health and Sanitation		
Operating	<u>6,779</u>	<u>336,517</u>
	<u>1,496,632</u>	<u>3,329,297</u>
	\$ <u><u>8,414,425</u></u>	\$ <u><u>12,380,977</u></u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balances</u>
\$ 1,907,124	\$ 161,559	\$ 0	\$ 161,559
0	267,864	0	267,864
665,202	173,272	0	173,272
0	160,628	0	160,628
483,790	663,194	0	663,194
<u>320,396</u>	<u>22,900</u>	<u>0</u>	<u>22,900</u>
<u>3,376,512</u>	<u>1,449,417</u>	<u>0</u>	<u>1,449,417</u>
<u>\$ 12,732,178</u>	<u>\$ 8,060,354</u>	<u>\$ 11,992</u>	<u>\$ 8,075,555</u>

Cash balance consisting of

Balance on deposit

Checking, money market accounts & petty cash \$ 3,586,660

Certificates of deposit 4,500,256

Total cash 8,086,916

Agency Funds Per Schedule 3 (11,361)

Total cash (excluding agency funds) \$ 8,075,555

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Paola is a municipal corporation governed by a mayor/council/manager form of government. These financial statements present the government and its related municipal entities, entities for which the government is considered to be financially accountable.

Related Municipal Entities

The Paola Free Library is governed by a board appointed by the City Council. The Library's budget and its expenditures and contractual arrangements, are approved by the City council. The Library has been included in the accompanying financial statements as a special purpose fund of the primary government.

Other Entities

The Paola Housing Authority has been omitted from the accompanying financial statements. The Paola Housing Authority Board is appointed by the City Council and oversees the operations of the Housing Authority. The financial statements of the Housing Authority are audited annually as of the Authority's fiscal year end (March 31). Those financial statements are issued separately, and may be obtained at City Hall.

The City entered into a joint venture with the City of Louisburg for the purpose of developing a public utility to treat and disburse water to the two cities. The water treatment plant has been completed and is in operation. Both Cities provide labor, supplies and administrative costs to the operation for which both are reimbursed.

The Public Building Commission activity is included in these financial records as part of the City's activity. There is no separate accounting by the Public Building Commission of its activity.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potential could have the following types of funds.

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

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

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments 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 part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE B. REGULATORY BASIS FUND TYPES - continued

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any funds of this type.

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

NOTE C. 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 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Paola, Kansas has approved a resolution that it 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.

NOTE D. BUDGETARY INFORMATION

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE D. BUDGETARY INFORMATION - 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 the following special purpose funds and capital project funds:

Special Law	Special Grants	Wastewater Treatment Plant Construction
Family Aquatics Center Equipment	Drug Enforcement Account	Equipment Replacement
Escrow	Library Genealogy	Capital Projects
Mennenoah Cemetery	General Obligation Bonds	

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

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the City or in an adjoining City if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

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

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

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2013.

At December 31, 2013, the carrying amount of the City's bank deposits was \$8,086,914 (which includes petty cash funds) and the bank balance was \$8,377,911. The bank balance was held by four banks resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and \$7,377,911 was collateralized with securities held by the pledging financial institution's agents in the City's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE F. LONG-TERM DEBT

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Maturity
General obligation bonds:				
Series 2006 A	3.5-5.0	11/15/06	1,660,000	09/01/16
Series 2006 B	3.65-5.0	11/15/06	325,000	09/01/17
Series 2007 A	4.0-4.5	12/01/07	2,840,000	12/01/26
Series 2007	4.0-4.375	12/01/07	3,750,000	12/01/26
Series 2008	3.25-4.25	09/25/08	3,660,000	05/01/21
Series 2012	2.00-2.125	11/01/12	2,055,000	11/01/21
Refunding Series 2012	2.00-3.20	09/01/12	7,525,000	09/01/31
Capital leases:				
Fire Heavy Rescue Vehicle	4.68	07/11/07	231,500	07/11/17
Street Sweeper	3.49	11/18/10	115,000	11/01/14
Police Cars	3.45	01/07/11	45,520	01/07/13

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:						
Series 2006 A	\$ 175,000	\$ 0	\$ 175,000	\$ (175,000)	\$ 0	\$ 6,300
Series 2006 B	185,000	0	35,000	(35,000)	150,000	6,962
Series 2007 A	2,720,000	0	110,000	(110,000)	2,610,000	116,759
Series 2007	2,860,000	0	230,000	(230,000)	2,630,000	120,062
Series 2008	2,410,000	0	325,000	(325,000)	2,085,000	93,210
Series 2012	1,920,000	0	200,000	(200,000)	1,720,000	38,688
Refunding Series 2012	7,490,000	0	315,000	(315,000)	7,175,000	194,978
Total bonds	\$ 17,760,000	\$ 0	\$ 1,390,000	\$ (1,390,000)	\$ 16,370,000	\$ 576,959

	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital leases:						
Fire Heavy Rescue Vehicle	\$ 128,949	\$ 0	\$ 23,488	\$ (23,488)	\$ 105,461	\$ 6,035
Street Sweeper	59,319	0	29,306	(29,306)	30,013	2,070
Police Cars	23,145	0	23,145	(23,145)	0	801
Total for leases	211,413	0	75,939	(75,939)	135,474	8,906
Total for all debt	\$ 17,971,413	\$ 0	\$ 1,465,939	\$ (1,465,939)	\$ 16,505,474	\$ 585,865

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

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE F. LONG-TERM DEBT – continued

	Year				
	2014	2015	2016	2017	2018
Principal:					
Bonds	\$ 1,480,000	\$ 1,570,000	\$ 1,440,000	\$ 1,480,000	\$ 1,125,000
Capital Leases	54,600	25,737	26,935	28,202	0
	<u>1,534,600</u>	<u>1,595,737</u>	<u>1,466,935</u>	<u>1,508,202</u>	<u>1,125,000</u>
Interest:					
Bonds	552,468	501,191	447,501	395,016	342,401
Capital Leases	5,983	3,785	2,588	1,319	0
	<u>558,451</u>	<u>504,976</u>	<u>450,089</u>	<u>396,335</u>	<u>342,401</u>
Total Principal & Interest	\$ <u>2,093,051</u>	\$ <u>2,100,713</u>	\$ <u>1,917,024</u>	\$ <u>1,904,537</u>	\$ <u>1,467,401</u>

	Year			Total
	2019-2023	2024-2028	2029-2031	
Principal:				
Bonds	\$ 5,485,000	\$ 2,380,000	\$ 1,410,000	\$ 16,370,000
Capital Leases	0	0	0	135,474
	<u>5,485,000</u>	<u>2,380,000</u>	<u>1,410,000</u>	<u>16,505,474</u>
Interest:				
Bonds	998,099	425,888	90,620	3,753,184
Capital Leases	0	0	0	13,675
	<u>998,099</u>	<u>425,888</u>	<u>90,620</u>	<u>3,766,859</u>
Total Principal & Interest	\$ <u>6,483,099</u>	\$ <u>2,805,888</u>	\$ <u>1,500,620</u>	\$ <u>20,272,333</u>

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2013, the statutory limit for the City was \$13,690,281 providing a debt margin of \$10,930,287 after removing debt exempt from the limitation.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From:</u>	<u>To:</u>	<u>Authority</u>	<u>Amount</u>
General	Bond and Interest	12-825d	\$ 58,582
General	Community Center	12-1118	78,000
General	Employee Benefit	12-1118	313,000
General	Sewer Service	12-1118	30,000
Library	Employee Benefit	12-1118	32,500
Family Aquatics Center	Employee Benefit	12-1118	39,300
Community Center	Employee Benefit	12-1118	13,333
Storm Water Management	Employee Benefit	12-1118	5,000
Storm Water Management	Bond and Interest	12-825d	10,000
Family Aquatics Center Equipment Reserve	Family Aquatics Center	12-1118	150,000
Capital Projects	Bond and Interest	12-1118	1,006,960
Water Utility	Employee Benefit	12-1118	135,100
Water Utility	Bond and Interest	12-825d	50,000
Sewer Service	Employee Benefit	12-1118	133,000
Sewer Service	Sewer Line Replacement	12-1118	7,000
Waste Water Treatment Plant	Bond and Interest	12-825d	313,376
Waste Water Treatment Plant	Employee Benefit	12-1118	15,000
Waste Water Treatment Plant	Capital Projects	12-1118	48,581
Health & Sanitation	Employee Benefit	12-1118	4,000
Street repair	Employee Benefit	12-1118	4,000
			<u>\$ 2,446,732</u>

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits:

As provided by K.S.A. 12-5040, the City 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 retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), 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.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All employees of the City working 20 or more hours per week are eligible to participate in the plan beginning the first day of a pay period following coincidental with an employee's satisfaction of eligibility requirements of any Optional Benefit Plan. Each participant may elect to reduce his or her salary, subject to the limitations of the Individual Optional Benefit plans, to purchase benefits offered through the Plan. All benefits offered through the plan involve insurance coverage, dependent care reimbursements and health expense reimbursements.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued

Compensated Absences:

Vacation Pay - Full-time employees are entitled to paid vacation leave time according to one of the following schedules:

- (a) Full-time employees hired prior to January 1, 1992:

The employee shall be credited with ninety-six (96) hours for each year for up to ten (10) years. Employees with more than ten (10) years of service shall be entitled to eight (8) additional hours for each year of service longer than ten (10) years.

Full-time employees hired after January 1, 1992:

Years of Continuous Employment:	0 to 5	5 to 10	10 to 15	over 15
Hours earned per bi-weekly pay period:	3.6923	4.6153	5.5384	6.4615

- (b) New employees shall be awarded vacation time beginning on the first day of the month following (30) days of employment.
- (c) Employees may accumulate vacation leave time up to the maximum of two hundred (200) hours. An employee shall not earn additional vacation leave during any time period that the employee maintains the two hundred (200) hours maximum accumulation.
- (d) Off-duty employees on a leave of absence without pay for more than seven (7) working days in any one (1) calendar month shall not be eligible for earning vacation time during such month.
- (e) Vacation schedules are established by the Department Heads. Vacation time shall be reported as prescribed by the Human Resources Director and shall be taken as follows:

Employees who work 8 hour days	Increments of four (4) hours
Employees who work 10 hour days	Increments of five (5) hours

- (f) Bonus personal time shall be rewarded to employees not using sick leave as prescribed by the following schedule:

Hours of Sick Leave Used	Personal Hours Awarded
0 – 3	24
4 – 8	16
9 – 16	8
17 or more	0

To qualify for bonus personal time, an employee must have been employed by the City for the entire calendar year. Bonus personal time is awarded in the first pay period of the calendar year and must be used prior to the end of the calendar year that it is awarded or it shall be cancelled without any payment due to the employee. Bonus personal time may be taken in 1 hour increments.

- (g) Employees shall receive payment for unused vacation time upon voluntary or involuntary termination of employment. As of December 31, 2013, the unused vacation time represented a potential liability to the City in the amount of \$171,738.

Sick Pay - Full-time employees may accumulate up to 180 days of sick leave. Twenty-five percent (25%) of unused sick leave will be paid upon termination of employment if in good standing. At December 31, 2013 City employees had accumulated 2,585 sick leave days, representing a potential liability to the City of \$125,389 if paid upon termination. There is no accrual for vacation or sick leave in these financial statements.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE I. DEFINED BENEFIT PENSION PLAN

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

Funding policy - KSA 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The 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. The employer rate established for calendar year 2013 for KPERS is 7.94% and for KP&F is 17.26%.

NOTE J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality. Management is not aware of any violations of Kansas Statutes.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas 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 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Reimbursements: The City of Paola records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenues to the fund receiving the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursement.

CITY OF PAOLA, KANSAS

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE K. OTHER INFORMATION - continued

Comparative Prior Year Amounts: The 2012 actual amounts presented in the financial statements have been taken from the audit report for the year ended December 31, 2013 and are presented for comparative purposes only. Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Special assessments: Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

Use of Estimates: The preparation of financial statements in conformity with cash basis and budget basis of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Lease Purchase Agreement: The City purchased a land site to be developed into a public park using monies from the Swimming pool sales tax surplus fund. The General Fund has a lease purchase agreement to purchase the site. The semi-annual payments are due over a period of 9 years with the last payment on March 15, 2013. The annual average effective interest cost of this Agreement is 4.00% per annum. The property legal description is:

Lot 1, Block 1, Country Club Heights Addition commonly known as 1 Brookside Drive.

NOTE L SUBSEQUENT EVENTS

Subsequent Events: The City evaluated subsequent events through May 20, 2014, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Paola, Kansas

Schedule 1

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
(Budgeted Funds Only)
For the Year Ended December 31, 2013**

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Fund	\$ 4,093,260	\$ 0	\$ 4,093,260	\$ 3,668,688	\$ (424,572)
Special Purpose Funds					
Library	289,903	0	289,903	249,715	(40,188)
Employee Benefit	1,466,800	0	1,466,800	1,009,709	(457,091)
Family Aquatics Center	424,986	0	424,986	219,473	(205,513)
Community Center	151,747	0	151,747	116,899	(34,848)
Storm Water Management	259,358	0	259,358	73,087	(186,271)
Special Park and Recreation	16,472	0	16,472	3,514	(12,958)
Street Repair/Special Highway	204,884	0	204,884	156,710	(48,174)
Transient Guest Tax	123,800	0	123,800	40,816	(82,984)
Debt Service Funds					
Bond and Interest	2,154,336	0	2,154,336	1,967,139	(187,197)
Business Funds					
Water Utility					
Operating	2,390,937	0	2,390,937	1,907,124	(483,813)
Water Treatment Plant	268,719	0	268,719	0	(268,719)
Sewer Service					
Operating	816,973	0	816,973	665,202	(151,771)
Sewer Line Replacement	160,603	0	160,603	0	(160,603)
Wastewater Treatment Plant	1,083,969	0	1,083,969	483,790	(600,179)
Health and Sanitation					
Operating	347,783	0	347,783	320,396	(27,387)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual	Actual	Budget	Actual	
Cash receipts					
Taxes					
Ad valorem property tax	\$ 1,101,555	\$ 1,120,204	\$ 1,098,150	\$ 22,054	
Back tax collections	32,499	26,949	35,000	(8,051)	
Motor vehicle tax	104,964	114,609	108,742	5,867	
City sales tax	685,335	691,169	640,000	51,169	
County sales tax	473,519	486,862	425,000	61,862	
Sales tax	1,108	1,551	1,000	551	
In lieu of taxes	17,757	19,858	20,000	(142)	
	<u>2,416,737</u>	<u>2,461,202</u>	<u>2,327,892</u>	<u>133,310</u>	
Intergovernmental					
Liquor	13,627	10,986	11,000	(14)	
Grants	0	28,254	28,125	129	
Community fisheries program	6,489	6,489	6,000	489	
	<u>20,116</u>	<u>45,729</u>	<u>45,125</u>	<u>604</u>	
Licenses, fees and permits					
Franchise tax	429,226	498,977	432,000	66,977	
Pet licenses	1,106	575	800	(225)	
General licenses	26,575	26,175	22,000	4,175	
Lake permits	28,492	32,803	26,000	6,803	
Zoning/planning	700	4,550	2,000	2,550	
Building permits	74,746	66,749	30,000	36,749	
	<u>560,845</u>	<u>629,829</u>	<u>512,800</u>	<u>117,029</u>	
Charges for services					
Rural fire	66,185	52,996	70,000	(17,004)	
Fines, forfeitures, penalties					
Fines and fees	294,348	279,829	303,000	(23,171)	
Court costs	85,040	79,040	95,000	(15,960)	
Credit card transaction fees	1,260	1,680	2,000	(320)	
	<u>380,648</u>	<u>360,549</u>	<u>400,000</u>	<u>(39,451)</u>	
Use of money and property					
Rentals	29,588	36,000	27,500	8,500	
Cemetery	12,350	11,730	15,000	(3,270)	
Interest on investments	16,957	15,581	12,000	3,581	
	<u>58,895</u>	<u>63,311</u>	<u>54,500</u>	<u>8,811</u>	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Cash receipts - continued				
Other				
Reimbursed expense	\$ 87,269	\$ 83,034	\$ 69,000	\$ 14,034
Miscellaneous	4,671	4,634	4,000	634
	<u>91,940</u>	<u>87,668</u>	<u>73,000</u>	<u>14,668</u>
Total cash receipts	<u>3,595,366</u>	<u>3,701,284</u>	<u>3,483,317</u>	<u>217,967</u>
Expenditures				
Administration				
Full time salaries	118,532	122,315	123,650	(1,335)
Part time help	4,373	6,808	4,500	2,308
Overtime	17	621	100	521
Other personal services	2,484	2,484	2,485	(1)
Legal service	13,302	9,400	20,000	(10,600)
Telephone	5,075	4,065	5,000	(935)
Credit card transaction fees	1,399	1,837	1,000	837
Training, travel and dues	7,369	9,784	9,000	784
Printing	1,082	1,264	1,000	264
Advertising	540	1,305	400	905
Insurance	8,263	11,554	8,500	3,054
Utility charges	10,391	9,175	15,000	(5,825)
Other services	36,583	33,867	33,000	867
Civil defense sirens	4,339	1,689	3,413	(1,724)
Street lights	134,604	142,829	139,652	3,177
Economic development dues	7,500	7,500	7,500	0
Chamber of commerce dues	15,000	15,000	15,000	0
General office supplies	6,450	5,733	6,500	(767)
Postage	5,073	4,355	4,000	355
Gifts and memorials	231	273	200	73
Operational supplies	4,783	8,247	2,500	5,747
Consumables	0	11	0	11
Building and maintenance supplies	643	792	1,000	(208)
Cleaning supplies	123	658	250	408
Other operational supplies	77	77	100	(23)
Non sufficient funds checks	14,331	10,644	15,000	(4,356)
Miscellaneous	1,508	109	750	(641)
Computer equip. & software	0	204	0	204
Refunds	249	0	500	(500)
Sales tax	1,091	1,324	1,000	324
	<u>405,412</u>	<u>413,924</u>	<u>421,000</u>	<u>(7,076)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Police department				
Full time salaries	\$ 877,649	\$ 931,847	\$ 952,500	\$ (20,653)
Part time help	17,074	15,094	12,000	3,094
Overtime	52,027	47,084	38,000	9,084
Holiday overtime	32,649	35,490	32,500	2,990
Legal services	4,200	600	500	100
Communications equipment	1,655	1,710	1,500	210
Telephone	14,149	12,389	12,000	389
Training, travel and dues	16,548	16,308	16,000	308
Advertising	185	1,026	200	826
Insurance	16,923	18,327	16,923	1,404
Lease payments	23,946	23,964	23,946	18
Animal care	12,622	17,265	10,000	7,265
Utilities	24,012	25,021	25,000	21
Other services	19,788	20,811	22,000	(1,189)
Office supplies	4,851	5,712	4,000	1,712
Postage	1,912	1,707	2,000	(293)
Gifts and memorials	50	0	50	(50)
Operational supplies	11,460	11,770	12,000	(230)
DARE supplies	2,454	1,788	2,156	(368)
Vehicle maintenance	12,606	16,108	10,000	6,108
Equipment maintenance	2,148	4,481	4,000	481
Building maintenance	10,729	7,917	12,000	(4,083)
Cleaning supplies	1,731	2,293	1,100	1,193
Motor fuel and lubrication	38,971	41,605	38,000	3,605
Uniforms	9,488	8,970	7,000	1,970
Enforcement equip. & supplies	10,675	12,828	12,000	828
Non Sufficient Funds Checks	356	0	500	(500)
Miscellaneous supplies	1,065	64	1,000	(936)
Office equipment	2,445	220	2,495	(2,275)
Computer equip. & software	8,219	10,130	20,330	(10,200)
Equipment, bldg. & grounds	1,067	2,440	1,500	940
Motor vehicles	67	240	250	(10)
	<u>1,233,721</u>	<u>1,295,209</u>	<u>1,293,450</u>	<u>1,759</u>

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2012		2013		Variance Over (Under)
	Actual	Actual	Budget	Actual	
Fire department					
Full time salaries	\$ 142,640	\$ 124,810	\$ 151,000	\$ (26,190)	
Part time help	3,743	5,040	4,000	1,040	
Telephone	2,136	1,582	1,600	(18)	
Travel, dues and tags	6,422	2,779	7,000	(4,221)	
Insurance	14,142	15,031	14,000	1,031	
Lease payments	29,522	29,522	29,522	0	
Utilities	15,645	17,324	20,000	(2,676)	
Other contractual	6,050	7,562	6,000	1,562	
General office supplies	704	694	800	(106)	
Postage	62	100	100	0	
Gifts/memorials	130	599	300	299	
Operational supplies	8,775	11,789	17,550	(5,761)	
Vehicle maintenance	579	6,380	6,000	380	
Equipment maintenance	4,380	4,778	6,000	(1,222)	
Comm. equip. & maint.	10,704	6,944	9,000	(2,056)	
Building maintenance	6,153	12,337	4,000	8,337	
Cleaning supplies	416	307	1,000	(693)	
Motor fuel and lubrication	1,801	2,114	3,000	(886)	
Rural fuel	3,363	2,147	4,000	(1,853)	
Uniforms	945	3,519	3,000	519	
Protective clothing	8,689	7,426	10,000	(2,574)	
Computer equip. & software	0	2,543	2,000	543	
	<u>267,001</u>	<u>265,327</u>	<u>299,872</u>	<u>(34,545)</u>	
Municipal court					
Full time salaries	31,752	33,073	34,300	(1,227)	
Part time help	30,000	30,600	30,000	600	
Overtime	0	783	50	733	
Legal services	88,292	82,815	72,000	10,815	
Training, travel and dues	144	143	125	18	
Prisoner care	16,122	14,760	13,000	1,760	
Other contract	22,895	6,913	30,000	(23,087)	
Office supplies	2,378	1,607	1,500	107	
Non Sufficient Funds	1,170	3,006	5,500	(2,494)	
Postage	1,168	418	1,168	(750)	
Operational supplies	573	13,981	3,507	10,474	
Computer equip. & software	1,033	2,230	1,250	980	
Refunds	226	113	0	113	
	<u>195,753</u>	<u>190,442</u>	<u>192,400</u>	<u>(1,958)</u>	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Street department				
Full time salaries	\$ 198,798	\$ 214,458	\$ 224,000	\$ (9,542)
Part time help	8,022	5,858	0	5,858
Overtime	470	1,585	5,000	(3,415)
Telephone	2,304	1,982	2,200	(218)
Training, travel, dues	199	842	1,000	(158)
Advertising	250	150	500	(350)
Insurance	6,330	7,433	6,500	933
Lease payments	31,376	15,976	31,376	(15,400)
Utility charges	14,042	15,952	14,000	1,952
Other services	5,438	4,144	4,500	(356)
Tree care	5,140	5,000	5,000	0
General office supplies	936	641	1,000	(359)
Postage	53	0	0	0
Operational supplies	22,338	24,957	25,000	(43)
Vehicle maintenance	2,414	3,484	4,000	(516)
Snow/Ice Control	3,044	14,170	21,000	(6,830)
Equipment maintenance	25,260	27,114	27,500	(386)
Traffic	7,869	5,354	6,500	(1,146)
Building maintenance	2,700	1,658	3,000	(1,342)
Construction material	16,339	21,193	18,500	2,693
Motor fuel and lubrication	32,981	37,177	35,000	2,177
Uniforms	5,181	5,182	4,000	1,182
Miscellaneous supplies	0	83	0	83
Office equipment furniture	0	1,000	1,700	(700)
Computer equipment/ software	1,056	1,000	1,000	0
Equipment Building & Grounds	8,000	0	8,000	(8,000)
Motor vehicle/equipment	0	10,000	0	10,000
Miscellaneous capital items	72,948	80,000	80,000	0
	<u>473,488</u>	<u>506,393</u>	<u>530,276</u>	<u>(23,883)</u>
Park and recreation				
Full time salaries	161,549	148,806	165,000	(16,194)
Part time help	26,189	15,927	25,000	(9,073)
Overtime	182	1,593	1,000	593
Telephone	2,011	1,717	2,000	(283)
Training, travel and dues	816	653	1,000	(347)
Advertising	1,371	480	1,000	(520)
Insurance	5,026	5,753	5,100	653
Lease payments	7,114	600	7,114	(6,514)
Utility charges	33,379	35,496	28,000	7,496
Other services	17,693	13,746	14,836	(1,090)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Park and recreation - continued				
Tree care	\$ 1,740	\$ 4,550	\$ 5,000	\$ (450)
General office supplies	289	216	250	(34)
Operational supplies	10,509	7,668	10,000	(2,332)
Chemicals and fertilizer	594	1,384	3,000	(1,616)
Plant materials	2,667	3,632	2,500	1,132
Consumables	1,726	2,134	2,000	134
Vehicle maintenance	1,367	721	2,000	(1,279)
Equipment maintenance	6,596	7,434	8,000	(566)
Building maintenance	7,381	1,127	3,000	(1,873)
Construction material	2,425	0	2,500	(2,500)
Motor fuel and lubrication	17,189	18,853	16,000	2,853
Uniforms	2,343	1,842	2,500	(658)
Miscellaneous supplies	50	0	0	0
Computer Equip/ Software	1,018	0	0	0
Equipment/building & grounds	0	13,749	0	13,749
	<u>311,224</u>	<u>288,081</u>	<u>306,800</u>	<u>(18,719)</u>
Cemetery				
Full time salaries	46,245	47,651	47,963	(312)
Part time help	0	0	500	(500)
Overtime	2,027	2,095	2,500	(405)
Training, travel and dues	0	50	250	(200)
Advertising	48	48	50	(2)
Insurance	321	414	500	(86)
Lease payments	0	600	0	600
Utility charges	37	0	37	(37)
General office supplies	0	37	0	37
Operational supplies	377	624	3,000	(2,376)
Vehicle maintenance	424	431	500	(69)
Equipment maintenance	566	284	1,500	(1,216)
Building maintenance	0	0	250	(250)
Motor fuel and lube	3,528	3,195	3,500	(305)
Uniforms	438	356	500	(144)
	<u>54,011</u>	<u>55,785</u>	<u>61,050</u>	<u>(5,265)</u>

City of Paola, Kansas

Schedule 2a

GENERAL FUND - 01
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Community development					
Full time salaries	\$ 141,848	\$	146,902	\$ 147,700	\$ (798)
Part time help	0		0	2,000	(2,000)
Overtime	1,402		91	400	(309)
Professional services	7,592		5,600	3,000	2,600
Legal services	1,200		0	2,000	(2,000)
Telephone	3,607		2,637	3,500	(863)
Training, travel and dues	4,118		1,688	4,000	(2,312)
Legal printing	438		167	500	(333)
Insurance	391		521	400	121
Bottled water service	314		0	200	(200)
Other Contractual	5,334		9,419	5,000	4,419
General office supplies	1,493		1,828	2,500	(672)
Postage	0		80	0	80
Operational supplies	2,064		3,163	1,500	1,663
Vehicle maintenance	265		264	1,000	(736)
Building maintenance	162		75	500	(425)
Motor fuel and lubrication	1,607		1,423	2,000	(577)
Non sufficient funds checks	326		0	0	0
Miscellaneous	77		0	6,800	(6,800)
Computer equipment & software	854		65	5,000	(4,935)
Refunds	489		23	250	(227)
	<u>173,581</u>		<u>173,946</u>	<u>188,250</u>	<u>(14,304)</u>
Operating transfers	449,750		479,581	476,000	3,581
Appropriated reserve	<u>0</u>		<u>0</u>	<u>324,162</u>	<u>(324,162)</u>
Total expenditures and transfers subject to budget	<u>3,563,941</u>		<u>3,668,688</u>	<u>4,093,260</u>	<u>(424,572)</u>
Receipts over (under) expenditures	31,425		32,596		
Unencumbered cash, January 1	<u>705,903</u>		<u>737,328</u>		
Unencumbered cash, December 31	<u><u>\$ 737,328</u></u>	<u>\$</u>	<u><u>769,924</u></u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
 LIBRARY FUND - 02
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual	Actual	Budget		
Cash receipts					
Taxes					
Ad valorem property tax	\$ 208,271	\$ 207,674	\$ 203,565	\$	4,109
Back tax collections	6,141	5,086	5,500		(414)
Motor vehicle tax	19,843	21,667	20,558		1,109
In lieu of tax	495	887	250		637
	<u>234,750</u>	<u>235,314</u>	<u>229,873</u>		<u>5,441</u>
Intergovernmental					
State aid and grants	<u>22,976</u>	<u>23,459</u>	<u>23,474</u>		<u>(15)</u>
Use of money and property					
Interest on investments	<u>424</u>	<u>416</u>	<u>350</u>		<u>66</u>
Fines and fees	<u>4,405</u>	<u>4,360</u>	<u>5,000</u>		<u>(640)</u>
Other					
Miscellaneous	<u>3,346</u>	<u>2,931</u>	<u>2,500</u>		<u>431</u>
	<u>3,346</u>	<u>2,931</u>	<u>2,500</u>		<u>431</u>
Total cash receipts	<u>265,901</u>	<u>266,480</u>	<u>261,197</u>	\$	<u>5,283</u>
Expenditures					
Regular salaries	69,793	68,816	\$ 76,275	\$	(7,459)
Temporary help	58,408	52,292	53,100		(808)
Library pages	20,619	20,398	25,000		(4,602)
Overtime	411	0	500		(500)
Unemployment benefits	149	103	100		3
Reserves	0	0	21,318		(21,318)
Telephone services	1,634	1,378	1,300		78
Training	2,001	829	1,000		(171)
Advertising	789	1,065	500		565
Insurance and bond premiums	6,132	6,509	7,000		(491)
Utility charges	11,888	13,933	14,000		(67)
Other services	6,827	7,200	7,000		200
Office supplies	1,202	1,454	2,000		(546)
Postage	1,008	511	1,000		(489)
Gifts & memorials	160	248	60		188
Operation supplies	3,645	3,114	4,000		(886)
Building maintenance supplies	1,861	2,732	3,500		(768)
Cleaning supplies	337	267	300		(33)
Library media	25,590	25,090	29,000		(3,910)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2b

SPECIAL PURPOSE FUNDS
 LIBRARY FUND - 02
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual	Actual	Budget		
Expenditures - continued					
Library materials	\$ 912	\$ 572	\$ 1,200	\$	(628)
Children's programming	750	1,234	800		434
Adult programming	259	757	100		657
Miscellaneous	70	20	50		(30)
Computer equipment and software	3,929	4,794	5,000		(206)
Motor vehicle/equipment	494	94	200		(106)
Library books	4,262	3,684	2,950		734
Library materials	44	0	100		(100)
Refunds	88	121	50		71
Finance charges	23	0	0		0
	<u>223,285</u>	<u>217,215</u>	<u>257,403</u>		(40,188)
Operating transfers	<u>39,000</u>	<u>32,500</u>	<u>32,500</u>		0
Total expenditures and transfers subject to budget	<u>262,285</u>	<u>249,715</u>	<u>289,903</u>	\$	<u>(40,188)</u>
Receipts over (under) expenditures	3,616	16,765			
Unencumbered cash, January 1	<u>28,305</u>	<u>31,921</u>			
Unencumbered cash, December 31	<u>\$ 31,921</u>	<u>\$ 48,686</u>			

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
 EMPLOYEE BENEFIT FUND - 05
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Cash receipts					
Taxes					
Ad valorem property tax	\$ 300,257	\$	299,656	\$ 293,748	\$ 5,908
Back tax collections	8,920		7,340	8,000	(660)
Motor vehicle tax	28,636		31,268	29,667	1,601
In lieu of tax	714		1,280	400	880
	<u>338,527</u>		<u>339,544</u>	<u>331,815</u>	<u>7,729</u>
Use of money and property					
Interest on investments	2,277		2,240	1,500	740
Other					
Reimbursements	45,685		45,897	39,000	6,897
Operating transfers	<u>665,300</u>		<u>694,233</u>	<u>696,900</u>	<u>(2,667)</u>
Total cash receipts	<u>1,051,789</u>		<u>1,081,914</u>	<u>1,069,215</u>	<u>12,699</u>
Expenditures					
Final Benefits Payout	2,492		16,255	\$ 50,000	\$ (33,745)
HRA	38,172		24,539	0	24,539
Health Premiums	318,579		326,316	478,500	(152,184)
Cobra Insurance Premiums	10,816		11,787	0	11,787
Worker's compensation	85,408		85,831	95,000	(9,169)
FICA employer's contributions	208,409		212,766	230,000	(17,234)
KPERS employer's contributions	266,390		293,813	310,000	(16,187)
Section 125 payments	26,569		12,617	26,000	(13,383)
Unemployment	25,671		2,887	10,000	(7,113)
Training, travel, dues	247		269	0	269
Insurance	113		124	0	124
Employee assistance	3,380		4,213	0	4,213
Other contractual	1,139		1,196	4,100	(2,904)
Operational supplies	0		900	0	900
Miscellaneous	646		1,270	2,000	(730)
Employee development	11,992		14,926	20,000	(5,074)
	<u>1,000,023</u>		<u>1,009,709</u>	<u>1,225,600</u>	<u>(215,891)</u>
Appropriated reserve	<u>0</u>		<u>0</u>	<u>241,200</u>	<u>(241,200)</u>
Total expenditures subject to budget	<u>1,000,023</u>		<u>1,009,709</u>	<u>1,466,800</u>	<u>(457,091)</u>
Receipts over (under) expenditures	51,766		72,205		
Unencumbered cash, January 1	418,476		470,242		
Unencumbered cash, December 31	<u>\$ 470,242</u>	\$	<u>542,447</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
 FAMILY AQUATICS CENTER FUND - 07
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Taxes				
Sales Tax	\$ 1,766	\$ 1,445	\$ 1,500	\$(55)
Charges for services				
Season passes	20,920	20,390	20,000	390
Gate receipts	35,834	26,189	35,000	(8,811)
Coupon books	9,574	7,345	12,000	(4,655)
Concessions	19,655	16,549	20,000	(3,451)
Lessons	7,901	6,838	8,000	(1,162)
	<u>93,884</u>	<u>77,311</u>	<u>95,000</u>	<u>(17,689)</u>
Use of money and property				
Rentals	2,800	5,200	4,000	1,200
Interest on investments	650	712	500	212
	<u>3,450</u>	<u>5,912</u>	<u>4,500</u>	<u>1,412</u>
Other				
Reimbursed expenses	2,328	219	0	219
Operating transfers	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
Total cash receipts	<u>251,428</u>	<u>234,887</u>	<u>251,000</u>	<u>\$(16,113)</u>
Expenditures				
Regular Salaries	45,048	46,534	\$ 53,900	\$(7,366)
Temporary help	75,212	67,978	88,000	(20,022)
Overtime	3,960	3,941	3,000	941
Other personal services	829	829	900	(71)
Telephone	817	689	700	(11)
Training, travel, dues	1,029	889	1,000	(111)
Advertising	2,208	2,229	1,300	929
Insurance	3,946	5,585	4,600	985
Utilities	15,036	12,735	18,000	(5,265)
Other contractual	3,654	2,344	10,000	(7,656)
General supplies	91	56	200	(144)
Operational supplies	12,181	15,062	18,000	(2,938)
Equipment maintenance	529	532	2,000	(1,468)
Building & maintenance	3,097	1,299	12,000	(10,701)
Cleaning	10	53	300	(247)
Uniforms	2,155	2,124	2,500	(376)
Nonsufficient funds checks	0	79	0	79

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
 FAMILY AQUATICS CENTER FUND - 07
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Expenditures - continued					
Concession supplies	\$ 10,597	\$	8,948	\$ 10,200	\$ (1,252)
Miscellaneous	0		0	0	0
Equipment and plant	4,741		5,991	15,000	(9,009)
Equipment - Building & Grounds	71		0	0	0
Refunds	517		800	0	800
Sales tax	1,789		1,476	2,000	(524)
	<u>187,517</u>		<u>180,173</u>	<u>243,600</u>	<u>(63,427)</u>
Operating transfers	39,300		39,300	39,300	0
Appropriated reserve	<u>0</u>		<u>0</u>	<u>142,086</u>	<u>(142,086)</u>
Total expenditures and transfers subject to budget	<u>226,817</u>		<u>219,473</u>	<u>\$ 424,986</u>	<u>\$ (205,513)</u>
Receipts over (under) expenditures	24,611		15,414		
Unencumbered cash, January 1	<u>173,612</u>		<u>198,223</u>		
Unencumbered cash, December 31	<u>\$ 198,223</u>	\$	<u>213,637</u>		

City of Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
 COMMUNITY CENTER - 08
 SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual	Actual	Budget		
Cash receipts					
Charges for services					
Rentals	\$ 16,295	\$ 21,313	\$ 15,000	\$ 6,313	
Concessions	667	450	1,000	(550)	
Ticket sales	6,185	4,942	10,000	(5,058)	
Memberships	0	0	0	0	
Program and events	1,878	439	3,000	(2,561)	
	<u>25,025</u>	<u>27,144</u>	<u>29,000</u>	<u>(1,856)</u>	
Intergovernmental					
Grants	<u>3,300</u>	<u>4,720</u>	<u>7,500</u>	<u>(2,780)</u>	
Use of money and property					
Interest on investments	<u>181</u>	<u>116</u>	<u>200</u>	<u>(84)</u>	
Fees					
Fees	<u>2,685</u>	<u>3,520</u>	<u>0</u>	<u>3,520</u>	
Other					
Donations	85	81	1,000	(919)	
Reimbursed expenses	1,116	0	1,500	(1,500)	
Sales Tax	59	39	50	(11)	
Miscellaneous	0	120	0	120	
	<u>1,260</u>	<u>240</u>	<u>2,550</u>	<u>(2,310)</u>	
Operating transfers	<u>78,000</u>	<u>78,000</u>	<u>78,000</u>	<u>0</u>	
Total cash receipts	<u>110,451</u>	<u>113,740</u>	<u>117,250</u>	<u>(3,510)</u>	
Expenditures					
Full time salaries	44,485	45,426	\$ 50,000	\$ (4,574)	
Part time help	8,259	6,343	10,000	(3,657)	
Telephone	1,869	1,418	1,750	(332)	
Training and travel	211	622	500	122	
Advertising	1,585	2,723	3,000	(277)	
Insurance	4,747	5,439	5,000	439	
Utilities	11,140	12,350	15,500	(3,150)	
Other contractual	4,130	3,552	2,000	1,552	
Event and program costs	9,795	8,561	14,000	(5,439)	
General office supplies	111	0	400	(400)	
Postage	717	1,468	2,400	(932)	
Gifts/memorials	0	33	0	33	
Operating supplies	2,012	1,781	1,200	581	

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2e

SPECIAL REVENUE FUNDS
 COMMUNITY CENTER - 08
 SCHEDULE RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Expenditures - continued					
Building maintenance	\$ 3,667	\$	3,379	\$ 3,000	\$ 379
Cleaning supplies	302		615	500	115
Concession supplies	531		241	500	(259)
Miscellaneous	0		329	100	229
Computer equipment and software	298		2,641	500	2,141
Equipment and plant	0		0	100	(100)
Equipment, building and grounds	0		0	1,000	(1,000)
Refunds	0		0	500	(500)
Sales tax	69		46	100	(54)
Real Estate Taxes	1,577		1,628	900	728
Summer programs part time help	2,640		2,540	2,000	540
Advertising	1,000		1,447	1,000	447
Operational supplies	1,138		839	1,000	(161)
Refunds	10		145	250	(105)
	100,293		103,566	117,200	(13,634)
Operating transfers	15,000		13,333	15,000	(1,667)
Appropriated reserve	0		0	19,547	(19,547)
Total expenditures and transfers subject to budget	115,293		116,899	151,747	(34,848)
Receipts over (under) expenditures	(4,842)		(3,159)		
Unencumbered cash, January 1	39,007		34,165		
Unencumbered cash, December 31	\$ 34,165	\$	31,006		

City of Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
 STORM WATER MANAGEMENT - 12
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Cash receipts					
Charges for services					
Storm water management fees	\$ 81,128	\$	81,427	\$ 81,000	\$ 427
Use of money and property					
Interest on investments	914		797	700	97
Total cash receipts	82,042		82,224	\$ 81,700	\$ 524
Expenditures					
Full time salaries	13,588		14,241	\$ 14,900	\$ (659)
Overtime	53		82	0	82
Other contractual	0		677	0	677
Construction materials	13,950		4,404	30,000	(25,596)
Lease payments	0		16,000	0	16,000
Equipment/plant	0		22,683	0	22,683
Storm water construction	35,000		0	46,250	(46,250)
	62,591		58,087	91,150	(33,063)
Operating transfers	15,000		15,000	15,000	0
Appropriated reserve	0		0	153,208	(153,208)
Total expenditures and transfers subject to budget	77,591		73,087	\$ 259,358	\$ (186,271)
Receipts over (under) expenditures	4,451		9,137		
Unencumbered cash, January 1	188,957		193,408		
Unencumbered cash, December 31	\$ 193,408	\$	202,545		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
 SPECIAL PARK AND RECREATION FUND - 14
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Intergovernmental				
Local liquor tax	\$ 13,627	\$ 10,986	\$ 11,000	\$ (14)
Use of money and property				
Interest on investment	52	55	60	(5)
Other				
Reimbursed expenses	3,845	0	0	0
Total cash receipts	<u>17,524</u>	<u>11,041</u>	<u>\$ 11,060</u>	<u>\$ (19)</u>
Expenditures				
Other services	6,395	1,264	2,500	(1,236)
Construction materials	320	2,250	3,500	(1,250)
Equipment, building and grounds	17,150	0	0	0
Appropriated reserve	0	0	10,472	(10,472)
Total expenditures subject to budget	<u>23,865</u>	<u>3,514</u>	<u>\$ 16,472</u>	<u>\$ (12,958)</u>
Receipts over (under) expenditures	(6,341)	7,527		
Unencumbered cash, January 1	<u>18,530</u>	<u>12,189</u>		
Unencumbered cash, December 31	<u>\$ 12,189</u>	<u>\$ 19,716</u>		

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
 STREET REPAIR - SPECIAL HIGHWAY FUND - 17
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Taxes				
Gas tax	\$ 144,972	\$ 140,333	\$ 145,800	\$ (5,467)
Use of money and property				
Interest on investments	309	386	350	36
Total cash receipts	<u>145,281</u>	<u>140,719</u>	<u>146,150</u>	<u>(5,431)</u>
Expenditures				
Full time salaries	24,508	25,432	26,000	(568)
Overtime	100	246	0	246
Other contractual	5,000	0	5,000	(5,000)
Construction material	119,291	127,032	125,000	2,032
	148,899	152,710	156,000	(3,290)
Operating transfers	0	4,000	4,000	0
Appropriated reserve	<u>0</u>	<u>0</u>	<u>44,884</u>	<u>(44,884)</u>
Total expenditures subject to budget	<u>148,899</u>	<u>156,710</u>	<u>204,884</u>	<u>(48,174)</u>
Receipts over (under) expenditures	(3,618)	(15,991)		
Unencumbered cash, January 1	<u>69,234</u>	<u>65,616</u>		
Unencumbered cash, December 31	\$ <u>65,616</u>	\$ <u>49,625</u>		

City of Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
 TRANSIENT GUEST TAX - 20
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Cash receipts					
Taxes					
Transient guest tax	\$ 32,302	\$	33,847	\$ 33,000	\$ 847
Use of money and property					
Interest on investment	416		359	500	(141)
Other					
Reimbursed expenses	3,499		0	0	0
Total cash receipts	<u>36,217</u>		<u>34,206</u>	<u>\$ 33,500</u>	<u>706</u>
Expenditures					
Other contractual	3,500		3,500	\$ 48,800	(45,300)
Economic Development Chamber	10,000		10,000	10,000	0
Promotional campaigns	17,050		27,316	20,000	7,316
Miscellaneous	0		0	5,000	(5,000)
Appropriated Reserve	0		0	40,000	(40,000)
Total expenditures subject to budget	<u>30,550</u>		<u>40,816</u>	<u>\$ 123,800</u>	<u>(82,984)</u>
Receipts over (under) expenditures	5,667		(6,610)		
Unencumbered cash, January 1	89,300		94,967		
Unencumbered cash, December 31	\$ <u>94,967</u>	\$	<u>88,357</u>		

City of Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
 SPECIAL LAW ENFORCEMENT ACCOUNT - 18
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Interest on investment	\$ 15	\$ 23
Other		
Miscellaneous	<u>21,516</u>	<u>1,413</u>
Total cash receipts	<u>21,531</u>	<u>1,436</u>
Expenditures		
Miscellaneous	<u>9,171</u>	<u>12,104</u>
Total expenditures	<u>9,171</u>	<u>12,104</u>
Receipts over (under) expenditures	12,360	(10,668)
Unencumbered cash, January 1	<u>172</u>	<u>12,532</u>
Unencumbered cash, December 31	<u>\$ 12,532</u>	<u>\$ 1,864</u>

City of Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
 FAMILY AQUATICS CENTER EQUIPMENT RESERVE - 23
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investments	\$ 6,778	\$ 5,172
Other		
Reimbursements	<u>6,974</u>	<u>0</u>
Total cash receipts	<u>13,752</u>	<u>5,172</u>
Expenditures		
Other contractual	0	0
Operating transfers	<u>150,000</u>	<u>150,000</u>
Total expenditures and transfers	<u>150,000</u>	<u>150,000</u>
Receipts over (under) expenditures	(136,248)	(144,828)
Unencumbered cash, January 1	<u>1,476,225</u>	<u>1,339,977</u>
Unencumbered cash, December 31	\$ <u><u>1,339,977</u></u>	\$ <u><u>1,195,149</u></u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 21

SPECIAL PURPOSE FUNDS
 ESCROW FUND - 46
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Escrow receipts	\$ 21,868	\$ 29,830
Total cash receipts	<u>21,868</u>	<u>29,830</u>
Expenditures		
Escrow disbursements	<u>21,918</u>	<u>52,840</u>
Total expenditures	<u>21,918</u>	<u>52,840</u>
Receipts over (under) expenditures	(50)	(23,010)
Unencumbered cash, January 1	<u>23,060</u>	<u>23,010</u>
Unencumbered cash, December 31	<u>\$ 23,010</u>	<u>\$ 0</u>

City of Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
 MENNENOAH CEMETERY - 47
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investment	\$ 166	\$ 145
Total cash receipts	166	145
Expenditures		
Capital improvements	0	0
Receipts over (under) expenditures	166	145
Unencumbered cash, January 1	<u>36,757</u>	<u>36,923</u>
Unencumbered cash, December 31	<u>\$ 36,923</u>	<u>\$ 37,068</u>

City of Paola, Kansas

Schedule n

SPECIAL PURPOSE FUNDS
 SPECIAL GRANTS FUND - 70
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 December 31, 2013

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Intergovernmental		
Grants/donations	\$ 9,187	\$ 2,049
Use of money and property		
Reimbursements	<u>11,194</u>	<u>10,470</u>
Total cash receipts	<u>20,381</u>	<u>12,519</u>
Expenditures		
Other contractual	<u>22,177</u>	<u>2,341</u>
Total expenditures	<u>22,177</u>	<u>2,341</u>
Receipts over (under) expenditures	(1,796)	10,178
Unencumbered cash, January 1	<u>4,299</u>	<u>2,503</u>
Unencumbered cash, December 31	\$ <u><u>2,503</u></u>	\$ <u><u>12,681</u></u>

City of Paola, Kansas

Schedule 2a

SPECIAL PURPOSE FUNDS
 DRUG ENFORCEMENT ACCOUNT
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Other		
Reimbursement	\$ 5,221	\$ 1,680
 Expenditures		
Other services	<u>5,875</u>	<u>1,340</u>
Receipts over (under) expenditures	(654)	340
Unencumbered cash, January 1	<u>1,263</u>	<u>609</u>
Unencumbered cash, December 31	<u>\$ 609</u>	<u>\$ 949</u>

City of Paola, Kansas

Schedule 2p

SPECIAL PURPOSE FUNDS
LIBRARY GENEALOGY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investment	\$ 4	\$ 1
Expenditures		
Other supplies	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	4	1
Unencumbered cash, January 1	<u>2,257</u>	<u>2,261</u>
Unencumbered cash, December 31	<u>\$ 2,261</u>	<u>\$ 2,262</u>

City of Paola, Kansas

Schedule 2a

DEBT SERVICE FUND
 BOND & INTEREST - 06
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Taxes				
Ad valorem property tax	\$ 208,297	\$ 208,598	\$ 204,470	\$ 4,128
Back tax collections	6,413	5,159	6,000	(841)
Motor vehicle tax	20,386	21,866	20,649	1,217
Special assessments	238,462	153,959	190,000	(36,041)
In lieu of tax	497	891	500	391
	<u>474,055</u>	<u>390,473</u>	<u>421,619</u>	<u>(31,146)</u>
Use of money and property				
Interest on investments	3,699	2,679	3,500	(821)
Miscellaneous	0	10,200	0	10,200
	<u>3,699</u>	<u>12,879</u>	<u>3,500</u>	<u>9,379</u>
Operating transfers	<u>1,138,324</u>	<u>1,438,917</u>	<u>1,438,919</u>	<u>(2)</u>
Total cash receipts	<u>1,616,078</u>	<u>1,842,269</u>	<u>1,864,038</u>	<u>(21,769)</u>
Expenditures				
Bond principal	1,195,000	1,390,000	1,390,000	0
Interest expense	496,580	577,139	577,139	0
Other reserves	1,589	0	187,197	(187,197)
Total expenditures and transfers subject to budget	<u>1,693,169</u>	<u>1,967,139</u>	<u>2,154,336</u>	<u>(187,197)</u>
Receipts over (under) expenditures	(77,091)	(124,870)		
Unencumbered cash, January 1	<u>355,051</u>	<u>277,960</u>		
Unencumbered cash, December 31	\$ <u>277,960</u>	\$ <u>153,090</u>		

City of Paola, Kansas

Schedule 2r

CAPITAL PROJECTS FUNDS
 WASTE WATER TREATMENT PLANT CONSTRUCTION - 31
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Use of money and property		
Interest on investments	\$ 3,457	\$ 3,020
Expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	3,457	3,020
Unencumbered cash (deficit), January 1	<u>766,252</u>	<u>769,709</u>
Unencumbered cash (deficit), December 31	<u>\$ 769,709</u>	<u>\$ 772,729</u>

City of Paola, Kansas

Schedule 2s

CAPITAL PROJECTS FUNDS
EQUIPMENT REPLACEMENT - 80
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Other		
Miscellaneous	<u>15,500</u>	<u>66,300</u>
Total cash receipts	<u>15,500</u>	<u>66,300</u>
Expenditures		
Miscellaneous	<u>10,660</u>	<u>72,939</u>
Total expenditures	<u>10,660</u>	<u>72,939</u>
Receipts over (under) expenditures	4,840	(6,639)
Unencumbered cash (deficit), January 1	<u>42,197</u>	<u>47,037</u>
Unencumbered cash (deficit), December 31	\$ <u><u>47,037</u></u>	\$ <u><u>40,398</u></u>

City of Paola, Kansas

Schedule 2t

CAPITAL PROJECTS FUNDS
 CAPITAL PROJECTS - 90
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Taxes and shared revenues		
City sales tax	\$ 1,028,003	\$ 1,036,775
Other		
Interest	14,898	14,391
Miscellaneous	0	220,356
Reimbursements	29,156	3,662
Grants	27,726	21,770
Donations and gifts	13,560	78,958
Bond Proceeds	2,068,646	0
Operating transfers	<u>497,460</u>	<u>48,582</u>
	<u>2,651,446</u>	<u>387,719</u>
Total cash receipts	<u>3,679,449</u>	<u>1,424,494</u>
Expenditures		
Construction materials	110,028	55,278
Other contractual	20,506	411,821
Capital items	1,066,029	24,586
Professional Services	25,331	0
Miscellaneous capital items	0	18,156
Sales tax	0	21
Other	<u>65,437</u>	<u>35,152</u>
	1,287,331	545,014
Operating transfers	<u>1,391,591</u>	<u>1,006,960</u>
Total expenditures and transfers	<u>2,678,922</u>	<u>1,551,974</u>
Receipts over (under) expenditures	1,000,527	(127,480)
Unencumbered cash (deficit), January 1	<u>1,558,968</u>	<u>2,559,495</u>
Unencumbered cash (deficit), December 31	<u>\$ 2,559,495</u>	<u>\$ 2,432,015</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2u

CAPITAL PROJECT FUNDS
 GENERAL OBLIGATION BOND
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS

For the Year Ended December 31, 2013

(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Cash receipts		
Sources of Funds		
Bond Principal amount	\$ 7,525,000	\$ 0
Bond premium	<u>110,228</u>	<u>0</u>
 Total cash receipts	 <u>7,635,228</u>	 <u>0</u>
 Expenditures		
Deposited into Funds	7,463,214	0
Issuance costs	49,998	0
Bond insurance costs	39,048	0
Underwriter's discount	75,250	0
Other	<u>0</u>	<u>7,718</u>
 Total expenditures and	 <u>7,627,510</u>	 <u>7,718</u>
 Receipts over (under) expenditures	 7,718	 (7,718)
 Unencumbered cash, January 1	 <u>0</u>	 <u>7,718</u>
 Unencumbered cash, December 31	 <u>\$ 7,718</u>	 <u>\$ 0</u>

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
 WATER UTILITY FUND - 09
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Cash receipts				
Charges for services				
Sale of water	\$ 1,828,554	\$ 1,673,692	\$ 1,943,440	\$ (269,748)
Water for resale	45,593	30,561	33,000	(2,439)
Sales tax	29,822	28,372	26,000	2,372
Tank sales	16,052	12,553	12,000	553
Installation charges	44,000	8,000	15,000	(7,000)
Connection fees	7,885	7,220	7,500	(280)
	<u>1,971,906</u>	<u>1,760,398</u>	<u>2,036,940</u>	<u>(276,542)</u>
Use of money and property				
Rentals	1,100	1,200	1,000	200
Interest on investments	853	737	1,000	(263)
	<u>1,953</u>	<u>1,937</u>	<u>2,000</u>	<u>(63)</u>
Other				
Reimbursed expenses	69,884	69,353	65,000	4,353
KS setoff reimbursement	9,159	8,538	0	8,538
Long/short	(31)	(11)	0	(11)
	<u>79,012</u>	<u>77,880</u>	<u>65,000</u>	<u>12,880</u>
Total cash receipts	<u>2,052,871</u>	<u>1,840,215</u>	<u>2,103,940</u>	<u>(263,725)</u>
Expenditures				
Administration				
Full time salaries	78,103	80,104	82,000	(1,896)
Overtime	26	0	100	(100)
Other personal services	2,484	2,484	2,500	(16)
Training, travel, dues	0	28	0	28
Insurance and bonds	10,689	11,830	11,000	830
Other contractual	4,430	4,335	5,000	(665)
General office supplies	579	33	750	(717)
Postage	3,801	4,245	6,000	(1,755)
Operational supplies	1,052	105	2,000	(1,895)
Miscellaneous	0	0	6,000	(6,000)
Computer equipment and software	0	0	2,000	(2,000)
Refunds	0	3,087	500	2,587
Sales tax remittance	44,564	36,661	30,000	6,661
	<u>145,728</u>	<u>142,912</u>	<u>147,850</u>	<u>(4,938)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2v

BUSINESS FUNDS
 WATER UTILITY FUND - 09
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2012		2013		Variance Over (Under)
	Actual	Actual	Budget	Budget	
Production					
Full time salaries	\$ 47,004	\$ 51,873	\$ 47,000	\$ 47,000	\$ 4,873
Overtime	1,015	228	3,000	3,000	(2,772)
Telephone services	493	420	1,000	1,000	(580)
Training, travel, dues	0	145	0	0	145
Utilities	5,735	5,486	2,500	2,500	2,986
Other contractual	0	295	1,000	1,000	(705)
Water purchase	1,442,203	1,279,874	1,326,800	1,326,800	(46,926)
Vehicle maintenance	95	0	500	500	(500)
Motor fuel and lubrication	892	292	800	800	(508)
Uniforms	355	316	350	350	(34)
	<u>1,497,792</u>	<u>1,338,929</u>	<u>1,382,950</u>	<u>1,382,950</u>	<u>(44,021)</u>
Distribution					
Full time salaries	91,674	90,706	125,000	125,000	(34,294)
Overtime	902	374	2,000	2,000	(1,626)
Tank maintenance	8,080	8,080	8,100	8,100	(20)
Telephone services	1,977	1,362	2,500	2,500	(1,138)
Training, travel, dues	1,255	2,000	2,000	2,000	0
Advertising	0	81	2,000	2,000	(1,919)
Lease payments	0	600	2,000	2,000	(1,400)
Legal printing	0	0	500	500	(500)
Utilities	945	1,387	3,000	3,000	(1,613)
Testing analytical	600	609	2,500	2,500	(1,891)
Other contractual	5,931	6,908	4,000	4,000	2,908
General office supplies	235	271	500	500	(229)
Postage	246	297	1,000	1,000	(703)
Operational supplies	50,376	39,967	50,000	50,000	(10,033)
Vehicle maintenance	340	2,368	2,500	2,500	(132)
Equipment maintenance	4,323	1,392	2,500	2,500	(1,108)
Building and maintenance	2,063	1,633	2,500	2,500	(867)
Construction materials	14,700	11,422	8,000	8,000	3,422
Motor fuel and lubrication	14,129	12,054	10,000	10,000	2,054
Uniforms	1,234	1,305	1,000	1,000	305
Computer equipment and software	1,000	0	1,000	1,000	(1,000)
Mains and meters	29,270	51,512	60,000	60,000	(8,488)
Motor vehicle/equipment	0	5,855	5,000	5,000	855
	<u>229,280</u>	<u>240,183</u>	<u>297,600</u>	<u>297,600</u>	<u>(57,417)</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2y

BUSINESS FUNDS
 WATER UTILITY FUND - 09
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual		Actual	Budget	
Operating transfers	\$ 188,750	\$	\$ 185,100	\$ 185,100	4 0
Appropriated reserve	0		0	377,437	(377,437)
Total expenditures and transfers subject to budget	<u>2,061,550</u>		<u>1,907,124</u>	<u>2,390,937</u>	<u>(483,813)</u>
Receipts over (under) expenditures	(8,679)		(66,909)		
Unencumbered cash, January 1	<u>237,147</u>		<u>228,468</u>		
Unencumbered cash, December 31	\$ <u>228,468</u>	\$	<u>161,559</u>		

City of Paola, Kansas

Schedule 2w

BUSINESS FUNDS
 WATER TREATMENT PLANT FUND - 15
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Use of money and property				
Interest	\$ 1,198	\$ 1,047	\$ 1,600	\$ (553)
Total cash receipts	1,198	1,047	1,600	(553)
Expenditures				
Capital improvements	0	0	\$ 268,719	\$ (268,719)
Total expenditures and transfers subject to budget	0	0	\$ 268,719	\$ (268,719)
Receipts over (under) expenditures	1,198	1,047		
Unencumbered cash, January 1	265,619	266,817		
Unencumbered cash, December 31	\$ 266,817	\$ 267,864		

City of Paola, Kansas

Schedule 2x

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Charges for services				
Inspection charges	\$ 800	\$ 200	\$ 600	\$ (400)
Sewer lagoon dumping	594	231	0	231
Sewer service charges	677,149	671,847	686,000	(14,153)
	<u>678,543</u>	<u>672,278</u>	<u>686,600</u>	<u>(14,322)</u>
Use of money and property				
Interest on investments	519	534	700	(166)
Other				
Operating transfers	0	30,000	30,000	0
Reimbursed expenses	6,416	13,783	2,000	11,783
	<u>6,416</u>	<u>43,783</u>	<u>32,000</u>	<u>11,783</u>
Total cash receipts	<u>685,478</u>	<u>716,595</u>	<u>\$ 719,300</u>	<u>\$ (2,705)</u>
Expenditures				
Administration				
Full time salaries	98,868	101,322	\$ 98,000	\$ 3,322
Overtime	26	0	0	0
Other personal services	2,484	2,484	2,500	(16)
Training, Travel, Dues	0	0	2,000	(2,000)
Insurance	19,231	20,549	19,500	1,049
Other contractual	4,240	4,139	0	4,139
General office supplies	544	33	1,000	(967)
Postage	4,274	4,245	4,500	(255)
Refunds	0	0	0	0
Computer software and equipment	0	0	1,500	(1,500)
	<u>129,667</u>	<u>132,772</u>	<u>129,000</u>	<u>3,772</u>
Production				
Full time salaries	94,464	51,770	75,000	(23,230)
Overtime	3,339	1,564	1,500	64
Telephone services	981	839	1,250	(411)
Training, travel, dues	956	722	4,000	(3,278)
Advertising	0	81	0	81
Utilities	54,418	65,299	70,000	(4,701)
Testing and analytical	8,323	7,363	10,000	(2,637)
Other contractual	6,966	531	3,000	(2,469)
General office supplies	60	154	200	(46)

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2x

BUSINESS FUNDS
SEWER SERVICE FUND - 04
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

Expenditures - continued	2013			Variance Over (Under)
	2012 Actual	Actual	Budget	
Production - continued				
Postage	\$ 22	\$ 0	\$ 0	\$ 0
Operational supplies	22,510	16,876	19,000	(2,124)
Vehicle maintenance	67	9	500	(491)
Equipment maintenance	30	5,076	2,500	2,576
Building maintenance	106	1,420	2,000	(580)
Motor fuel and lubricants	3,288	2,451	2,500	(49)
Uniforms	594	295	800	(505)
Equipment, building and grounds	0	1,808	4,000	(2,192)
	<u>196,124</u>	<u>156,258</u>	<u>196,250</u>	<u>(39,992)</u>
Distribution				
Full time salaries	147,839	156,766	135,000	21,766
Overtime	1,488	580	1,000	(420)
Professional services	0	0	1,000	(1,000)
Telephone services	2,408	2,182	2,250	(68)
Training, travel, dues	532	1,000	1,000	0
Lease Payments	0	600	0	600
Utilities	4,776	6,098	8,000	(1,902)
Other contractual	1,753	2,051	3,000	(949)
General office supplies	850	330	1,000	(670)
Postage	420	24	0	24
Operational supplies	14,195	12,674	9,000	3,674
Vehicle maintenance	289	1,049	1,500	(451)
Equipment maintenance	7,798	4,432	8,500	(4,068)
Building maintenance	1,707	1,850	3,000	(1,150)
Construction materials	2,815	10	5,000	(4,990)
Motor fuel and lubricants	11,954	10,663	8,000	2,663
Uniforms	1,213	1,446	1,000	446
Computer equipment and software	1,000	59	1,000	(941)
Distribution lines	0	34,358	30,000	4,358
Miscellaneous	0	0	3,750	(3,750)
	<u>201,037</u>	<u>236,172</u>	<u>223,000</u>	<u>13,172</u>

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 2x

BUSINESS FUNDS
 SEWER SERVICE FUND - 04
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual	Actual	Budget	Actual	
Expenditures - continued					
Operating transfers	\$ 127,000	\$ 140,000	\$ 147,000	\$	(7,000)
Appropriated reserve	0	0	121,723		(121,723)
Total expenditures and transfers subject to budget	653,828	665,202	816,973	\$	(151,771)
Receipts over (under) expenditures	31,650	51,393			
Unencumbered cash, January 1	90,229	121,879			
Unencumbered cash, December 31	\$ 121,879	\$ 173,272			

City of Paola, Kansas

Schedule 2y

BUSINESS FUNDS
 SEWER LINE REPLACEMENT - 11
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Use of money and property				
Interest on investments	\$ 666	\$ 609	\$ 600	\$ 9
Operating transfers	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total cash receipts	<u>7,666</u>	<u>7,609</u>	<u>7,600</u>	<u>9</u>
Expenditures				
Contractual	<u>0</u>	<u>0</u>	<u>160,603</u>	<u>(160,603)</u>
Receipts over (under) expenditures	7,666	7,609		
Unencumbered cash, January 1	<u>145,353</u>	<u>153,019</u>		
Unencumbered cash, December 31	\$ <u>153,019</u>	\$ <u>160,628</u>		

City of Paola, Kansas

Schedule 2z

BUSINESS FUNDS
 WASTEWATER TREATMENT PLANT - 16
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 REGULATORY BASIS
 For the Year Ended December 31, 2013
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012 Actual	2013		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Charges for services				
Connect & disconnect	\$ 23,100	\$ 3,300	\$ 6,600	\$ (3,300)
Sewer service charge	417,948	421,192	430,000	(8,808)
	<u>441,048</u>	<u>424,492</u>	<u>436,600</u>	<u>(12,108)</u>
Use of money and property				
Interest income	2,613	2,822	3,000	(178)
Total cash receipts	<u>443,661</u>	<u>427,314</u>	<u>\$ 439,600</u>	<u>\$ (12,286)</u>
Expenditures				
Full time salaries	7,461	56,737	60,000	(3,263)
Overtime	348	180	1,000	(820)
Loan payments	200,000	0	0	0
Other contractual	407	13,909	20,000	(6,091)
Operational supplies	4,961	4,723	10,000	(5,277)
Miscellaneous	0	0	15,000	(15,000)
Equipment/plant	12,284	31,284	58,000	(26,716)
	<u>225,461</u>	<u>106,833</u>	<u>164,000</u>	<u>(57,167)</u>
Operating transfer	124,192	376,957	376,958	(1)
Appropriated reserve	0	0	543,011	(543,011)
Total expenditures and transfers subject to budget	<u>349,653</u>	<u>483,790</u>	<u>\$ 1,083,969</u>	<u>\$ (600,179)</u>
Receipts over (under) expenditures	94,008	(56,476)		
Unencumbered cash, January 1	<u>625,662</u>	<u>719,670</u>		
Unencumbered cash, December 31	<u>\$ 719,670</u>	<u>\$ 663,194</u>		

City of Paola, Kansas

Schedule 2aa

BUSINESS FUNDS
HEALTH AND SANITATION FUND - 13
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013
(With Comparative Actual Totals for the Prior Year Ended December 31, 2012)

	2012		2013		Variance Over (Under)
	Actual	Actual	Budget		
Cash receipts					
Charges for services					
Haulers' permits	\$ 300	\$ 675	\$ 300	\$ 375	
Landfill charges and collections	317,710	335,233	340,000	(4,767)	
	<u>318,010</u>	<u>335,908</u>	<u>340,300</u>	<u>(4,392)</u>	
Use of money and property					
KS setoff reimbursement	237	262	200	62	
Interest on investments	7	47	10	37	
	<u>244</u>	<u>309</u>	<u>210</u>	<u>99</u>	
Fees	<u>435</u>	<u>300</u>	<u>300</u>	<u>0</u>	
Total cash receipts	<u>318,689</u>	<u>336,517</u>	<u>340,810</u>	<u>(4,355)</u>	
Expenditures					
Full time salaries	9,313	9,350	10,000	(650)	
Overtime	9	0	0	0	
Advertising	480	528	750	(222)	
Insurance	1,891	2,122	2,500	(378)	
Other contractual	295,418	304,396	306,500	(2,104)	
General office supplies	544	0	0	0	
Operational Supplies	414	0	0	0	
Payt sticker expense	675	0	0	0	
	<u>308,744</u>	<u>316,396</u>	<u>319,750</u>	<u>(3,354)</u>	
Operating transfers	5,000	4,000	4,000	0	
Appropriated reserve	<u>0</u>	<u>0</u>	<u>24,033</u>	<u>(24,033)</u>	
Total expenditures and transfers subject to budget	<u>313,744</u>	<u>320,396</u>	<u>347,783</u>	<u>(27,387)</u>	
Receipts over (under) expenditures	4,945	16,121			
Unencumbered cash, January 1	<u>1,834</u>	<u>6,779</u>			
Unencumbered cash, December 31	<u>6,779</u>	<u>22,900</u>			

See Independent Auditor's Report.

City of Paola, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2013

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Police bond	\$ 10,307	\$ 32,505	\$ 37,856	\$ 4,956
Payroll withholding	5,602	298,160	297,357	6,405
	<u>\$ 15,909</u>	<u>\$ 330,665</u>	<u>\$ 335,213</u>	<u>\$ 11,361</u>